

Mail Audit Made Simple

Section I: Business Information

- ✓ By including details regarding your business operations, you are providing a snapshot of your business, thereby assisting in correctly classifying your operation.
- ✓ With the identification of proprietors, corporate officers, partners, LLC members and/or managers, and etc., in addition to their coverage status (included or excluded), their duties, and their payroll, this provides for the correct allocation of their earnings; and most importantly, whether or not to include or exclude their wages in the calculation of the final audit.
- ✓ Company officers as shown in this section reflect what is currently on your policy. Please modify accordingly, and most specifically, as it relates to coverage status (included or excluded).

Section II: Employee Payroll Information

- ✓ For your ease, mail audits are based upon quarterly payroll information. Please provide the most recent completed four quarters of payroll data.
- ✓ Gross payroll, including all pre-tax deductions, is required.
- ✓ Class code descriptions, class codes, and total gross payroll estimates as they appear in this section reflect what is currently on your policy. The actual total gross payroll must be allocated by the job duties described by the class code descriptions.
- ✓ Reporting gross tips, gross severance, and gross overtime is important as this portion of payroll, if applicable, is excluded from the payroll used to calculate your premium (one-third of the gross overtime amount is excluded; the total tips and severance amounts are excluded). Each item, as is applicable, needs to be indicated under their respective columns.
- ✓ Reporting Section 125 and 401K/IRA *separately* is needed to reconcile the quarterly filings provided under Section II - "Source Documents". The State filing (RI DET TX-17) Line 2 doesn't include pre-tax Section 125 or 401K/IRA; the Federal 941 Line 5C doesn't include pre-tax Section 125. Each item, as is applicable, needs to be indicated under their respective columns.

Section III: Contractor/Temp Information

- ✓ Provision of contractor/temporary employment agency information supports your due diligence in acquiring adequate coverage information for any contractors/temporary employment agencies that you may use and completes the exposure snapshot of your operation.

Section IV: Audit Return Instructions

- Step 1: The audit return instructions are to be completed by the person who completed the mail audit form. This information is necessary should any follow-up contact by a Beacon Mutual audit team member need to be made.
- Step 2: As we need to reconcile the payroll reported on this mail audit, it is important to enclose copies of both the State (RI DET TX-17 - to include the portion listing each employee by name and payroll) and the Federal (Federal 941) quarterly filings. Please black out or remove references to any social security numbers on all documents.

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