TO:  Treasurers and Financial Staff
DATE:  January 10, 2019
RE:  Worker’s Compensation Insurance Payroll Information

REPORTS MUST BE RETURNED BY 15 February
To Comply with state Law and Insure against this Liability

WHAT IS THIS? The congregations and institutions of the diocese are required by Alabama law to provide Worker’s Compensation Insurance for everyone (THAT INCLUDES CLERGY) 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 but are not limited to 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 from another source.

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, roughly! 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 by February 15. If we have not received your reply at the time we report to the insurer, we may assume that your projected payroll in 2018 was correct and we will project a payroll for you in 2019 and calculate a premium. We all MUST comply with the law. This is not simply a church statistical study. This insurance is a requirement of Alabama law.

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 2018 for each person compensated for services [even “contractors”], the projected payroll for 2019 [Not including Contractors]. Remember to include labor costs for your contractors for whom you do not have on file proof of WC insurance.

HOW DOES ALL THIS WORK? The premiums are based on the payroll and the job categories. The actual payroll for 2018 will be compared with the payroll projected last year. If the actual is less than the projected payroll, a credit is given. If the actual payroll for 2018 is greater than originally projected, the additional premium is billed along with the 2019 premium. A premium will also be calculated and billed based on the projected payroll for 2019. Premiums are based on the payroll AND the job categories (type of work). You will receive an invoice for the premium in the spring.

WHO SHOULD BE INCLUDED IN EACH CATEGORY? For most of you there are only two categories. 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 for a fee, you will need to
divide your payroll into additional categories and report using the “Day Care” form enclosed. Note that a Sunday nursery is not considered a day care even if workers are paid but their pay must still be reported on the enclosed form for “Parishes & Schools”. Also, be sure to check with your child care operation to be sure they are not reporting their payroll to the diocese separately. If your child care operation has reported separately in prior years we have mailed forms directly to them.

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 as “professionals”. Other school employees are reported in the custodial-manual labor category.

IS A DAYCARE OPERATION THE SAME AS A SCHOOL? It is not. A separate form is enclosed to be used by parishes operating day care operations. However, a “Sunday” nursery is NOT a day care operation. Be sure your day care is not reporting separately but be sure the day care payroll is reported either on the form for “Parishes & Schools” if it is really a nursery or on the Child Care Operations form, if fees are charged or it operates at times other than during the usual church events.

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 2019 figures are projections and that any difference between projected and actual payroll 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 this reporting deadline [Feb 15].

TO WHOM DO I RETURN THE INFORMATION? The reports should be mailed to: Worker’s Compensation Insurance, Episcopal Diocese of Alabama, 521 20th Street North, Birmingham, Alabama 35203. Signed, scanned versions may be sent as email attachments to: rmorpeth@dioala.org. Subject line should indicate “Worker’s Comp Payroll”.

I THINK MY PARISH IS EXEMPT BECAUSE WE ONLY PAY A PRIEST FOR SUNDAY SERVICES OR HAVE FEWER THAN 5 EMPLOYEES. 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 TO AVOID LIABILITY. This includes even temporary workers. Anyone who could be injured on the job. Alabama law does not require employers with fewer than 5 employees to carry this coverage but neither does it protect the employer (parish or school) from the liability.

WHOM SHOULD I CONTACT FOR HELP WITH THE FORM? Contact me at 205.358.9225 or rmorpeth@dioala.org.

Thank you for your attention to this and for a timely return on the information (February 15th). Because this is a group policy everyone must report before coverage can be secured and the premium calculated.

Sincerely,

Rob Morpeth
Staff Officer for Finance and Administration
Episcopal Diocese of Alabama

Episcopal Diocese of Alabama
521 North 20th Street □ Birmingham, Alabama 35203-2682
Phone 205/715-2060 □ Fax 205/715-2066 □ Email: rmorpeth@dioala.org
Instructions for Reporting Payroll for the Diocesan Group
Worker’s Compensation Insurance Premium Calculation

Employees

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 2018.

Enter in column 2 your best estimate of compensation that will be paid to employees during calendar year 2019. Do not include full year compensation if you expect a position to be vacant sometime during the year. Note that in the next annual cycle your estimate will be compared with the actual and either a credit or charge applied to the annual premium.

