



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3153—FEBRUARY 13, 2017

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the WCRB Governing Board
Wisconsin Basic Manual Changes – NCCI Item B-1433 Review

Pursuant to ch. 626, Wis. Stat., the Office of the Commissioner of Insurance has approved the following changes adopted by the Governing Board.

The Governing Board reviewed manual rule changes proposed in Item B-1433. The Board adopted changes that were acceptable in WI. Not all of the changes proposed in B-1433 were adopted.

The following changes were adopted effective October 1, 2017. Included are both redline and clean copy versions.

WCRB Rule IV-B-2-b.

b. Salespersons and Collectors - Outside - Code 8742—~~are employees engaged in such duties away from the employer's premises. This classification shall not apply to employees who deliver merchandise. Any salespersons whose duties include occasional courtesy delivery of a nominal quantity of the merchandise sold shall still be classified as salespersons. Employees who deliver merchandise shall be assigned to the classification applicable in that risk to drivers even though they also collect or sell. If they walk or use public transportation, they shall be assigned to the governing classification.~~

- (1) This classification is assigned to employees who perform these duties away from the employer's premises.
- (2) This classification is not assigned to employees who:
 - (a) - Deliver merchandise.
 - (b) - Use vehicles to deliver or pick up goods, even if they collect or sell. These employees must be assigned to the classification applicable to the business for drivers.
 - (c) - Use public transportation or walk to deliver goods even if they collect or sell. These employees must be assigned to the governing classification applicable to the business.
 - (d) Travel between locations of the employer as district or regional managers to perform various duties not involving outside sales or collection. Refer to Rule IV E Payroll Assignment – Multiple Classifications—Interchange of Labor.
- (3) **Note:** Code 8742 does not apply when the basic classification wording includes outside salespersons and collectors.

WCRB Rule IV-B-3

3. General Inclusions:

- a. Some operations appear to be separate businesses, but they are included within the scope of all classifications other than the standard exception classifications. These operations are called general inclusions and are:
 - Commissaries, and restaurants or stores, operated by the employer for employee use. for the insured's employees. Such operations shall be assigned to a separate classification if conducted in connection with construction, erection, lumbering or mining operations.
 - Manufacture of containers such as bags, barrels, bottles, boxes, cans, cartons, or packing cases by the employer for use in the operations insured by the policy.
 - Hospitals or medical facilities operated by the insured employer for its employees.
 - Maintenance or repair of the insured's employer's buildings or equipment by the insured's employer's employees.
 - Printing or lithographing by the insured employer on its own products, packaging, brochures, or promotional materials.

b. A general inclusion operation shall be separately classified only if:

- ~~Such~~ The operation constitutes-is conducted a as separate and distinct business of the insured employer as provided in Rule IV-D. below,
- It is specifically excluded by the classification wording.
- The principal business is described by a standard exception classification.

WCRB Rule IV-B-5

5. Governing Classification

The governing classification at a specific job or location is the basic classification, other than a standard exception classification, ~~that produces the greatest amount of payroll or sales.~~

The governing classification is determined in accordance with the Governing Classification Determination Table.

Governing Classification Determination Table

<u>If . . .</u>	<u>Then the governing classification is the. . .</u>
<u>A basic classification produces the greatest amount of payroll</u>	<u>Basic classification</u>
<u>A basic classification is applicable but no payroll is assigned</u>	
<u>Multiple basic classifications apply</u>	<u>Basic classification that is assigned the greatest amount of payroll</u>
<u>Multiple basic classifications apply but no payroll is assigned to any of the basic classifications</u>	<u>Basic classification that is the highest rated classification</u>
<u>A basic classification is not applicable</u>	<u>Standard exception classification that is assigned the greatest amount of payroll</u>

WCRB Rule IV- C- 1 & 2

C. CLASSIFICATION WORDING

1. Captions

The caption is the heading or title of that precedes the classification ~~itself and is part of the classification wording.~~

2. Notes

The note is the phrase that follows the caption classification ~~and is part of the classification wording.~~

The classification wording as a whole, including the captions and notes, controls, restricts, or explains the classification usage. This wording is also referred to as the “phraseology.”

