

Recordkeeping

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

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

The Rule

If an employee's payroll is to be divided between two or more classifications, the applicable time card recordkeeping requirements for most industries are listed at Part 3, Standard Classification System, Section V, Payroll – Remuneration, Rule 3, Division of Single Employee's Payroll. This rule states, in part:

[...] the remuneration of any one employee may be divided between two or more classifications, provided the employer has maintained complete and accurate records supported by original time cards or time book entries which show separately, both by individual employee and in summary by operations performed, the remuneration earned by such employee [...]

The rule does not require any standard format for the records, but requires that they be original, i.e., contemporaneous records, and that they be summarized, meaning totaled by operation. The accuracy of the summaries must be verifiable by reviewing the original, individual employee records.

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

How should I maintain my business records to verify the division of payroll between classifications?

Marcus owns two businesses that are assignable to Classification 0042, *Landscape Gardening*, and Classification 0106, *Tree Pruning, Repairing or Trimming*. Marcus keeps manual records of time cards and time summaries. He does not maintain electronic records.

The auditor does not want to review the records that Marcus provided and advises that it's in Marcus' financial interest to submit a spreadsheet with the requested information; otherwise, all the wages will be assigned to Classification 0106, the higher-rated classification.

Marcus contacts the WCIRB Policyholder Ombudsman for clarification on the rule and how it applies.

Explore more at wcirb.com/OMBRecordkeeping



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