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

Contractors

Use this section of the form to report duties performed and compensation paid for all contractors employed during the year of 2018 who did not provide proof of coverage for Worker’s Compensation Insurance. The organization 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. Note that liability coverage is not the same as Worker’s Compensation insurance. If your organization did NOT use contractors OR used contractors who did provide proof of coverage during 2018, please simply check the box so indicating. Note that you need to check one of the two boxes.

Please be sure to sign the form and provide a legible email address so we can reach you if we have questions.

Note: We have a deadline to meet with the insurer and we cannot report any parish until we have them all. The premium must be calculated on the total payroll of all parishes and entities. Please do not make us late in reporting to the Alabama Self-Insured Worker’s Comp Fund. Please return no later than February 15, 2019, to:

Episcopal Diocese of Alabama,
ATTN: Worker’s Compensation Insurance
521 North 20th Street
Birmingham, AL 35203

Forms can be scanned and emailed to RMORPETH@DIOALA.ORG. Please put “Workers Comp Form” in the subject line.
PAYROLL REPORT FOR WORKERS COMPENSATION INSURANCE – PARISHES & SCHOOLS 2018-2019

Please return no later than February 15, 2019, to: Worker’s Compensation Insurance, Episcopal Diocese of Alabama, 521 North 20th Street, Birmingham, AL 35203

Parish/School ______________________________ City ____________________

PLEASE COMPLETE BOTH SECTIONS

EMPLOYEES

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<thead>
<tr>
<th>Column 1</th>
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<tr>
<td>2018 Actual</td>
<td>2019 Projected</td>
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</tbody>
</table>

Professional and Clerical employees 8868
Clergy, office workers, teachers, musicians, organist, professional & administrative staff

Custodial, Kitchen, Nursery personnel, manual labor 9101
Custodial personnel, janitors, sexton, kitchen workers, manual labor

Average or Usual Number of Employees

Contract Labor
(Use back or additional sheet if required to list all Contractors. Providing reports in other formats is acceptable as long as the information required is provided)

☐ This parish did use contractors in 2018 who did NOT provide proof of Worker’s Compensation Insurance. Therefore, I am reporting the cost of labor here for all such contractors. Proceed to the form below.

OR

☐ This parish/school/institution did NOT use any contract labor in 2018 or has on file proof of worker’s compensation insurance from all contractors or contract laborers.

<table>
<thead>
<tr>
<th>Name of Contractor</th>
<th>Job Performed</th>
<th>2018 Labor Costs</th>
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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

NAME & EMAIL ADDRESS OF PERSON PREPARING THE FORM
PAYROLL REPORT FOR WORKERS COMPENSATION INSURANCE
2018-2019 – CHILD CARE OPERATIONS

Please return no later then 15 February 2019 to:
Worker’s Compensation Insurance, Episcopal Diocese of Alabama, 521 North 20th Street Birmingham, AL 35203-2682

NOTE: Sunday nurseries and child care provided during church programs only without fee or charge do not need to report using this form. Compensation for employees of such nurseries should be included within the parish payroll and reported on the form for “Parishes & Schools”.

Day Care & Parish ___________________________ City ___________________________

Column 1 Enter in column 1 actual payroll figures for 2018. If employees were not employed for the entire year, do not annualize figures. Enter only actual compensation. Be sure to complete the Contract Labor form for all persons considered contractors for whom you do not have a current proof of insurance certificate for Workers Compensation insurance.

Column 2 Enter your best estimate of compensation to be paid to employees during the calendar year 2019. Do not include full-year compensation if you expect a position to be vacant at sometime during the year. Remember this is an estimate and will be adjusted during the reporting next year.

Both Col: For clergy use the pension base figure including salary, housing, and utilities. Do not include assessments, travel allowances, insurance payments, or continuing education funds. Report only compensation directly paid by the daycare on this form. In most cases, clergy compensation will be reported by the parish on a separate form.

Include all persons paid for services except contract workers for whom you have on file a current proof of insurance certificate for Worker’s Compensation insurance (not just liability insurance).

<table>
<thead>
<tr>
<th>Child Care-All Employees / Code 8869</th>
<th>2018 Actual</th>
<th>2019 Projected</th>
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Average or Usual Number of Employees (Full & Part-time) #________________________ #________________________

If during 2018 ANY contractors did work for the day care and did not provide proof of Worker’s Compensation Insurance, please provide the name, work performed, and labor costs here. (use back if necessary)

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

_________________________  __________________________
EMAIL ADDRESS & NAME OF PERSON COMPLETING FORM