Example of C.1. and C.2. above

Store: Fruit or Vegetable - Retail
No handling of fresh meats.

In this example, “Store: Fruit or Vegetable - Retail” is the caption and “No handling of fresh meats” is the note. Both are part of the classification wording.

WCRB Rule IV-C-3-b

- b. **Clerical** means ~~clerical~~ office employees and ~~telecommuters drafting employees~~ as defined in Rule IV-B.

WCRB Rule IV-C-3-i

- i. **Story in Height** This manual contains several classifications that refer to “stories in height.” ~~A story is defined as 15 feet in height. It is measured from the lowest point above ground level to the highest point above ground level. A representative sampling of classifications of this nature includes:~~

~~Code 5037 – Painting: Metal Structures – Over Two Stories In Height – & Drivers~~

~~Code 5059 – Iron or Steel: Erection – Frame Structures Not Over Two Stories In Height~~

~~Code 5651 – Carpentry – Dwellings – Three Stories or Less~~

~~For structures, a “story” is defined as being fifteen (15) feet in height.~~

WCRB Rule IV-C-3-k

k. Separate and Distinct Business

~~Separate and distinct business means an additional operation of the employer that is not included in the basic classification on the policy. Refer to the following:~~

- a. ~~Rule IV-D.4. for the assignment of more than one basic classification~~
b. ~~Rule VII-F. for the combination of legal entities, locations, and operations on a single policy~~

WCRB Rule IV-D-7

7 Business Described by a Standard Exception Classification

If the principal business is described by a standard exception classification, the operations of all employees not included in the definition of the standard exception classification shall be assigned to the separate basic classification that most closely describes their operations.

Example of D.7 above:

The insured is an accountant ~~a bank~~:

<u>Employees</u>	<u>Assignment</u>
Clerical Office	Code 8810 - Clerical Office Employees NOC
Maintenance, Security, Elevator Operators	Code 9015 - Buildings - Operation By Owner or Lessee
Cafeteria or Restaurant	Code 9082 Restaurant NOC

WCRB Rule IV-D-5

5. Classifications Limited to Separate and Distinct Businesses

The assignment of certain classifications is limited by their classification notes to separate and distinct businesses. ~~because they~~ The notes may describe an operation which frequently is an integral part of a business described by another classification.

Example of D.5. above:

Code 4511 - Analytical Chemist

Includes laboratory and outside employees. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 4511 are conducted as a separate and distinct business.

WCRB Rule IV G

G. CHANGES IN CLASSIFICATIONS OR RATES

1. Changes in classification due to changes in an insured's employer's operations will be applied as of the date the change in operations occurred.
2. Corrections in classifications that result in a decrease in premium, whether determined during the life of the policy or on audit, must be applied retroactively to the inception of the policy. In addition, the experience modification will be recalculated.
3. Corrections in classifications that result in an *increase* in premium, shall be applied as follows:

If the effective date of change is . . .	Then the increase is applied . . .
During the first 120 days of the policy term . . .	Retroactively to the inception of the policy.
After the first 120 days of the policy	Only to a renewal policy, if any.

term.	
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The effective date of change, for purposes of the time periods noted in the table above, is the date a carrier applies a classification change.

Exceptions to the table above:

- a. If the correction in classification is the result of a misrepresentation or omission by the insured employer, its agents, employees, officers or directors, then the correction must be applied from the date on which the change would have applied if such misrepresentation or omission had not been made.
- b. The above rules do not apply to the following types of operations; therefore, classifications are assigned and applied at any time during the term of the policy or at audit:

Construction or erection ~~risks~~

Employee leasing ~~firms~~

Labor ~~contractors~~ contracting

Temporary labor services

Operations assigned to standard exception classifications

General exclusions

- c. The date of a WCRB inspection supersedes the carrier date when determining the application of a change or correction in classification. WCRB will notify the carrier of the effective date of change.

