



## **MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY**

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### **CIRCULAR LETTER #189 TO ALL MEMBERS OF THE MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY**

#### **RE: TREATMENT OF PROFESSIONAL EMPLOYER ORGANIZATIONS (PEO) WITH WORKERS' COMPENSATION COVERAGE IN THE MICHIGAN RESIDUAL MARKET**

Dear Member:

At the Board of Governors meeting for the Michigan Workers' Compensation Placement Facility held April 29, 2003, the subject of who is responsible for workers' compensation coverage in a PEO/client company situation was discussed. At the conclusion of the discussion, it was moved, seconded and approved:

**If a PEO has coverage in the workers' compensation residual market, the issuer (PEO/client company) of the W-2 form is the employer and the responsible party for payment of the workers' compensation premium.**

In an effort to allow PEO/client companies to make any necessary adjustments, the Facility will implement this rule as of 1-1-04 to all new and renewal policies in the residual market pool.

Please call our office with any questions.

Sincerely,

Gary L. Thompson