

2024 Workers' Compensation Audits Reminder

March 11, 2024



PACIF members received an email in early February from the PACIF workers compensation audit team with a list of the documents that PACIF members need to provide to assist the team in conducting the audits of members' 2023 payrolls. These audits are an important part of the annual coverage process, and this year they need to be completed earlier than usual.

Many PACIF members have already provided the necessary information. As a gentle nudge to the municipal entities that have yet to send their information to the audit team, here is the information again.

Please collect the following documents for Calendar Year 2023:

1. **941 forms** – Obtain copies of all Quarterly 941s for calendar year 2023.
2. **Payroll records including OT** – provide payroll showing gross wages for each employee, including overtime. Overtime must be broken out. If you attach copies of W2's, you can conceal the Social Security numbers to protect your employees' personal information.

- **NEMRC** – If your payroll is on the NEMRC system, please generate two reports.
Report #1: “Employee Wage Summary Report” that shows Detail by Name
Report #2: “PayTypes Report” – Select “Payroll”, “Reports Menu”, then “Z. Custom Reports and Routines” and finally select “PACIFWCA” and click Run. Click on File and follow the instructions for **printing to Excel**.

**See our [NEMRC Instructions for WC Audits](#) for detailed step-by-step including screenshots.*

- **Quickbooks** – If you use Quickbooks, generate the report titled “Payroll Expenses” or “Payroll Summary” report.
- **Other** – If you are using payroll cards or any type of manual system, please make sure that each employee’s overtime and rate of pay are clearly marked and legible.

3. **Elected/Appointed Officials** - List of all municipal officials for calendar year 2023 clearly indicating each as elected or appointed.

4. **1099s and Supporting Documents** – Documentation for each non-employee who is paid to do work for your municipality via 1099 and not eligible for exclusion from payroll. For details, please refer to the [PACIF Toolkit for Documenting Subcontractors and Sole Proprietors](#). Here is a short overview of key requirements:

- **1099s** – Copies of 1099s that were issued for contractors for calendar year 2023. For each one, indicate the type of services rendered either on the 1099’s or a separate document. Please break out any applicable purchase of goods from labor costs.
- **COI** – A Certificate of Insurance showing proof of the contractor’s General Liability coverage and Workers’ Compensation coverage (if applicable) during the period the work was performed. General Liability coverage should include the Named Member (your municipality) as an additional insured.
- **Contract** – A valid and executed contract between the Named Member and the Contractor clearly indicating the period the work was performed.

- **NEWA** – A completed and executed copy of the most recent Non-Employee Work Agreement for the period the work was performed.
- **Established/Advertised Business** – marketing material such as a business card, website, social media page or active Secretary of State filing that identifies the contractor as holding themselves out for work for the general public.

Note that contractor payroll for those you cannot provide all items listed under #4 may be charged as an employee on your audit.

Please compile and provide the required documents within 30 days. **Whenever possible, we ask that the required documents be provided electronically to our secure email at pacif-self-audit@vlct.org.**

Otherwise, they may be **mailed to:**

Vermont League of Cities & Towns
Attn: Underwriting Dept.
89 Main Street, Suite 4
Montpelier, VT 05602-2948

or **faxed** to (802) 229-2211.

We truly appreciate your assistance in completing the audit in a timely manner. Members of the audit team are available to provide additional assistance if desired and can be reached at 1-800-649-7915. We always welcome your inquiries.

Sincerely,

Your Workers' Compensation Audit Team

Sherry Allen, *Underwriting & RMS Assistant*

Susan Benoit, *Underwriter*

Vicky Abare, *Senior Underwriter*

Kelly Knotek, *Underwriting Supervisor*

Attachments

[The February 2024 message to members](#)

[NEMRC Instructions for PACIF Workers' Compensation Audits](#)