

PAYROLL *briefs*

DELIVERING BUSINESS INSIGHTS

Your Payroll's Impact on Workers' Compensation Insurance

Accidents happen. And when they happen in the workplace, it's vital to have workers' comp insurance in place to protect your employees and your business. Regardless of the size of your company, insurance is one of the most standard costs of doing business – especially workers' comp. However, the cost of paying for this coverage isn't always the same. There are four main factors insurers consider when estimating your premium for workers' comp insurance, including location, type of work, claims history, and most importantly, payroll.

Payroll's Role in Calculating Premiums

The size of your workforce and its payroll has a direct correlation on the premiums your business will pay for workers' comp insurance.

Each year you are asked to provide your insurer an estimate of your payroll for the coming year. It is important to get this number as accurate as you can to calculate correct premiums and coverage. Otherwise you run the risk of getting a large surprise bill at year-end for underestimating your payroll.

Keep in mind there are additional payroll components beyond just wages and salaries that need to be considered. Outlined below are a few aspects, among many others, of your employees' payroll that will also affect your workers' comp insurance costs:

- Commissions and draws against commissions
- Bonuses
- Overtime pay
- Holiday, vacation and sick pay
- Annuity plans
- Expense reimbursement to employees where employer records do not indicate a valid business expense
- Payment, compensation or allowance for tools used in work

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Service Offerings

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- Report Writer (Payroll Control™)
- 401(k) 360 Data Interchange
- ACA / W-2 Compliance
- Applicant Tracking
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- Benefit Administration Solutions
- General Ledger EDI
- Workers' Comp Audit Report
- Time Off Accruals

Don't Forget...

Daily payroll cut-off time is 3:00pm EST



(248) 244-3293
Customer Service
8:30am-5:00pm EST M-F



(248) 244-3271



cs3293@dmpayroll.com

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- Payment for the employee's part of Social Security and Medicare
- Value of store certificates, credits or merchandise, or other many substitutes received as part of pay

A complete listing of all payroll elements affecting premiums can be made available to you through the [National Council on Compensation Insurance \(NCCI\)](#).

Here at DM Payroll Services, we stand ready to help you accurately estimate your payroll year-after-year and provide reporting to keep your workers' comp coverage up-to-date. Better yet, we can even help you get the right coverage.

DOL Seeks FMLA Improvements

Changes to the Family and Medical Leave Act (FMLA) are on the horizon. Recently, the [Department of Labor \(DOL\)](#) announced it has plans to modify the regulation in an effort to "better protect and suit the needs of workers" and "reduce administrative and compliance burdens on employers" as part of the [2019 Spring regulatory agenda](#).

Plans to alter the FMLA come during a time when employers are increasingly offering flexibility for those needing to be away from work for extended periods of time to tend to medical and family matters. However, this is coming at a cost for employers in the way of administrative challenges. Tracking employees' leaves and distributing appropriate notices to employees can easily become cumbersome for employers.

The DOL will begin seeking input from employers on ways to streamline and simplify the regulation's requirements no later than April 2020.

FMLA Reminder

While the future of FMLA remains unclear, it's important to note what the [current FMLA regulations](#) cover and if your business is affected. Keep reading to find out if FMLA applies to your business and what employees are eligible for the benefit.

bank holiday to note

Independence Day — Thursday, July 4

We team up with our affiliate [Doeren Mayhew Insurance Group](#) to provide our clients with the opportunity to get the coverage they need at the best cost. If you're not currently using our workers' comp reports or if you are interested in getting a quote on workers' comp insurance from Doeren Mayhew Insurance Group — [contact us today!](#)

FMLA Covered Employer

All of the below employers must remain in compliance with the FMLA:

- Private-sector employers with 50 or more employees in 20 or more work weeks in the current or preceding calendar year, including joint employers or successors of covered employers.
- Public agencies, including local, state or Federal government agencies and local educational agencies, such as elementary or secondary schools.

Eligible Employees

For an employee to be eligible for the FMLA benefits, they must fit in all the following guidelines:

- Work for a covered employer.
- Worked at least 1,250 hours during a 12-month period for the employer.
- Work at a location where the employer has at least 50 employees within a 75-mile radius.

Don't forget, DM Payroll Services provides FMLA employee benefit tracking and reporting. If you are a covered employer and aren't currently using our FMLA services, [contact us today](#) to get started!