



Listening. Learning. Leading.®

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Address:

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DATE **12/01/2015**

RATING GROUP NO	
CMIC ACCOUNT NO.	
YOUR FEIN	
POLICY NUMBER	07-747534
POLICY TERM	1 YEAR
POLICY PERIOD	1/1/2015 to 1/1/2016

AUDIT PERIOD

TIME SENSITIVE MATERIAL

**WORKERS' COMPENSATION
REQUEST FOR PAYROLL AUDIT INFORMATION**

Please refer to your workers' compensation policy "Part Five - Premium," which states the premium shown on the Information Page, schedules, and endorsements at the time your workers' compensation policy was issued is an estimate. **The final premium is determined after your workers' compensation policy expires.** In order to calculate the final premium, actual payroll figures are needed to compare with the initial estimated payroll figures. Through an audit process, a determination is then made if any premium adjustment is necessary.

Please note that failure to complete the audit may result in cancellation or nonrenewal of your policy.

The reverse side of this letter is a Payroll Audit Report of Wages Form. Complete this form and return it to Barbara Gruezke, Insurance Coordinator, by **January 15, 2016**. Make sure to keep a copy of the completed audit form for your church's records. Email or fax return is preferred; if you fax or email the form you do not need to mail the hard copy. Mail the form only if email or fax return is not possible to UMC of Greater NJ, Workers Comp Audit, 1001 Wickapecko Dr, Ocean, NJ 07712.

A General Instruction Sheet and Sample Form are enclosed for your assistance. If you have any questions concerning the completion of the Payroll Audit Report of Wages Form (except for questions regarding housing definition or housing allowance), contact the Premium Audit Unit at 800.554.2642, select Option 4, and enter Extension 4000, or email us at premiumaudit@churchmutual.com - please reference Greater NJ Conference if you contact Church Mutual directly. For questions regarding the housing definition or housing allowance contact Barbara Gruezke, Insurance Coordinator, at 732.359.1037 or bgruezke@gnjumc.org.

Thank you for your cooperation; we appreciate your business.

CHURCH MUTUAL INSURANCE COMPANY

PREMIUM AUDIT UNIT

GENERAL INSTRUCTIONS



THIS FORM HAS CHANGED FROM LAST YEAR! PLEASE READ THE INSTRUCTIONS IN FULL BEFORE COMPLETING THE FORM

THE INFORMATION NEEDED TO FILL IN EACH COLUMN IS EXPLAINED BELOW.
PLEASE READ ALL THE INSTRUCTIONS BEFORE YOU BEGIN COMPLETING THE FORM

IMPORTANT INFORMATION

CERTIFICATE(S) OF INSURANCE

When using an insured contracted service, a certificate(s) of insurance must be returned with the audit. This certificate(s) must have the workers' compensation section designated and must show coverage for the ENTIRE TIME PERIOD OF THE AUDIT.

- **DO NOT SUBMIT** the completed audit form to Church Mutual. If more space is needed to provide information, please complete additional pages and **submit audit to Barbara Gruezke** via e-mail bgruezke@gnjumc.org or via **FAX 732.359.1039**.
- If you have attachments, we recommend you send all documents together.
- If you need help or have any questions on this audit, call **800.554. 2642, press Option 4, Extension 4000** or email us at premiumaudit@churchmutual.com - please reference Greater NJ Conference if you contact Church Mutual directly.
- If you have questions regarding the **housing definition** please contact Barbara Gruezke, Insurance Coordinator, at **732.359.1037** or email her at bgruezke@gnjumc.org.
- Your church's **CMIC Account #** and **Rating Group ID** are pre-filled on audit form that was included in this mailing. This information is also indicated on your **Master Certificate of Insurance** as well as the cover letter that was included in the 2016 Property Insurance Program renewal packet, which was mailed to the church. Check with your trustee president, pastor, or office staff for location of the 2016 renewal packet.

CHURCH NAME, CMIC ACCOUNT #, RATING GROUP ID #, CONFERENCE NUMBER, FEIN

- Church Name please complete your church's name
- CMIC Account # please indicate your church's CMIC Account number, this information can be found on your church's master certificate of insurance
- Rating Group ID # please indicate your church's Rating Group ID #, this information can be found on your church's master certificate of insurance
- Conference Number please indicate your church's four digit Conference Number, this is also included on your church's master certificate of insurance
- FEIN please indicate your church's Federal Tax Identification/Employer Identification Number (EIN) if you cannot locate your FEIN/EIN you can contact the IRS to obtain this by calling the Business & Specialty Tax Line at (800) 829-4933. The hours of operation are 7:00 a.m. - 7:00 p.m. local time, Monday through Friday.

