Washington Industrial Insurance

Document #:	3314	Product:	CenterPoint® Payroll

Washington State requires that all employees be covered by industrial insurance. Premiums paid by employers and workers pay for medical care for job-related injuries and illnesses, and wage replacement when the injury or illness is serious enough to miss work. The system provides prompt payment to injured workers and protects employers from litigation.

The Department of Labor & Industries sets the rate, but what you pay is based on the accident and illness rates in your industry-specific job and your company's claims history. Rates vary widely, depending on how risky a job is. For example, the rate for a few select jobs in the logging industry exceeds $10 per hour. For less risky clerical workers, the rate is as low as 11 cents for every hour worked. Rates within a particular industry will vary depending on the frequency and cost of workers' compensation claims filed by a particular company.

1. Select **Setup > Payroll Details > Workers' Compensation Classes**.
2. Enter an **Abbreviation**, for example WA LI and **Name**, for example Washington Industrial Insurance for the class.
3. In the **State** box, select **Washington**.
4. Enter the **Class Code** that identifies a specific classification of work (usually found on the Washington State Department of Labor & Industries website). For example, classification code 4904 is for Administrative, Clerical, Reception and Sales Staff working in a business office.
5. Select the **Liability** (usually a payable account, for example Workers' Compensation Payable or State Taxes Payable) and **Expense Accounts** (for example, Payroll Taxes Expense) for this class.
6. If applicable, in the Certified Payroll **Codes 1-4** boxes, enter the certified payroll work classification codes (usually apply for Federally funded building projects).
7. Under Rate Detail, enter the **Employer** rate. For example, in 2017 classification code 4904 has an employer rate of 0.144100 per hour worked.
8. Enter the **Employee** rate. For example, in 2017 classification code 4904 has an employee rate of 0.05830 per hour worked.
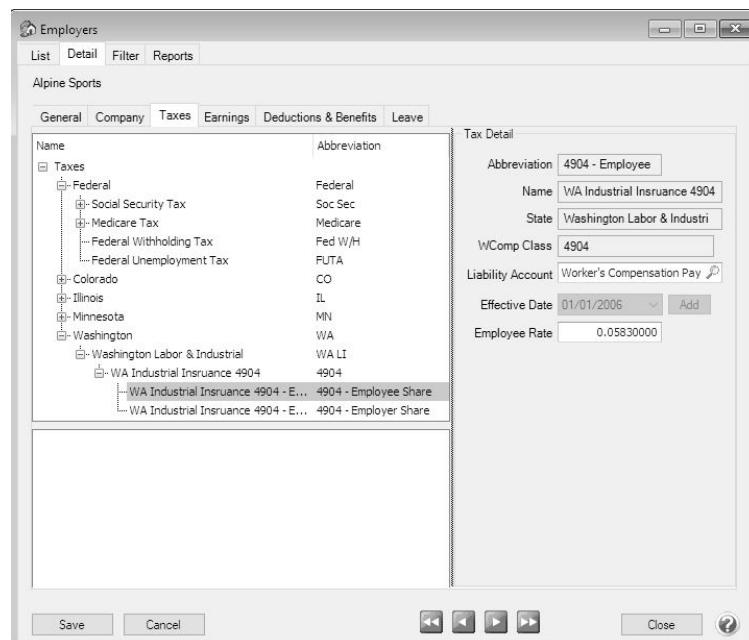
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This documentation is for informational purposes only. For specific accounting guidance, please contact your accountant.

Last Updated 7/24/2025
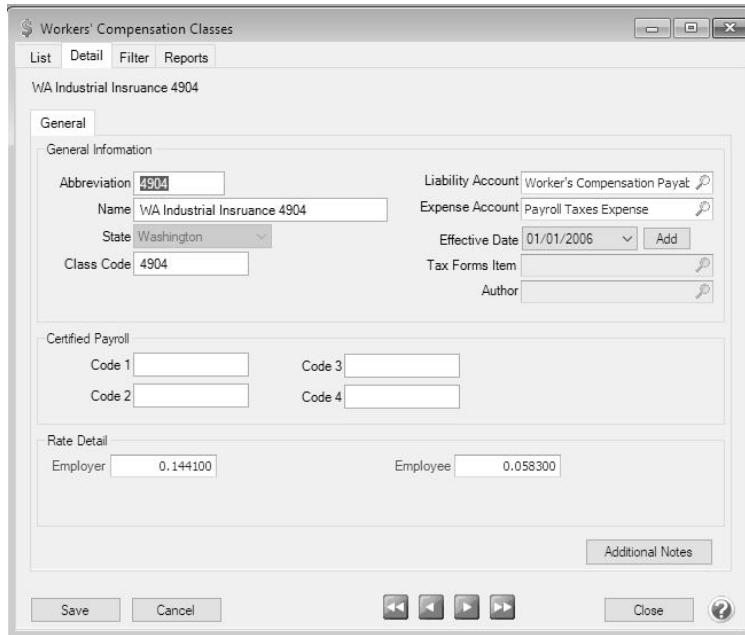
9. Click **Save**.

