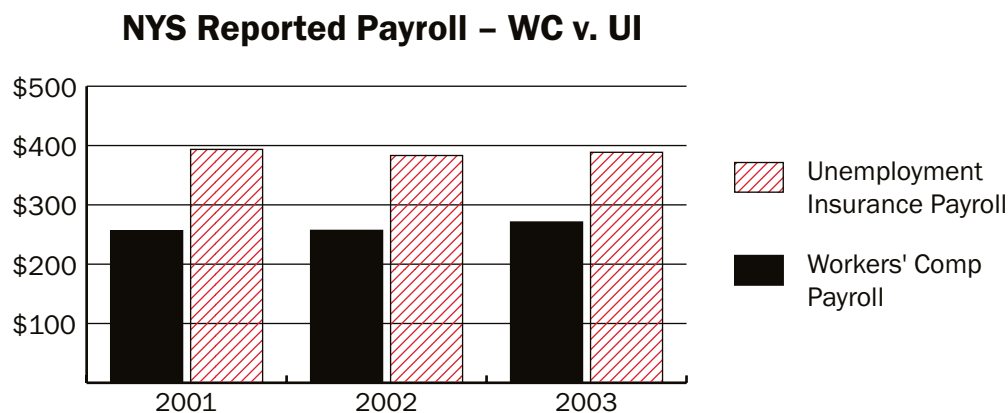


**FACT
#7**

Employers who under-report payroll raise workers' compensation insurance rates for all employers.

- Many employers avoid paying their fair share of workers' compensation insurance by under-reporting the payroll figures used to calculate premium. The New York Times reports that employers understate their payroll to workers' compensation insurers by over *\$70 billion per year*, cheating insurers out of *\$500 million to \$1 billion in premium dollars*. In Florida, over a *billion dollars in payroll* was recaptured **in three years** when the state attacked this problem.



- Dishonest employers also cheat by falsifying their workers' job classifications – for example, claiming that laborers are office workers, and gaining lower premium charges by so doing.
- Insurers make up for lost payroll and incorrect job classifications by setting rates higher than they should be – forcing honest employers to subsidize dishonest ones. No effort is made to catch or punish dishonest employers.

NEW YORK MUST VERIFY EMPLOYER PAYROLLS – NOT CUT WORKER BENEFITS.

FOR MORE INFORMATION CONTACT

The New York Committee For Occupational Safety And Health (NYCOSH) At 212-227-6440 or WWW.NYCOSH.ORG