

# COVID-19 Workers' Compensation Payroll Audit Q&A



The following provides answers to common questions we have received regarding workers' compensation job duties, payroll, record keeping, etc., due to the COVID-19/Coronavirus pandemic. This is not an all-inclusive list and may be subject to change.

## **Is a physical (on-site) audit required at this time?**

For the safety and concern of everyone's health, we are allowing virtual/remote audits to be conducted for those accounts that require a physical audit.

## **Due to the stay-at-home order, we are unable to retrieve our records to complete the payroll audit request; may we be granted an extension?**

Yes, an extension can be granted, however, please keep in mind, the audit is still due. Please complete the audit as soon as you have access to your payroll records.

## **If we need and are granted more time to complete our payroll audit report, will we be subject to any sort of additional upcharge or penalty?**

We are allowing extra time due to COVID-19; thus, we will not apply any type of additional charge or penalty for being late in completing and returning your payroll audit due to the pandemic.

## **We are currently not paying our employees and may not be for an uncertain amount of time. Can we reduce the estimated payrolls on our current policy to reflect these lowered payroll amounts?**

Yes, please contact your customer service representative or your agent/broker for further discussions regarding the reduction of your estimated payrolls.

## **The employees at our facility are currently not working but are being paid. Do we need to report their payroll on the audit?**

Yes, you do; please keep separate and detailed records of these employees, including all dates relative to the start and ending of this change. Also keep detailed records of the type of pay they are receiving (regular pay, vacation, sick time, FMLA, etc.).

## **The employees at our facility are now working from their homes (telecommuting), how do I record that pay?**

Please keep separate and detailed records of all the employees who are now telecommuting, including the start and ending dates and the type of duties they are performing from home versus the job duties they were performing at the facility before they started telecommuting. This needs to be kept by time cards showing their segregated time, not by a percentage of time.

## **What should I do if the nature of my business operations has changed entirely due to COVID-19 (for example, our camp facility is now a temporary medical clinic)?**

Please contact your customer service representative or your agent/broker to discuss the change in your business operations. Also please keep separate and detailed records of the dates and changes to your employees' job duties as it pertains to this change in your business operations.

## **What is meant by "separate and detailed records"?**

You must keep track of all your employees' pay by way of time cards and total payroll dollar amounts. We suggest that you keep track of each employee's payroll and job duties during the time of the pandemic separate from their normal job duties and payrolls before and after the pandemic. This must be verified by time cards, not by a percentage of time worked or a percentage of their pay.

## **Overall, it is imperative that you keep separate and detailed records of all employees who are:**

- Being paid a wage, but are not working during the pandemic.
- Continuing to work, but doing so from their homes.
- Continuing to work within the business operations but performing an entirely different job.

## **Please keep track of all employees' time and job duties by:**

- Dates of all changes.
- Wages and type of pay (regular, vacation, sick time, FMLA, etc.).
- Job duties during the COVID-19 pandemic and their normal duties before and after the pandemic.

**Please note: The Coronavirus pandemic (COVID-19) is a fluid situation (information is subject to change). Also note, when it comes time for us to process your workers' compensation payroll audit, it will be processed as per the rules of the workers' compensation bureaus/regulatory agencies.**