

SEG WORKERS' COMPENSATION FUND AUDITED PAYROLL INFORMATION

Your district's Workers' Compensation premium is derived, primarily, from the school district's payroll for various classifications of employees. A base rate is established for each employee classification. That rate reflects the relative exposure for that group of employees. Therefore, it is essential that employees are properly classified and that all monies considered to be income are included in the payroll report. This document will help clarify which types of employees belong in what categories, as well as what should be reported as Workers' Compensation payroll.

1. What is considered Workers' Compensation Payroll?

Include in your payroll report all of that following that may apply:

- Contributions made by the employee to a 403(b) plan.
- Contributions made by the employee to a Section 125 (flexible spending) plan.
- Money paid to an employee in lieu of benefits.
- Vacation pay
- Sick pay
- Bonuses
- Regular income
- Overtime income should be included at regular hourly rate.

2. Do I have to report fees paid to subcontractors in my Workers' Compensation payroll?

As the contractor, you are responsible for the payment of compensation benefits to employees of uninsured subcontractors. If a subcontractor submits satisfactory evidence of coverage, such as a certificate of Workers' Compensation insurance, you do not have to include the wages in your payroll report. Always obtain a copy of such certificates from insured subcontractors when purchasing their services.