

HOUSE No. 1774

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph F. Wagner

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act providing incentives for productive workers compensation audits.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>	<i>1/16/2015</i>
<i>Eileen M. Donoghue</i>	<i>First Middlesex</i>	<i>10/1/2019</i>
<i>James T. Welch</i>	<i>Hampden</i>	<i>2/2/2015</i>

HOUSE No. 1774

By Mr. Wagner of Chicopee, a petition (accompanied by bill, House, No. 1774) of Joseph F. Wagner, Eileen M. Donoghue and James T. Welch for legislation to provide incentives for productive workers' compensation audits. Labor and Workforce Development.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1771 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act providing incentives for productive workers compensation audits.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 152 of the General Laws is hereby amended by inserting after
2 section 25U the following section:

3 Section 25V. (a) Employers in all classes other than the construction class shall be
4 audited not less frequently than biennially and may provide for more frequent audits of
5 employers in specified classifications based on factors such as amount of premium, type of
6 business, loss ratios, or other relevant factors. In no event shall employers in the construction
7 class, generating more than the amount of premium required to be experience rated, be audited
8 less than annually. The annual audits required for construction classes may consist of physical
9 onsite audits. At the completion of an audit, if requested by the auditor, the employer or officer
10 of the corporation and the auditor must print and sign their names on the audit document

11 affirming the accuracy of the information provided therein. Employers shall make available all
12 records necessary for the payroll verification audit and permit the auditor to make a physical
13 inspection of the employer's operation. If an employer fails to provide reasonable access to all
14 records necessary for a payroll verification audit including a physical inspection of the
15 employer's operation, the employer shall pay additional premium to the carrier or self-insurer of
16 three times the most recent estimated annual premium.

17 (b) If an employer understates or conceals payroll, knowingly misrepresents or
18 knowingly conceals employee duties so as to avoid proper classification for premium
19 calculations or misrepresents or conceals information pertinent to the computation and
20 application of an experience rating modification factor said knowing misrepresentation or
21 knowing concealment shall be considered a violation of chapter 93A of the general laws and
22 enforceable solely by the attorney general.

23 (c) This section shall not apply to self-insurers as defined under subparagraph (a) or (b)
24 of paragraph (2) of section 25A, or is a member of workers' compensation self-insurance group
25 established pursuant to section 25E to 25U, inclusive.