


EY Payroll NewsFlash Workforce Tax Services

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Washington announces a modest workers' compensation insurance rate hike for workers and employers

Summary

- *The Washington Department of Labor & Industries has announced a 4.8% increase in the average price employers and workers will pay for workers' compensation insurance in 2023.*
- *Employers and workers will jointly pay an additional \$61 on average for 2023, for each full-time employee within a business.*

The Washington [Department of Labor & Industries](#) (L&I) [announced](#) a 4.8% increase in the average price employers and employees will pay in 2023 for workers' compensation insurance next year. L&I will use contingency reserves to cover any gap between premiums and costs to keep rates steady and avoid a larger increase.

Employers and workers will jointly pay an additional \$61 on average for 2023, for each full-time employee within a business.

Employers and workers pay into the workers' compensation system to help cover the cost of providing wage and disability benefits for injured workers, and medical treatment for workplace injuries and illnesses.

Workers will continue to pay on average about 25% of the total premium, similar to what they paid in 2022.

Ernst & Young LLP insights

In most states, rates are charged as a percentage of payroll, so when employee wages go up, more premiums are collected. In Washington, rates are charged as an amount per hour worked. When wages go up, the rate paid stays the same.

Contact us for more information

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