



## HUTCHINSON TRAYLOR

### HOW TO HANDLE YOUR WORKERS COMPENSATION AUDIT LIKE A PRO!

Your workers' compensation premium is based on estimated payrolls provided at the beginning of your policy term. At the end of that term, an audit of your actual payrolls will be performed to ensure you were charged the correct premium. Audits can be confusing because of questions regarding what to bring, what is being audited and the handling of payments to subcontractors in the audit. Don't sweat! Check out the following tips that address those questions so you can handle your next audit like a pro.

**Time Period to be Audited:** Policy start date to policy end date. Cancelled policies are audited up to the date of cancellation.

**Records Needed:** Payroll records, quarterly reports, sub-contractor invoices, overtime totaled by class and subcontractors' certificates of insurance.

**Who Should be Present:** An authorized representative of your company who can ensure that employees are properly classified.

**Trade Contractors:** If a subcontractor works for you, a workers' compensation certificate of insurance must be provided for the time period worked. Georgia law requires all companies with three or more employees to carry workers' compensation. All subcontractors, including subcontractors with no employees (independent contractors), must have verifiably coverage in force in order to be excluded as payroll for your audit.

**Certificates of Insurance:** These should be checked to ensure that your company is listed as the certificate holder. Also, the dates on the certificate(s) must cover your policy period. You may need to obtain two certificates from the subcontractor to cover their policy term if the terms are different.

By keeping track of the above records and documents, your next audit should be smooth sailing. For further information, please don't hesitate to contact us.



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### **ATTENTION CONTRACTORS!** **FOUR COMMONLY CONFUSED AUDIT CODES**

1. Carpentry Private Resident - Code 5645 - applies to general carpentry work, both interior and exterior, framing, siding, wallboard installation, miscellaneous repair, remodeling and punch-out work.
2. Interior Trim or Cabinetry - Code 5437 - applies to interior trim carpentry and installation of cabinets **ONLY** when employees of the same carpentry contractor specifically perform only interior trim work or cabinet installations and no other carpentry. If other carpentry operations are performed at the same job or location Carpentry Private Residence (5645) will be applied.
3. Direct Supervision - Code 5607 - Is used for superintendents who directly supervise workers. This class does not include job foreman who are classed the same as the workers they oversee.
4. Buildings Operation by Contractors - Code 9014 - This code is only for people who clean the inside of homes to prepare for sale or move. (Vacuum, tubs, dust, various interior janitorial jobs).