

How to Treat Payroll During COVID-19 for a Workers' Compensation Audit



Employees during COVID-19	Status	How to Classify Payroll for Audit
Paid	No Change to Work Status	Classify as usual by class code
	Remote Working	Classify as usual by class code
	Not Working	Create a separate payroll category
	Different/New Duties	Re-allocate payroll to proper class code
Unpaid	Not Working	Create a separate payroll category

With COVID-19 disrupting how employees are working, payroll needs to be allocated differently for a workers' compensation audit.

The NCCI, other state workers' compensation regulatory bureaus, and state governments are still working to develop payroll handling and reporting guidance as it applies to the COVID-19 crisis. As we all navigate the COVID-19 crisis and its potential impact to the exposure basis on both in-force and future Workers' Compensation policies, we felt it important that we ask you to share, if you haven't already, some general guidance with the Insureds on keeping payroll records.

Payroll given to employees for time not worked related to the COVID-19 crisis should be separately identified in the Insured's records. This exposure should be captured to a unique payroll category.

The Insured should maintain payroll records for employees that continue to work but have taken on different duties in a manner that the payroll is identified and split based on the applicable workers' compensation class code.

The above will enable the auditor to identify COVID-19 associated payrolls when conducting the audit. Those payrolls will be handled as determined by NCCI or the appropriate Workers' Compensation bureaus.