Workers' Compensation Classes

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Workers' compensation class codes define the job classes for the different types of work your employees perform and are used in conjunction with the state workers' compensation taxes set up in Setup > Payroll Details > Employers > Detail tab > Taxes tab. Work and earnings in various classes are then used in workers' compensation reporting. By setting up classes you can more accurately report time for employees who work in job categories that are subject to high workers' compensation rates. When a workers' compensation class is created, it is automatically added to all employers in the database on the 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.

When you process and post payroll, the text automatically generated from the Notation field will display "State-WC-Workers' Compensation Class" (for example, MN-WC-Salesperson) on the Transaction Journal to easily identify the information for workers' compensation tax.

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Create a Workers' Compensation Class

1. On the **Setup** menu, point to **Payroll Details**, and then click **Workers' Compensation Classes**.
2. Click **New**. .
3. In the **Abbreviation** box, enter up to ten characters that you can easily identify the workers' compensation class by. Workers' Compensation Class: Workers' compensation class codes define the job classes for the different types of work your employees perform. Work and earnings in various classes are then used in workers' compensation reporting. By setting up classes you can more accurately report time for employees who work in job categories that are subject to high workers' compensation rates.For example, RSC for Retail Sales Clerk or WS for Warehouse Staff.
4. In the **Name** box, enter up to 35 characters of required information that describes the workers' compensation class.
5. In the **State** box, select the state this workers' compensation class applies to.
6. In the **Class Code** box, enter up to 15 characters that will be used on reporting for this workers' compensation class.
7. Select the **Liability** and **Expense Account** this workers' compensation class should post to in the General Ledger.
8. In the **Effective Date** box, enter the date that this workers' compensation class will become effective. With effective dates, you an set up a new rate for a class prior to the rate change. The new rate will not take effect until that date so you don't have to wait until that date to set up the changes.
9. The **Tax Forms Item** box will only be enabled if there is a requirement for tax forms reporting. This requirement is dependent on the state selected.
10. In the **Certified Payroll Code 1-4** boxes, enter up to 25 characters that will be used on certified payroll reporting for this workers' compensation class.
11. In the **Rate** box, enter the primary class rate to be used in calculating the employer's workers' compensation contribution. The rate is either an hourly rate or a percent, depending on how this state calculates workers' compensation. Depending

upon which state was entered, you will either have single rate or two rates. The two rates would be an employee rate and an employer rate, enter the rate for each.

12. To add notes to this project, click **Additional Notes**, enter the notes, and then click **OK**.
13. Click **Save** to save the workers' compensation class and return to the List tab, or click **Close** to save the workers' compensation classand close the Workers' Compensation Class screen.

> 📎 Note: To return to the List tab without saving the workers' compensation class, click Cancel. To close the Workers' Compensation Class screen without saving the Workers' Compensation Classclick ✕ in the upper-right corner.

> 📎 Note: When a workers' compensation class is created, it is automatically added to all employers in the database on the Setup > Payroll Details > 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.

Verify/Change a Workers' Compensation Class for an Employer

> 📎 Note: When a workers' compensation class is created, it is automatically added to all employers in the database on the Setup > Payroll Details > 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.

To setup information specific to this workers' compensation class:

1. Select **Setup** > **Payroll Details** > **Employers** > **Taxes** tab.
2. From the left side of the screen, under the state abbreviation the class was created in, select **Worker's Compensation**.
3. On the right side of the screen, enter the **Workers' Comp ID**.
4. Determine if you want the worker's compensation entries to Post Entries to G/L (posted to the general ledger) (this will only be available to workers' compensation classes that do not have an employee share, those worker compensation classes will automatically be set to post entries to the general ledger).
5. Add/verfiy the **Liability Account**.
6. From the left side of the screen, select a workers' compensation class under the state.
7. On the right-side of the screen select an **ExpenseAccount**.
8. Enter the **Rate** for this class.
9. Click **Save**.

Add a Workers' Compensation Class to an Employee

1. On the **Setup** menu, click **Employees**.
2. Select the employee you want to add a workers' compensation class to, and then click **Edit**.
3. Click the **Taxes** tab.
4. In the upper-left side of the screen, select the **Employer** this workers' compensation class should be added to.
5. In the upper-left side of the screen, select the **State** this workers' compensation class should be added to.
6. In the lower-left side of the screen, select the check box next to the workers' compensation class you want to add. The workers' compensation class will display in the upper-left side of the screen under the Employer you selected.
7. In the upper-left side of the screen select the workers' compensation class you just added.
8. On the right side of the screen, under Tax Detail, enter the specifics about this workers' compensation class for the employee including expense accounts, effective dates, etc.
9. Click **Save** to save the employee and return to the List tab, or click **Close** to save the employee and close the Employees screen.

Copy a Workers' Compensation Class

1. On the **Setup** menu, point to **Payroll Details**, and then click **Workers' Compensation Classes**.
2. Select the workers' compensation class you want to copy, and then click **Copy**

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> Note: All information in the original master file record will be copied to the new master file record with the exception of the Name.

3. Edit the workers' compensation class detail.
4. Click **Save** to save the workers' compensation class and return to the List tab, or click **Close** to save the workers' compensation class and close the workers' compensation class screen.

Change a Workers' Compensation Class

1. On the **Setup** menu, point to **Payroll Details**, and then click **Workers' Compensation Classes**.
2. Select the workers' compensation class you want to change, and then click **Edit**.

> Note: If you change the information in the Name box, past workers' compensation class information is automatically linked to the new name. For example, if you change the workers' compensation class Trucker to Over the Road Trucker, your reports will no longer show Trucker and any existing information for Truckeris now part of Over the Road Trucker.

3. Edit or view the workers' compensation class detail.
4. To edit another workers' compensation class, click ◀ or ▶ to display the previous/next workers' compensation class.
5. Click **Save** to save the workers' compensation class and return to the List tab, or click **Close** to save the workers' compensation class and close the workers' compensation class screen.

Delete a Workers' Compensation Class

1. On the **Setup** menu, point to **Payroll Details**, and then click **Workers' Compensation Classes**.
2. Select the workers' compensation class you want to delete, and then click **Delete**.

> Note: You cannot delete a record that is linked to other records in the system.

3. At the "Are you sure you want the item deleted?" message, click **Yes**.

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