Example of a correction vs a change in classification:

- The employer is classified under code 7228 Trucking - Local. During the course of the policy period, the employer changes operations and becomes a long haul trucker and is properly classified under code 7229. This is a change in classification due to a change in operation and the change in classification applies as of the date of the change in operations.
 - The employer is classified under code 8018 Store – Wholesale. During the course of the policy period, it is discovered that the business is a retail operation and should be classified under code 8017 Store Risks – Retail NOC. This is a correction in classification and the correction will apply in accordance with the application rules outlined above.
4. The reallocation of payroll among classifications on the policy is not considered a change or correction in classification(s).

A. BASIS OF PREMIUM - TOTAL REMUNERATION

Premium shall be computed on the basis of the total remuneration paid or payable by the **insured employer** for services of employees or other individuals who could receive worker's compensation benefits pursuant to Chapter 102, Wis. Stats., for work-related injuries as provided for by the policy.

Exception:

Some classifications have a different premium basis. For example, premium for domestic worker classifications is computed on a per capita basis. *Refer to Rule XIV.*

WCRB RULE V-B

B. REMUNERATION - PAYROLL

1. Definition

~~Remuneration means money or substitutes for money. Payroll means remuneration. For purposes of this Manual, the terms "payroll" and "remuneration" mean money or substitutes for money.~~

2. Inclusions

- a. Wages or salaries including retroactive wages or salaries;
- b. Total **cash pay** received by employees for commissions and draws against commissions;
- c. Bonuses including stock bonus plans;
- d. Extra pay for overtime work except as provided in Rule V-E;
- e. Pay for holidays, vacations, periods of sickness or unused accrued sick and vacation time;
- f. Payment by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act;
- g. Payment to employees on any basis other than time worked, such as piecework, profit sharing or incentive plans;
- h. ~~Payment or allowance for hand tools or power tools used by hand provided by employees either directly or through a third party and used in their work or operations for the insured;~~
(RESERVED FOR FUTURE USE)
- i. The rental value of an apartment or a house provided for an employee based on comparable accommodations;
- j. The value of lodging, other than an apartment or house, received by employees as part of their pay will be the amount shown in the Miscellaneous Values page-

- k. The value of meals received by employees as part of their pay will be the amount shown in the Miscellaneous Values page.
- l. The value of **school tuition**, store certificates, merchandise, credits or any other substitute for money received by employees as part of their pay (refer to exclusions below for certain fringe benefits [substitutes for money] not considered to be remuneration);
- m. Payments for salary reduction, retirement. WI Retirement Plan, or cafeteria plans (IRC 125), health savings accounts, and flexible spending accounts that are made through employee-authorized salary reductions deductions from the employee's gross pay;
- n. Wages paid to employees as salary in conjunction with the Davis-Bacon Act or other prevailing wage laws;
- o. Annuity plans;
- p. Expense reimbursements to employees ~~to the extent that an~~ if the employer's records do not substantiate that the expense was incurred as a valid business expense;

Exception:

When it can be verified that the employee was away from home overnight on the business of the employer, but the employer did not maintain verifiable receipts for incurred expenses, a reasonable expense allowance is permitted to be excluded. The allowance is limited to a maximum of \$75 per day. The remaining non-verifiable expenses are included as payroll. IRS per diem guidelines, will be permitted.

- q. Payment for filming of commercials excluding subsequent residuals which are earned by the commercial's participant(s) each time the commercial appears in print or is broadcast any type of media.
- r. Adjustments made by the employer to raise employees' wages to federal, state or local minimum wage, whichever is applicable.

3. Exclusions

- a. Tips and other gratuities received by employees except as noted in Rule V-B-2.r. above;
- b. Payments by an employer to group insurance or group pension plans for employees, other than payments covered by Rule V-B. 2. f. and Rule V-B. 2. m.;
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Section 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery;
- e. Dismissal or severance payments except for time worked or accrued vacation.

- f. Payments for active military duty;
- g. Employee discounts on goods purchased from the employee's employer;
- h. Expense reimbursements to employees ~~to the extent that an~~ if the employer's records substantiate that the expense was incurred as a valid business expense;

Reimbursed expense and flat expense allowances, ~~except for hand or power tools~~, paid to employees may be excluded from the audit, provided that all three of the following conditions are met:

- (1) The reimbursed expenses or ~~expenses for which~~ allowances ~~were paid were~~ are incurred upon the business of the employer, and
- (2) The amount of each employee's expense ~~payments~~ or allowances is shown separately in the records of the employer, and
- (3) The amount of ~~each the~~ expense ~~reimbursement~~ or allowance payment approximates the actual expenses incurred by the employee in the conduct of ~~the employee's~~ their work.

