Premium Audit Preparation

Quick Guide to Payroll Inclusions & Exclusions

Workers' Compensation premium is based on payroll. However payroll includes more than salaries and wages. Beacon Mutual is a National Council on Compensation Insurance (NCCI) member insurance company.

Below is a listing of common payroll inclusions and exclusions as defined by the National Council on Compensation Insurance (NCCI):

Payroll Inclusions

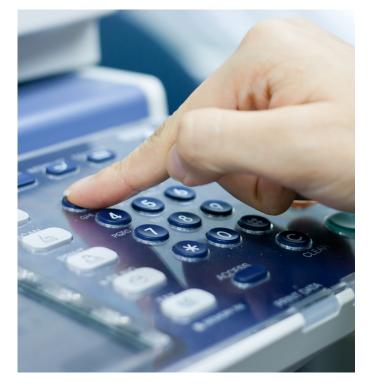
The following items are included as payroll:

- Salaries and Wages
- Commissions
- Bonuses
- Holiday, Vacation and Sick Pay
- Automatic Gratuities and Service Fees
- The straight-time portion of Overtime
- Payments for salary reduction, employee savings plans or cafeteria plans (IRC 125)

Payroll Exclusions

The following items are *Not* included as payroll:

- Tips
- The extra pay for overtime. The extra pay is the difference between the regular pay rate and the overtime pay rate.
- Severance Pay
- Third-party sick pay
- Tuition Reimbursement







https://www.beaconmutual.com/employers/premium-audit/