NAME OF EMPLOYEE (W-2 HOLDER), 1099 CONTRACTOR, OR UNINSURED CONTRACTOR

- Please include every W-2 holder which is paid a wage, salary, honorarium, and/or any love offering, including part-time and full-time workers, 1099 contractors, and independent contractors, **unless they had their own workers' compensation insurance during the audit period.** (Workers' compensation is not part of state or IRS filing rules. When completing the audit form, the amount that each person was paid does not determine whether or not they need to be included on the audit form.)
- If they **do not** have their own workers' compensation coverage (uninsured contractor), they must be included on the audit.
- If they **do** have their own workers' compensation coverage, they need not be listed. You must obtain a certificate of insurance from them providing proof of workers' compensation coverage. You must submit that document along with your audit. (See the FAQ booklet, which was included in the 2016 renewal packet, question # 6 for information about obtaining certificates from contractors).
- If you have no regular paid clergy, list any paid interim positions or guest speakers.

JOB TITLE

Please indicate all job titles. For those employees with more than one job title, please indicate all job titles. Be sure to specify the amount of payroll for each job title, if available. If you employ security personnel, please indicate if they carry a gun.

GROSS PAYROLL FOR AUDIT PERIOD

Report the payroll for the audit period indicated in the upper right-hand corner of the workers' compensation audit form.

THERE IS NO SUBTRACTING DEDUCTIONS OF ANY KIND FROM GROSS PAYROLL FOR THE AUDIT.

- Payroll means gross wages or salaries before deducting social security or withholding taxes.
- Do **NOT ADD OR SUBTRACT** employer or employee contributions to health insurance or to pension plans.
- Do **NOT** include mileage or auto expenses that have been reimbursed or documented with receipts.
- **DO** include as payroll any auto allowance for which you do not require documentation of expenses.
- Indicate the amount for any church owned housing under the column of "Parsonage = 25% of Salary; OR Housing Allowance."

PARSONAGE = 25% OF SALARY; OR HOUSING ALLOWANCE

Rent-free living is church-owned housing provided to the recipient at no charge. **IF HOUSING IS PROVIDED BY THE CHURCH, THIS IS COMPENSATION AND MUST BE REPORTED, even if the housing is not used on a daily basis.**

- If your pastor lives in and/or has use of your parsonage:
 - Indicate 25% of Pastor's Gross Wages in this column; DO NOT INCLUDE UTILITIES.
 - If you reimburse another church for a portion of the "value" of the parsonage, each church must report its own share as Housing, which is 25% of the pastor's salary that is paid by your church.
- Non-Cash Compensation:
 - A regular worker under the direction of the church receives no cash compensation but is allowed to live in the church owned house at no cost to the worker, must have the fair market rental value of the house reported as payroll.
 - Example: Person that does custodial work for the church, receives no salary, but is allowed to live in a church-owned house at no cost; indicate their name, title, and under the Housing column the fair market rental value of the house.
- If your pastor receives a housing allowance in lieu of a salary and there is no "Gross Payroll", leave "Gross Payroll" column blank and report 100% of the Housing Allowance in "Parsonage = 25% of Salary; OR Housing Allowance" column.
- If the housing definition is unclear please contact Barbara Gruezke, Insurance Coordinator, at 732.359.1037.
- When rent-free living quarters or housing allowance are not provided, please indicate not applicable (N/A).
- **DO NOT REPORT THE AMOUNT DESIGNATED AS HOUSING EXCLUSION** (which is a tax deduction and used for IRS purposes only) as the housing allowance and **DO NOT subtract it from any wages.**
 - Example: Pastor receives a **\$15,000 housing allowance** in lieu of salary or in lieu of parsonage and a \$15,000 housing exclusion. **Report \$15,000** as the housing allowance, NOT \$0!
 - If pastor **lives in his/her own house AND does NOT receive a Housing Allowance** (DO NOT INCLUDE amount designated as HOUSING EXCLUSION), then **report N/A** as the housing amount in your payroll figure.

