

### Extended Renewal Deadline of 2020-2021 Workers' Compensation Insurance Policy and Changes in Coverage of Remote Workers

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Puerto Rico Act No. 45 of April 18, 1935, known as the Puerto Rico Workers' Accident Compensation Act, establishes a compulsory insurance system for all employers that covers their employees' work-related accidents or illnesses.

This year's policy renewal deadline has been automatically extended due to the COVID-19 pandemic. Employers are required to file the Payroll Statement along with partial or full annual premium payment **no later than Tuesday, August 4, 2020**, in order to obtain worker's compensation coverage for the upcoming policy year which commenced on July 1, 2020. No additional extensions will be granted.

Also, since the shift to remote work caused by the COVID-19 pandemic is anticipated to continue, the State Insurance Fund ("SIF") recently clarified various aspects of coverage for remote workers during 2020-21. Following are some of the most relevant points:

- An employee who works remotely is one who has agreed with the employer to carry out all or part of the office work from his/her home.
- All employers who have employees working from home must file Form 02-129, Report of Employees on Remote Work together with the Payroll Statement.
- As of July 1<sup>st</sup>, 2020, the premium rate for employees in the job classification corresponding to "remote work" will have the same premium rate for employees in the job classification corresponding to "office clerks and draftsmen"; that is, the premium rate will be \$1.05.
- Employers who have employees working from home must include the job classification for remote work (8871-350) in their Payroll Statement. However, if the employer is reporting the salaries of employees in a job or industry classification that includes office work within its description, then the job classification that prevails will be the specific job or industry classification, instead of the job classification for "remote work." The SIF Manual on



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Industry and Job Classifications was amended for 2020-21 to include remote work within certain specific industry and job classifications that comprise office work.

Other important reminders regarding workers' compensation insurance in Puerto Rico:

- Failure to file the SIF payroll statement and pay the corresponding premiums in a timely manner will result in a lapse in coverage and non-insured status.
- Employers must ensure that all their contractors renew their own workers' compensation insurance policy with the SIF, since an insured employer is subsidiarily liable for work-related injuries sustained by the workers of an uninsured contractor.

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