

Paying Too Much For Workers' Comp?



Stretching the Dollar

Every penny counts, especially for a nonprofit organization. Because NonProfits' United's programs and services are designed by and for nonprofit organizations, we truly understand your operations.

Get The Most From Your Work Comp Dollar

While the traditional payroll classification system for workers' compensation works well for most private employers, it doesn't fit the mold for the unique exposure of a nonprofit. The economic reality is that many nonprofit employees wear multiple hats, either filling in or performing several job functions on a regular basis. Unfortunately, under the standard payroll classification model, you must select the highest (most expensive) classification and utilize it regardless of how much of that job your employee actually does.

Membership Has Its Benefits

The Nonprofits' United Workers' Compensation Group (WCG) recognizes this unique operational feature of nonprofits as well as its financial impact. For this reason, WCG members report employees' payroll and pay contributions based on the actual work, or function, performed. This means WCG members pay for only the coverage they need, which can be a substantial savings.

How much does this exclusive WCG benefit save? Let's use an example with two employees at an adult day care facility who each earns \$30,000 annually:

- Employee 1 mainly works in the administrative office, but also fills in when needed as a bus driver.
 - Estimated payroll allocation*
 - 85% clerical = \$25,500 annually
 - 15% bus operations = \$4,500 annually
- Employee 2 provides residential care in the morning, and works in the office in the afternoon.
 - Estimated payroll allocation*
 - 50% residential care = \$15,000 annually
 - 50% clerical = \$15,000 annually

As this example illustrates, with just two employees utilizing the WCG multi-function classification methodology, a WCG member can save almost 70% annually on workers' compensation expenses. With insurance taking an ever-increasing bite out of operating budgets, this is just one of the many cost-saving benefits of the WCG.

Standard Payroll Classification				WCG Payroll Classification			
Class Code	Rate	Payroll	Premium	Class Code	Rate	Payroll	Premium
Employee # 1							
7382-Bus Ops	16.5	\$30,000	\$4,950	8810-Clerical	1.06	\$25,000	\$265
				7382-Bus Ops	16.5	\$4,500	\$743
Employee # 2							
9085-Res Care	9.07	\$30,000	\$2,721	9085-Res Care	9.07	\$15,000	\$1,361
				8810-Clerical	1.06	\$15,000	\$159
Total Premium			\$7,671	Total Premium			\$2,368
Total Savings: \$5,303 (69%)							

Already a member of the WCG? Be sure to make use of this unique program feature. Not a member, but want more information about how the WCG can benefit your organization? Have questions or need help allocating job functions?

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Our sole reason for existing is to help nonprofits succeed in their own missions.