AC, LS, UC

You must indicate the type of each employee listed on the audit as follows:

- AC** = Appointed Clergy
- LS** = Laity/Hired Staff
- UC** = Uninsured Contractor

TYPES OF EMPLOYEES TO INCLUDE ON THE AUDIT

- Employees of the church (church staff)
- Contracted workers who do not have their own workers' compensation insurance.
- **Note:** Contracted workers who **do** have their own workers' compensation coverage, need not be listed. However, you **must** obtain a certificate(s) of insurance from them providing proof of workers' compensation coverage for the ENTIRE AUDIT PERIOD. You **must** submit that document along with your audit.

YOUR APPOINTED PASTOR IS ALWAYS AN EMPLOYEE for workers' comp purposes! If your pastor is a Supply Pastor (hired by the church through the District Superintendent) report hired clergy as "Lay/Hired Staff" not as "Appointed Clergy."

Church/Clerical Employees:

- Appointed clergy
- Hired clergy (not appointed)
- Lay church office workers
- Nursery attendants for worship time (not school or day care workers)
- Musicians

Day Care Employees:

- Teachers, directors and school clerical staff
- Do not include payroll for worship-time nursery attendant

Custodian/Lawn Care Employees:

- Custodians/Janitors
- Lawn Care providers
- Snow Removal providers
- Thrift Store Staff/Retail Store Staff
- Drivers

Cemetery Worker Employees:

- Workers doing any physical labor relating to the operations of the cemetery, including lawn care and landscaping
- General cemetery maintenance personnel
- Grave diggers

This is not a complete list; you must report every W-2 holder which is paid a wage, salary, honorarium, and/or any love offering, including part-time and full-time workers, 1099 contractors, and independent contractors, **unless they had their own workers'**

compensation insurance during the audit period. (Workers' compensation is not part of state or IRS filing rules. When completing the audit form, the amount that each person was paid does not determine whether or not they need to be included on the audit form.)

"EMPLOYEES" NOT TO BE LISTED ON THE AUDIT

- **NON-CHURCH CONTROLLED SCHOOL PAYROLL.** Non-Church-Controlled Schools, Nursery Schools, or Day Cares are required to provide their own workers' compensation insurance.
- Volunteer workers
- Contractors or subcontractors that have their own workers compensation coverage in force; they **MUST** provide the church with a certificate(s) of insurance for the entire audit period of 1/1/15 to 1/1/16



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**FIRST UMC -1000
and FIRST UMC CHRISTIAN NURSERY SCHOOL
ATTN: WORKERS COMPENSATION AUDIT
123 MAIN STREET
ANY CITY, NJ 01234**

DATE	12/01/2015
RATING GROUP NO	001
CMIC ACCOUNT NO.	01234567
YOUR FEIN	99-999999
POLICY NUMBER	07-747534
POLICY TERM	1 YEAR
POLICY PERIOD	1/1/2015 to 1/1/2016

AUDIT PERIOD

TIME SENSITIVE MATERIAL

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CHURCH MUTUAL INSURANCE COMPANY
PREMIUM AUDIT UNIT

FEIN: 99-999999

PAYROLL AUDIT REPORT OF WAGES

Policy #: 07-747534

Name of Employee (W-2 Holder), 1099 Contractor, or Uninsured Contractor	Job Title	Company Use Only Code	Gross Payroll for Audit Period	(+) Parsonage = 25% of Salary; OR Housing Allowance	AC, LS, UC (see instructions)
Bill Smith	Pastor		\$ 26,800	+ 6,700	AC
John Doe	Pastor		\$ 16,000	+ 4,000	AC
Mary Robin	Church Secretary		\$ 12,500	+	LS
Betty Fry	Sunday School Teacher		\$ 2,000	+	LS
Jim Barney	Custodian		\$ 9,270	+	LS
Joe Rothschild	Cleaning (contractor)		\$ 2,500	+	UC
Shirley Michaels	Day Care Director		\$ 18,000	+	LS
Missy Green	Child Care Worker		\$ 8,000	+	LS
Kent Jones	Teacher		\$ 6,000	+	LS
Al Roberts	Cemetery Maintenance		\$ 10,000	+	LS
Barry Howard	Snow Removal		\$ 8,000	+	UC
			\$	+	
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YES, I hereby certify that the information provided is a true statement of gross earnings paid to all employees for the audit period.

Named Insured: First UMC and First UMC Christian Nursery School CMIC Account No. 01234567

Contact Person: Mary Smith Signature: (MUST BE SIGNED TO BE VALID)

Title: Treasurer Daytime Phone: 732.555.5555

Email Address: treasurer@church.com Website: www.firstumc.com