

Division of Payroll

Understanding the rules in the **California Workers' Compensation Uniform Statistical Reporting Plan—1995 (USRP)** for division of payroll, recordkeeping & dual wage classifications

Helping California employers understand their rights and the California workers' compensation insurance system

The Rule

Part 3, Standard Classification System, Section V, Payroll – Remuneration, Rule 3, Division of Single Employee's Payroll addresses instances in which **complete and accurate records are not maintained**:

[...] If the employer fails to keep complete and accurate records as provided in this rule, the entire remuneration of the employee shall be assigned to the highest rated classification applicable to any part of the work performed by the employee. Payroll may not be divided by means of percentages, averages, estimates, or any basis other than specific time records. [...]

Similar requirements for dividing payroll between Construction or Erection classifications are in Part 3, Standard Classification System, Section IV, Special Industry Classification Procedures, Rule 2, Construction or Erection Work.

Workers' Compensation Insurance Rating Bureau of California®

California Workers' Compensation Uniform Statistical Reporting Plan—1995

Title 10, California Code of Regulations
Section 2318.6

Effective September 1, 2023



The Scenario

Why are my employees who work at two physically separate locations assigned the same classification?

Michelle owns a bakery and a restaurant next door. The bakery is assigned to Classification 2003, *Bakeries or Cracker Mfg.*, and the restaurant is assigned to Classification 9079, *Restaurants or Taverns*. The two businesses are physically separated; however, they share employees who work in both the restaurant and the bakery. Michelle wants to know why the employees are assigned to the higher-rated Classification 2003.

To accurately allocate each employee's payroll between the time spent performing bakery and restaurant activities, Michelle must provide the auditor with complete and accurate payroll records with supporting documents, which show separately, both by individual employee and in summary by operations performed and the remuneration earned by the employee.

Explore more at wcirb.com/OMBRecordkeeping



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