



The Episcopal Church in the Diocese of Alabama

The Rev. Robert P. Morpeth
Deputy for Finance and Administration

MEMORANDUM

TO: Treasurers and Financial Staff

DATE: 8 January 2008

RE: Worker's Compensation Insurance Payroll Information

THE ATTACHED REPORT MUST BE RETURNED BY 15 FEBRUARY

WHAT IS THIS? The congregations and institutions of the diocese are required by Alabama law to provide Worker's Compensation Insurance for everyone that is compensated for work by those institutions and parishes who has not provided a certificate of insurance certifying that they provide their own worker's compensation insurance (not just liability insurance). Those who must be covered include the clergy, musicians, and cleaning personnel (categories often overlooked). The number of hours a person works is not a factor. Simply calling a person a "contractor" does not exclude them unless you have on file a certificate of insurance showing that they obtained worker's compensation insurance.

We have found that by purchasing this insurance through a cooperative of parishes and institutions we can obtain lower rates. The annual premiums are based on payroll information. This is the annual request for payroll information so that the insurer can calculate and collect the premium.

HOW LONG DO I HAVE TO RESPOND? Four weeks! We must meet the insurer's deadline for collecting this information from over 100 different employers that participate in our group. We need everyone to respond in four weeks. If we have not received your reply at the time we report to the insurer we may assume that your projected payroll in 2007 was correct and we will project a payroll for you in 2008. We **MUST** comply with the law. This is not simply a church statistical study.

HOW LONG WILL IT TAKE TO COMPLETE THE FORM? For most of you the time required is less than one hour. You will need the actual payroll figures for 2007 for each person compensated and the projected payroll for 2008.

HOW DOES ALL THIS WORK? The premiums are based on the payroll and the job categories. The **actual** payroll for 2007 will be compared with the payroll projected last year when we went through this same process. If the actual is less than the projected payroll, a credit is given. If the actual payroll for 2007 is greater than originally projected, the additional premium is billed along with the 2008 premium. A premium will be calculated and billed based on the **projected** payroll in 2008. Premiums are based on the payroll and the job categories. You will receive an invoice for the premium from Independent Insurance Agents in March.

WHO SHOULD BE INCLUDED IN EACH CATEGORY? For most of you there are only two categories to worry about. The payroll information should be divided between the two. Examples are given on the form. If your parish is operating a day care service of any kind and compensates the workers, you will need to divide your payroll into additional categories. If your parish has started this project in the last year, you will need to contact us so that we can send additional forms with the correct categories. We have tried to send the additional form to those parishes that we know are operating day care programs (a Sunday nursery is not considered a day care).

MY PARISH OPERATES A SCHOOL. WHAT DO I NEED TO KNOW? If the parish and school have previously reported payroll information to us separately, we have mailed a separate form to the school (or parish). The categories are the same. If you have not reported separately previously, we assume the school payroll will be included in the parish figures. Teachers and clerical staff are included in category 8868. Other school employees in category 9101.

IS A DAYCARE OPERAITON THE SAME AS A SCHOOL? It is not. A separate form is enclosed to be used by parishes operating day care operations. A Sunday nursery is NOT a day care operation.

WHERE CAN I GET THE PAYROLL INFORMATION? The information should be readily available from your preparation for issuing W-2 and 1099 forms. REMEMBER, that the 2008 figures are projections and that errors will be corrected during this same process next year. This information should be in your budget. If your parish is still working on the budget, you will need to use the best information available prior to the reporting deadline.

TO WHOM DO I RETURN THE INFORMATION? An addressed envelope is included for your use. If the envelope is missing, please return the form to the address on this letter with the attention line as "Worker's Compensation Information."

I THINK MY PARISH IS EXEMPT BECAUSE WE ONLY PAY A PRIEST FOR SUNDAY SERVICES. AM I CORRECT? No. ANY PERSON COMPENSATED who has not provided a certificate of insurance showing that they have obtained their own worker's compensation insurance must be included by reporting their payroll. This includes temporary workers.