> Note: When a workers' compensation class is created, it is automatically added to all employers in the database on the Setup > Employers > Taxes tab. If the state for the workers' compensation class was not added for the employer prior to creating the workers' compensation class, it will also be added.

10. Select **Setup** > **Employers** > **Taxes** tab.
11. From the left side of the screen, under the state of **Washington**, select **Washington Labor & Industrial**.
12. On the right side of the screen, enter the **Workers' Comp ID**.
13. Add/verfiy the **Liability Account** (usually a payable account, for example Workers' Compensation Payable or State Taxes Payable).
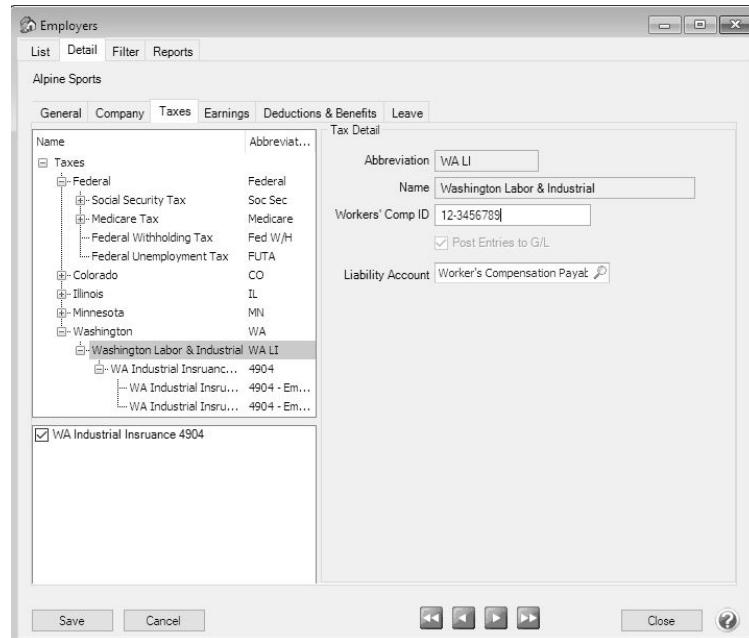
14. From the left side of the screen, select the **Employee** portion of a workers' compensation class under Washington Labor & Industrial.
15. On the right-side of the screen add/verify the **Liability Account** and **Employee Rate**.

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16. From the left side of the screen, select the **Employer** portion of a workers' compensation class under Washington Labor & Industrial.
17. On the right-side of the screen add/verify the **Liability Account** and **Expense Account**.
18. Verify the **Employer Rate**.
19. Click **Save**.
20. Select **Setup** > **Employees**.
21. Select an employee required to pay Washington Industrial Insurance, and then click **Edit**.
22. Click the **Taxes** tab.
23. On the upper left side of the screen, select your employer.
24. On the lower left side of the screen, verify that **Washington** is selected.
25. On the upper left side of the screen, select **Washington Labor & Industrial**.
26. On the lower left side of the screen, select the **applicable workers' compensation class**, for example WA Industrial Insurance 4904.
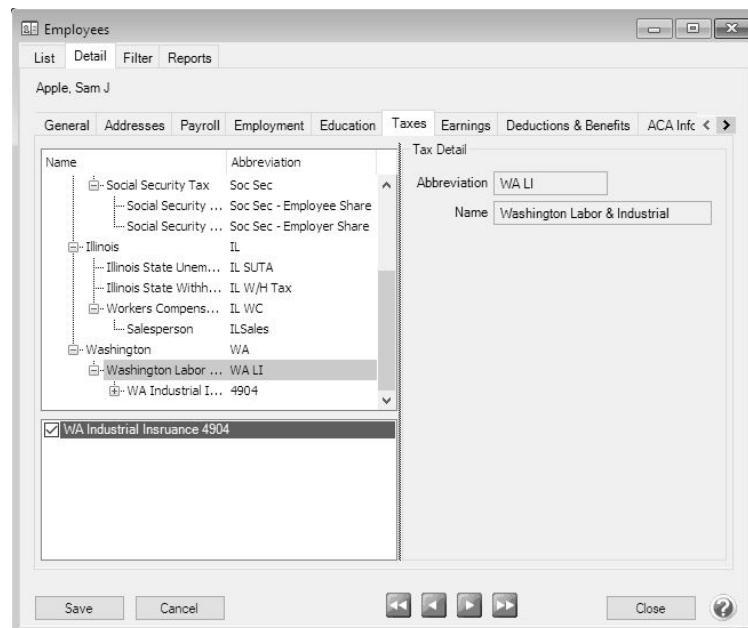
27. Verify the Expense Account.
28. Click **Save**.

> It is important to verify that Washington Industrial Insurance is calculated on the correct earnings (for example, you would **not** want it calculated on a vacation, sick or PTO earning).
>
> To verify the earnings:
>
> » Select **Setup** > **Payroll Details** > **Earnings**.
> » Click the **Taxes** tab.
> » Locate the **workers' compensation class,** and verify the **Taxes Calculated on Earning** column.