



New Budget Deal to Significantly Increase OSHA Fines for the First Time in Twenty-Five Years

Last year, OSHA assembled a work group to evaluate its penalty policies and found currently assessed penalties are too low to have an adequate deterrent effect. Based on the group's findings and recommendations, several administrative changes to the penalty calculation system are being made. The penalty changes will increase the overall dollar amount of all penalties while maintaining OSHA's policy of reducing penalties for small employers and those acting in good faith.

The budget allows for an initial penalty "catch up adjustment," which must be in place by August 1, 2016. The catch up adjustment is tied to the percentage difference between the October 2015 Consumer Price Index (CPI) and the October 1990 CPI.

Because the October 2015 CPI will not be available until November 17, 2015, the actual percentage increase is unknown at this time. However, based on recent CPI trends the increase will likely be in the range of **70% – 80% over current penalty amounts**. OSHA would be required to pass an interim final rulemaking to finalize the "catch up" increase. Assuming an 80% catch up adjustment, starting in August 2016, new maximum penalties are listed below.

After the initial catch up adjustment, OSHA will be required to implement annual cost of living increases, with the adjustment tied to the year-over-year percentage increase in the CPI. Adjustments must be made by mid-January each subsequent year.

OSHA has the option to implement a catch up adjustment less than the maximum if the Agency determines increasing penalties by the maximum amount would (1) have a "negative economic impact" or the social costs of the increase outweigh the benefits, and (2) the Office of Management and Budget agrees. However, OSHA Chief Dr. David Michaels has long advocated for a substantial increase in penalties so it is difficult to envision the Agency seeking anything other than the maximum increase.

The changes in the budget go into effect on July 1, 2016 with the new penalties coming into effect by August 1, 2016.

Potential 2016 Maximum Penalties

Violation Type	Current Maximum Penalty	2016 Maximum Penalty*
Other than Serious Violations	\$7,000	\$12,600
Serious Violation	\$7,000	\$12,600
Willful Violation	\$70,000	\$126,000
Repeat Violation	\$70,000	\$126,000

**assumes 80% catch-up adjustment*

Ohio Safety Congress & Expo

BWC's Ohio Safety Congress & Expo is the largest and longest-running occupational safety, health and workers' compensation event in Ohio. More than 6,000 representatives from businesses, organizations and government entities attend the three-day event. They learn techniques for injury and illness prevention, rehabilitation, return-to-work and cost savings. They also shop for services, industrial supplies, safety equipment and gear in the Expo Marketplace. To register go to: bwc.ohio.gov

OSHA reminds employers to post injury and illness summaries

Employers who are required to keep Form 300, the Injury and Illness log, **must post Form 300A, the Summary of Work-Related Injuries and Illnesses, in your workplace from February 1 to April 30.** Attached are guidelines for completing your OSHA 300/300A. If you have questions please contact Jim Wirth at RiskControl360.com, 614.827.0370