Note: If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. Refer to Rule V-2.-p.

Allowable travel expenses permitted by any contract with a federal, state or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

- i. ~~Supper~~ Meal money for late work;
- j. Work uniform allowances;
- k. Sick pay paid to an employee by a third party such as an ~~insured's~~ employer's group insurance carrier that is paying disability income benefits to a disabled employee;
- l. Employer provided perquisites (perks) such as:
 - (1) ~~An automobile~~ Use of company-provided automobiles;
 - (2) An airplane flight;
 - (3) An incentive vacation (e.g., contest winner);
 - (4) ~~A-Discounts~~ on property or services;
 - (5) Club memberships;

(6) Tickets to entertainment events;

(7) Educational assistance;

(8) Relocation and moving expenses.

m. Employer contributions to employee benefit plans such as:

Employee savings plan

Retirement plans

Cafeteria plans (IRC 125)

Health savings accounts

Flexible spending accounts

These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.

WCRB Rule IV-B-2-b.

b. Salespersons and Collectors - Outside - Code 8742

1. This classification is assigned to employees who perform these duties away from the employer's premises.
2. This classification is not assigned to employees who:
 - (a) Deliver merchandise.
 - (b) Use vehicles to deliver or pick up goods, even if they collect or sell. These employees must be assigned to the classification applicable to the business for drivers.
 - (c) Use public transportation or walk to deliver goods even if they collect or sell. These employees must be assigned to the governing classification applicable to the business.
 - (d) Travel between locations of the employer as district or regional managers to perform various duties not involving outside sales or collection. Refer to Rule IV E Payroll Assignment – *Multiple Classifications—Interchange of Labor*.
3. Code 8742 does not apply when the basic classification wording includes outside salespersons and collectors.

WCRB Rule IV-B-3

3. General Inclusions:

- a. Some operations appear to be separate businesses, but they are included within the scope of all classifications other than the standard exception classifications. These operations are called general inclusions and are:
 - Commissaries, restaurants or stores, operated by the employer for employee use. Such operations shall be assigned to a separate classification if conducted in connection with construction, erection, lumbering or mining operations.
 - Manufacture of containers such as bags, barrels, bottles, boxes, cans, cartons, or packing cases by the employer for use in the operations insured by the policy.
 - Hospitals or medical facilities operated by the employer for its employees.
 - Maintenance or repair of the employer's buildings or equipment by the employer's employees.
 - Printing by the employer on its own products, packaging, brochures, or promotional materials.

- b. A general inclusion operation shall be separately classified only if:
- The operation is conducted as a separate and distinct business of the employer.
 - It is specifically excluded by the classification wording.
 - The principal business is described by a standard exception classification.

WCRB Rule IV-B-5

5. Governing Classification

The governing classification at a specific job or location is the basic classification, other than a standard exception classification.

The governing classification is determined in accordance with the Governing Classification Determination Table.

Governing Classification Determination Table

If . . .	Then the governing classification is the. . .
A basic classification produces the greatest amount of payroll	Basic classification
A basic classification is applicable but no payroll is assigned	
Multiple basic classifications apply	Basic classification that is assigned the greatest amount of payroll
Multiple basic classifications apply but no payroll is assigned to any of the basic classifications	Basic classification that is the highest rated classification
A basic classification is not applicable	Standard exception classification that is assigned the greatest amount of payroll

WCRB Rule IV- C- 1 & 2

C. CLASSIFICATION WORDING

1. Captions

The caption is the heading or title of the classification.

2. Notes

The note is the phrase that follows the caption.

The classification wording as a whole, including the captions and notes, controls, restricts, or explains the classification usage. This wording is also referred to as the “phraseology.”

Example of C.1. and C.2. above

Store: Fruit or Vegetable - Retail
 No handling of fresh meats.

