Be Available

To save time, ensure the person who knows the business is present at the audit (owner/partner/corporate officer, etc.). Operational changes can affect premiums. Addressing questions up front at the audit with the person who knows the business and can accurately describe the operations can save time with the overall audit process.

Remuneration

Remuneration means money or substitutes for money
Money: gross wages, commissions, bonuses, holiday pay, vacation pay, allowances for tools
Substitutes for money: rental value of an apartment, meals/lodging to the extent they are shown in the payroll records, value of a store certificate or merchandise received as pay
Remuneration excludes: severance pay; business expense reimbursements; uniform allowance; payments for active military duty; employer-provided prerequisites (perks), such as use of an auto

Exclusion of overtime premium: extra pay for overtime is excluded from the payroll on which premium is computed, as long as the overtime amount is kept separate in the payroll records

Required Records

Records needed include but are not limited to:
- Gross payroll records (preferably YTD payroll registers with overtime and severance pay)
- Quarterly reports (state unemployment and Federal 941s)
- Cash disbursement journal/business checkbook/general ledger for review of subcontractor payments
- Subcontractor certificates of insurance
- Job contracts
- Wrap-up (OCIP) projects: a) Project contract b) Certificate of workers’ compensation insurance c) Actual payroll for the wrap-up (OCIP) is required

Subcontractors

The auditor will review your cash disbursements journal to identify payments made to subcontractors. For each subcontractor hired, the auditor will look for the following:
1. A certificate of workers' compensation insurance OR
2. a) DWC-11-IC "Notice of Designation as Independent Contractor"*
b) General liability certificate
c) Business invoice

"All subcontractors and independent contractors that have not provided the requested documentation will be included on the audit and billed for premium charge.

Remuneration excludes: severance pay; business expense reimbursements; uniform allowance; payments for active military duty; employer-provided prerequisites (perks), such as use of an auto

Exclusion of overtime premium: extra pay for overtime is excluded from the payroll on which premium is computed, as long as the overtime amount is kept separate in the payroll records

Scheduling

You will be contacted by mail or phone to schedule an audit appointment. When making your appointment, obtain the auditor's name and phone number. If you need to cancel your appointment, please contact the auditor as soon as possible to reschedule. If an appointment is not conducted within a reasonable time period, an estimated audit will be used in determining your final premium.

Classification

Each distinct type of construction or erection operation is assigned to the class that specifically describes the operation – only if separate payroll records are maintained for each operation. Review of your project contracts and/or invoices assist in determining which classification codes are applicable. Each project may be subject to an individual classification.

Project-Specific Classification

When all of the carpentry work in connection with the construction of residential dwellings is performed by employees of the same carpentry contractor or general contractor responsible for the entire dwelling construction project, the work is assigned to the appropriate code. Dwellings not exceeding three stories in height, Code 5645 applies; Dwellings exceeding three stories in height or commercial buildings and structures, Code 5403 applies.

Keep records classified according to jobsite / location. General contractors are classified by job only if the records are maintained accordingly.

Looking for more information?
Visit www.beaconmutual.com for details on Premium Audit.
Stay Organized
Store and alphabetize certificates of insurance. Keep all of your audit correspondence and information together in one place for future reference.

Review Your Audit Worksheets
You have 30 days from receipt of your completed audit to dispute your audit. All disputes must be in writing from a principal of the company and specify what is being disputed and include support documentation. If you have obtained missing certificates of insurance, forward them within the 30-day dispute period.

Questions?
Contact the Premium Audit Department with any questions that may arise throughout the premium audit process. Dial 401-825-2667, Press 3
Visit our website: www.beaconmutual.com for Premium Audit information. From the Homepage, Select Employers then click Premium Audit.