I THINK MY PARISH IS EXEMPT BECAUSE WE HAVE FEWER THAN 5 EMPLOYEES. AM I CORRECT? No! All parishes are specifically included in the corporation of the diocese by the Articles of Incorporation (1864). Besides, while the law exempts employers with fewer than 5 employees from purchasing insurance, it DOES NOT exempt them from liability. This insurance provides relatively inexpensive protection to the assets of the parish and, perhaps, its leadership.

WHOM SHOULD I CONTACT FOR HELP WITH THE FORM? Contact me at 205.715.2060 x 311 or rmorpeth@dioala.org.

Thank you for your attention to this matter and for a timely response.

Sincerely,

Rob Morpeth
Deputy for Finance and Administration
Episcopal Diocese of Alabama

Episcopal Diocese of Alabama
521 North 20th Street v Birmingham, Alabama 35203-2682
Phone 205/715-2060 ext. 311 v Fax 205/715-2066 v Email: rmorpeth@dioala.org

**PAYROLL COMPUTATION FOR WORKERS COMPENSATION
INSURANCE – PARISHES & SCHOOLS
2007-2008**

Please return no later than **February 15, 2008**, to:
Worker's Compensation Insurance Episcopal Diocese of Alabama
521 North 20th Street, Birmingham, AL 35203-2682

Parish _____ City _____

**Column 1:
2007 ACTUAL** Enter in column 1 payroll figures taken from your year-end financial statement. If employees were not employed for the entire year, do not *annualize* figures. Enter only compensation actually paid during 2007.

**Column 2:
2008 PROJECTED** Enter in column 2 your best estimate of compensation that will be paid to employees during calendar year 2008. Do not include full year compensation if you expect a position to be vacant at sometime during the year.

For lay employees enter only cash compensation paid to the employee. Do not include non-cash fringe benefits.

BOTH COLUMNS For clergy use the **pension base** figure, including salary, housing, and utilities. Do not include pension assessments, travel allowances, insurance payments, or continuing education funds. Include all persons paid for services except contract workers who have presented evidence to you that they are covered by another employer's Workers Compensation insurance. If a contractor has not presented evidence of coverage, include the amount paid to them for labor.

		Column 1 2007 Actual	Column 2 2008 Projected
Professional and Clerical employees	Clergy, office workers, teachers musicians, organist, professional and administrative staff	\$ _____	\$ _____
All Others	Custodial personnel, janitors, sexton, kitchen workers, Manual labor, etc	\$ _____	\$ _____
	Average or Usual Number Of Employees	_____	_____

If during 2007 contractors were used who did not present proof of workers compensation insurance, please complete and return the attached form.

Statement:

I understand that Alabama State Law requires Workers Compensation Insurance. I understand further that rates are set by state law based on payroll. The above information is accurate to the best of my knowledge.

Signature Position Date

**WORKERS COMPENSATION CONTRACTOR/CONTRACT LABOR REPORT
2007**

Use this form to report payroll and duties performed for all contractors employed during the year of 2007 who did not provide proof of coverage for Worker's Compensation Insurance. The employer is responsible for providing coverage if proof of coverage from another source has not been provided. You may be asked to provide a copy of the proof of coverage or other documentation of coverage or of payroll.

If your parish, school or institution did not use contractors or contract laborers who did not provide proof of coverage during 2007 please sign here and return this form along with your payroll report.

This parish/school/institution did not use contract labor in 2007 or has received proof of worker's compensation insurance from all contractors or contract laborers.

Signature date

Person/Company Name	Job Duty Performed	Amount Paid	Labor Only ✓	Labor & Materials ✓	Labor && Equipment ✓

This parish/school/institution did use contract labor during 2007 from whom proof of coverage for worker's compensation insurance has not been received and understands its responsibility to provide coverage by reporting the payroll and paying the insurance premium.

Signature date