In this example, “Store: Fruit or Vegetable - Retail” is the caption and “No handling of fresh meats” is the note. Both are part of the classification wording.

WCRB Rule IV-C-3-b

b. **Clerical** means office employees and telecommuters as defined in Rule IV-B.

WCRB Rule IV-C-3-i

i. **Story in Height** This manual contains several classifications that refer to “stories in height.” A story is defined as 15 feet in height. It is measured from the lowest point above ground level to the highest point above ground level.

WCRB Rule IV-C-3-k

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k. **Separate and Distinct Business**

Separate and distinct business means an additional operation of the employer that is not included in the basic classification on the policy. *Refer to the following:*

- a. *Rule IV-D.4. for the assignment of more than one basic classification*
- b. *Rule VII-F. for the combination of legal entities, locations, and operations on a single policy*

WCRB Rule IV-D-7

7 Business Described by a Standard Exception Classification

If the principal business is described by a standard exception classification, the operations of all employees not included in the definition of the standard exception classification shall be assigned to the separate basic classification that most closely describes their operations.

Example of D.7 above:

The insured is an accountant:

<u>Employees</u>	<u>Assignment</u>
Clerical Office	Code 8810 - Clerical Office Employees NOC
Maintenance, Security, Elevator	Code 9015 - Buildings - Operation By Owner or Lessee

Operators

Cafeteria or
Restaurant Code 9082 Restaurant NOC

WCRB Rule IV-D-5

5. Classifications Limited to Separate and Distinct Businesses

The assignment of certain classifications is limited by their classification notes to separate and distinct businesses. The notes may describe an operation which frequently is an integral part of a business described by another classification.

Example of D.5. above:

Code 4511 - Analytical Chemist

Includes laboratory and outside employees. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 4511 are conducted as a separate and distinct business.

WCRB Rule IV G

G. CHANGES IN CLASSIFICATIONS OR RATES

1. Changes in classification due to changes in an employer's operations will be applied as of the date the change in operations occurred.
2. Corrections in classifications that result in a decrease in premium, whether determined during the life of the policy or on audit, must be applied retroactively to the inception of the policy. In addition, the experience modification will be recalculated.
3. Corrections in classifications that result in an *increase* in premium, shall be applied as follows:

If the effective date of change is . . .	Then the increase is applied . . .
During the first 120 days of the policy term . . .	Retroactively to the inception of the policy.
After the first 120 days of the policy term.	Only to a renewal policy, if any.

The effective date of change, for purposes of the time periods noted in the table above, is the date a carrier applies a classification change.

Exceptions to the table above:

- a. If the correction in classification is the result of a misrepresentation or omission by the employer, its agents, employees, officers or directors, then the correction must be applied

from the date on which the change would have applied if such misrepresentation omission had not been made.

- b. The above rules do not apply to the following types of operations; therefore, classifications are assigned and applied at any time during the term of the policy or at audit:

- Construction or erection
- Employee leasing
- Labor contracting
- Temporary labor services
- Operations assigned to standard exception classifications
- General exclusions

- c. The date of a WCRB inspection supersedes the carrier date when determining the application of a change or correction in classification. WCRB will notify the carrier of the effective date of change.

Example of a correction vs a change in classification:

- The employer is classified under code 7228 Trucking - Local. During the course of the policy period, the employer changes operations and becomes a long haul trucker and is properly classified under code 7229. This is a change in classification due to a change in operation and the change in classification applies as of the date of the change in operations.
- The employer is classified under code 8018 Store – Wholesale. During the course of the policy period, it is discovered that the business is a retail operation and should be classified under code 8017 Store Risks – Retail NOC. This is a correction in classification and the correction will apply in accordance with the application rules outlined above.

4. The reallocation of payroll among classifications on the policy is not considered a change or correction in classification(s).

WCRB Rule V-A

A. BASIS OF PREMIUM - TOTAL REMUNERATION

Premium shall be computed on the basis of the total remuneration paid or payable by the employer for services of employees or other individuals who could receive worker's compensation benefits pursuant to Chapter 102, Wis. Stats., for work-related injuries as provided for by the policy.

