

Workers' Compensation Payroll Includes & Excludes Instructions

INCLUDE the following as subject payroll on the line with the corresponding class code*:

1. Wages or Salaries (including retroactive wages or salaries)
2. Hourly base pay
3. Bonus pay—bonuses paid to employees less than twice in a policy period that are unanticipated may be excluded. All other bonuses are reportable.
4. Piece work pay, Incentive pay, and Longevity pay
5. Overtime pay at the straight rate of pay. Example: an employee making \$10/hour regular pay gets \$15/hour overtime. The additional \$5/hour overtime pay is excluded.
6. Shift differential pay
7. Standby pay
8. Employee payments for insurance premium
9. Jury duty pay
10. Value of housing in exchange for labor
11. Sick leave and maternity leave
12. Sick leave buyout
13. Comp time
14. Holiday pay
15. Travel pay unless based on actual mileage reimbursements
16. Fair market value of housing, trailer or apartment allowance
17. Employee cafeteria, flexible benefits and zero reimbursement accounts
18. Payments to individual retirement accounts
19. Payments or allowances for tool rent or equipment provided by the employee
20. Volunteers at the agreed assumed wage per unit worked
21. Uninsured and/or unlicensed subcontractors
22. Davis-Bacon wages or wages from a similar prevailing wage law
23. Expense reimbursement to employees that cannot be substantiated as an incurred valid business expense
24. Bereavement pay

EXCLUDE the following payments from subject payroll prior to reporting*:

1. PERS pickup (member contribution that the employer is paying for the employee rather than the deducting from the employee paycheck) and cash out pay
2. Tips and gratuities
3. Excess overtime—the portion of pay in excess of the normal and regular rate of pay (generally half-time pay)
4. Severance pay
5. Unanticipated bonus pay paid less than twice per policy period
6. Vacation pay
7. Verifiable reimbursements for actual expenses such as meals, mileage or lodging (Expense reimbursements to employees to the extent that an employer's records substantiated that the expense was incurred as a valid business expense)
8. Value of rewards
9. Safety incentive bonuses if based on a written safety plan
10. Group insurance programs (employer-paid and direct-remit portion)
11. Preferred workers employed under the Oregon Preferred Worker Program
12. Taxable amounts reported as payroll for the personal use of a company car
13. Third-party sick pay or disability payments
14. Uniform allowances
15. Contract buyouts
16. Payments for active military duty
17. Graduation pay

****This information is gathered from NCCI and the State of Oregon. It is not an all-inclusive list, but contains common payroll inclusions and exemptions. If in doubt, contact the Department of Revenue for additional help in determining payroll figures.***