



WORKER'S COMP PREMIUM ALLOCATION

In order to allocate your Work Comp premium, please follow the example below:

| Payroll Classification Schedule | | | | |
|---------------------------------|-------------------|------------|----------------|---------------|
| Payroll Class | Class Description | Class Rate | Payroll Amount | Manual Amount |
| 5506 | Streets/Roads | 12.44 | 70,118 | 8,723 |
| 7520 | Waterworks | 5.24 | 138,445 | 7,255 |
| 7720 | Law Enforcement | 7.18 | 155,615 | 11,173 |
| 8810 | Clerical | 0.57 | 126,349 | 720 |
| 8810E | Elected Officials | 0.57 | 10,800 | 62 |
| 8868 | Library/Museum | 0.70 | 19,939 | 140 |
| Total Manual Premium | | | | 28,073 |
| Experience Modifier | | | | 0.85 |
| Discount Rate | | | | 0.05 |
| Total Premium Due | | | | 22,669 |

Step 1: Apply the experience modifier to the manual premium for each class code. For example, look at Code 5506 Streets and Roads:

| | | |
|---------------------|---------------|------------------------------------|
| Manual Amount = | \$8,723 | |
| Experience Modifier | <u>x 0.85</u> | |
| Standard Premium | \$7,415 | (Result Rounded to Nearest Dollar) |

Step 2: Apply the discount rate by subtracting the discount rate from one and multiplying the result times the standard premium from Step1. (1-.05 = .95)

| | |
|-------------------------|---------------|
| Standard Premium | \$7,415 |
| One Minus Discount Rate | <u>x 0.95</u> |
| Premium Due for 5506 | \$7,044 |

Step 3: Repeat for each class code.

| Class Code | Manual Amount | Experience Modifier | Standard Premium | One Minus Discount Rate | Premium Due |
|------------|---------------|---------------------|------------------|-------------------------|-------------|
| 5506 | \$8723 | 0.85 | \$7415 | .95 | \$7044 |
| 7520 | \$7255 | 0.85 | \$6167 | .95 | \$5859 |
| 7720 | \$11173 | 0.85 | \$9497 | .95 | \$9022 |
| 8810 | \$720 | 0.85 | \$612 | .95 | \$581 |
| 8810E | \$62 | 0.85 | \$53 | .95 | \$50 |
| 8868 | \$140 | 0.85 | \$119 | .95 | \$113 |