Exception:

Some classifications have a different premium basis. For example, premium for domestic worker classifications is computed on a per capita basis. *Refer to Rule XIV.*

WCRB RULE V-B

B. REMUNERATION - PAYROLL

1. Definition

For purposes of this Manual, the terms “payroll” and “remuneration” mean money or substitutes for money.

2. Inclusions

- a. Wages or salaries including retroactive wages or salaries;
- b. Total pay received by employees for commissions and draws against commissions;
- c. Bonuses including stock bonus plans;
- d. Extra pay for overtime work except as provided in Rule V-E;
- e. Pay for holidays, vacations, periods of sickness or unused accrued sick and vacation time;
- f. Payment by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act;
- g. Payment to employees on any basis other than time worked, such as piecework, profit sharing or incentive plans;
- h. (RESERVED FOR FUTURE USE)
- i. The rental value of an apartment or a house provided for an employee based on comparable accommodations;
- j. The value of lodging, other than an apartment or house, received by employees as part of their pay will be the amount shown in the Miscellaneous Values page.
- k. The value of meals received by employees as part of their pay will be the amount shown in the Miscellaneous Values page.
- l. The value of store certificates, merchandise, credits or any other substitute for money received by employees as part of their pay (refer to exclusions below for certain fringe benefits [substitutes for money] not considered to be remuneration);
- m. Payments for salary reduction, retirement. WI Retirement Plan, or cafeteria plans (IRC 125), health savings accounts, and flexible spending accounts that are made through employee-authorized salary reductions from the employee’s gross pay;
- n. Wages paid to employees as salary in conjunction with the Davis-Bacon Act or other prevailing wage laws;

- o. Annuity plans;
- p. Expense reimbursements to employees if the employer's records do not substantiate that the expense was incurred as a valid business expense;

Exception:

When it can be verified that the employee was away from home overnight on the business of the employer, but the employer did not maintain verifiable receipts for incurred expenses, a reasonable expense allowance is permitted to be excluded. The allowance is limited to a maximum of \$75 per day. The remaining non-verifiable expenses are included as payroll.

- q. Payment for filming of commercials excluding subsequent residuals which are earned by the commercial's participant(s) each time the commercial appears in any type of media.
- r. Adjustments made by the employer to raise employees' wages to federal, state or local minimum wage, whichever is applicable.

3. Exclusions

- a. Tips and other gratuities received by employees except as noted in Rule V-B-2.r. above;
- b. Payments by an employer to group insurance or group pension plans for employees, other than payments covered by Rule V-B. 2. f. and Rule V-B. 2. m.;
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Section 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery;
- e. Dismissal or severance payments except for time worked or accrued vacation.
- f. Payments for active military duty;
- g. Employee discounts on goods purchased from the employee's employer;
- h. Expense reimbursements to employees if the employer's records substantiate that the expense was incurred as a valid business expense;

Reimbursed expense and flat expense allowances paid to employees may be excluded from the audit, provided that all three of the following conditions are met:

- (1) The reimbursed expenses or allowances are incurred upon the business of the employer, and
- (2) The amount of each employee's expense or allowances is shown separately in the records of the employer, and
- (3) The amount of the expense or allowance payment approximates the actual expense

incurred by the employee in the conduct of their work.

Note: If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. Refer to Rule V-2.-p.

Allowable travel expenses permitted by any contract with a federal, state or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

- i. Meal money for late work;
- j. Work uniform allowances;
- k. Sick pay paid to an employee by a third party such as an employer's group insurance carrier that is paying disability income benefits to a disabled employee;
- l. Employer provided perquisites (perks) such as:
 - (1) Use of company-provided automobiles;
 - (2) An airplane flight;
 - (3) An incentive vacation (e.g., contest winner);
 - (4) Discounts on property or services;
 - (5) Club memberships;
 - (6) Tickets to entertainment events;
 - (7) Educational assistance;
 - (8) Relocation and moving expenses.
- m. Employer contributions to employee benefit plans such as:
 - Employee savings plan
 - Retirement plans
 - Cafeteria plans (IRC 125)
 - Health savings accounts
 - Flexible spending accounts

These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.