

The Workers' Compensation Audit

MATIT's Workers' Compensation Program requires every participating township to complete and return the Workers' Compensation Audit by January 31st of each year. Townships that fail to do so can face automatic premium increases and even expulsion from the program. The information provided in the audit serves as the basis for determining a township's premium for coverage the following year. It is important that the audit be completed accurately to avoid being over charged or under charged. MATIT's coverage agreement gives it the right to verify that the information is accurate.

Employee and Elected Officer Wages Only

- Do **NOT** include payments to:
 - Other local governments (townships, cities, counties)
 - Independent Contractors (if you have their Certificates of Insurance)

By Line

- Clerks/Treasurers/Election Judges – *All townships will have wages in this class code*
- Supervisors/Planning Commissions/Moderators/Zoning Boards – *All townships will have wages in this class code*
- Road Maintenance/Roadside Mowing/Snow Plowing/Dust Control/Excavating employees – *Do not include payments to contractors in this section unless you do not have their Certificates of Insurance*
- Cemetery Operations Employees – *If this is ONLY lawn mowing at the cemetery, put wages in Class Code 9015*
- Building Maintenance/Janitor/Lawn Mowing or Snow Removal at Town Hall employees
- Parks Maintenance/Rink Attendant employees
- Police/Peace Officers employees (*Does not apply to most townships*)
- Waterworks Operations/Sewer employees
- Garbage Disposal/Landfill employees – *Do not include County or Waste Management Company*
- Auto Machinery Maintenance employees – *If possible, break out your 'grader operator' costs with the time/money spent on equipment maintenance*
- Recycling employees – *Do not include County or Waste Management Company*

- Tree Pruning & Tree Removal employees – *Don't include minor branch removal while supervisors are doing their road inspections... instead place these extra wages under Class Code 9410 for Supervisors*
- Animal Control employees – *Do not include bounties paid to the public*

Fire Department and First Responder Units

Only provide information for Departments and Units that are under the control of the township board. Even if they are volunteers that don't receive compensation. Don't include services provided by another township, city or independent non-profit firefighting corporation.

Independent Contractors

- Provide name and type of work performed for each independent contractor who performed work for your township
- Attach a copy of **each** contractor's workers' compensation certificate of insurance **OR** the contractor's commercial liability insurance certificate
- All certificates provided should show the effective dates and limits of insurance
- Personal automobile and homeowners insurance certificates **are not** acceptable
- Farmers' Liability Coverage IS NOT ACCEPTABLE **UNLESS** there is an 'Endorsement' or 'Rider' indicating the type work being performed for the township
- Professional or licensed services DO NOT NEED TO BE LISTED ON THE AUDIT. Examples include: Architects, lawyers, engineers, one-time repair service contractors such as plumbers or locksmiths

Certificates of Insurance (COI's)

- Providing a COI should be required as part of the contract – no payment until it is provided
- Supervisors should collect the COI's when contracts are signed
- Keep the certificates on file and send us copies
- Request that the contractor's insurance agent automatically send you the COI as the coverage renews

No Certificates of Insurance?

- You must complete the payments field on the audit
- At a minimum, the township will be penalized **\$25 PER** missing, invalid, or unacceptable COI.
- If the township HAS NOT sent a COI for two consecutive years, the township may be charged premium based on the wages paid to that contractor
- If it is apparent that it is not a contractor, premium will be charged based on the payments and the type of work performed

Payments Field

- No need to complete IF you have COI for contractor
- If you do not have COI, enter the wages for labor only paid to contractor
- Don't include the cost of materials or equipment charges

Reporting Misconceptions & Errors

- Include all wages paid within the year, including those making less than \$600
- Include **ALL** Independent Contractors, including those who get a 1099... even if they're incorporated
- This is NOT the Annual Financial Reporting Form (or Auditor's Report) submitted to the State of Minnesota

Helpful Reminders:

- Send the ENTIRE completed audit WITH your Certificates of Insurance
- If mailing audit, keep a copy for your records
- Additional postage may be necessary
- Remember to SIGN your audit – *this confirms that you acknowledge the information is accurate*
- DO NOT mail a hard-copy **IF** you've emailed or faxed your audit
- You will receive an email confirmation
- Keep your faxed confirmation and copy of your original in your file
- Fastest and easiest method of submitting a WC Audit with written documentation is to email:
wcaudit@mntownships.org

Why the Late or Missing Audit Fees?

As a self-insurance pool, the State of Minnesota requires that MATIT belong to the WCRA (Workers Compensation Reinsurance Association). The WCRA requires MATIT to submit a report of the wages of all its insureds by the middle of March each year. Accuracy is important because that determines the premium MATIT pays to WCRA. MATIT is charged a penalty of \$1,000 for each day the report is late.

MATIT imposes a \$50 Late Audit Fee out of fairness to towns that submit their audits on time which allows MATIT to file an accurate report with WCRA. Townships that do not submit an audit face a \$100 Missing Audit Fee. A missing audit also results in the township losing its 10% discount on their WC premium the following year.

Reports of injury

A delay in reporting a workplace injury can result in the State of Minnesota imposing a fine on the township. Report **ALL** injury claims immediately to:

MAT Insurance Dept
Attn: Dawn Zimmerman
PO Box 415
St. Michael, MN 55376
800-262-2864 x152
Fax 763-497-3233
dzimmerman@mntownships.org