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| **From Mel Himes & Associates Insurance Agency** |
| We are continually seeking ways to better serve you and your policyholders. Workers Compensation Audits are a necessary evil we have to do one every year. But it is required by law.Here are some helpful guidelines to assist you in completing your annual WC Audit.Mel HimesFounder Mel Himes & Associates Insurance Agency, Inc |

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| **Workers’ Compensation Audit** The workers' compensation audit is performed after the expiration of the policy period. Workers’ compensation audits may be performed by phone, mail, or in person. They are completed to verify that the payroll class codes quoted still accurately reflect the business operation during the policy period of coverage. Audits also ensure that sub-contractors had their own coverage in place, because, if not, you may be charged for payments made to uninsured contractors on your audit. The audit is essentially a confirmation of the final actual premium to be charged.  Below is a summary of what is needed to conduct the audit. Please be advised the audit is a REQUIREMENT of your policy and must be completed.  **Workers’ Compensation Audit Checklist** **PAYROLL RECORDS*** Payroll Summary
* State Unemployment Tax Reports or individual earnings records – RT-6 reports.
* Federal Tax Reports (941’s that cover the policy period)
* Overtime payroll records

**EMPLOYEE RECORDS*** Explanation of each employee’s duties
* Number of hours, days, and weeks that are worked

**RECORDS OF PAYMENTS AND CASH DISBURSEMENTS** * Payments to sub-contractors
* Material purchases
* Casual labor payments
* 1099 Forms
* General Ledger
* Profit and Loss Statement
* Detailed Bank Statements including copies of cancelled checks

**CERTIFICATES OF INSURANCE** * For all sub-contractors used during the policy period
* For any Independent contractors used

**DETAILED DESCRIPTION OF YOUR BUSINESS OPERATION** * Determines the correct workers’ compensation classification codes for the period of coverage being audited

**OWNERS, OFFICERS AND PARTNERS INFORMATION – INCLUDING PAYROLL INFORMATION** * Name of Owner, Officer and/or Partner
* Corporate Title
* The percentage of stock they own
* How long they have been employed
* Total earnings
* EXEMPTION INFORMATION IF APPLICABLE

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