

Payroll Tracking: COVID-19

With the recent legislation under the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief and Economic Security Act (CARES Act) comes new considerations for payroll tracking to best set-up your organization to receive the benefits that accompany these laws and future audits that may ensue. Included in this communication are considerations for your payroll tracking that we believe may prove beneficial. We recommend that you consider the following:

1. Separately identify payroll paid to employees but not worked as a result of the COVID-19 crisis. Examples could include qualified leaves under the FFCRA or payroll continuation for employees not actively at work. This could be achieved by creating a new earnings pay code or tracking outside of your payroll system. Coordination with your timekeeping system may also prove very helpful. The intent is to clearly document wages paid that may qualify for a financial incentive under the FFCRA or CARES Act, or that could be relevant to a property & casualty policy audit.
2. Differentiate payroll records for employees that continue to work but are performing duties that fall under different workers' compensation and general liability class codes than normal. This could involve making a change in your payroll system at the employee-level, job-level, or a broader organization structure such as a department, or it may necessitate different timekeeping methods than traditionally utilized. The intent is to capture if compensation was paid to an employee for a duty that falls into a workers' compensation or general liability class code outside of how their wages are normally allocated. This will enable a carrier to identify COVID-19 associated payrolls when conducting an audit. Those payrolls will be handled as determined by National Council on Compensation Insurance (NCCI), the appropriate Workers' Compensation bureaus, state governments, or the Insurance Services Organization (ISO).

Each organization is unique and will vary in complexity. Should you have questions, please reach out to your Cottingham & Butler service team. For more COVID-19 information and business resources, please visit our COVID-19 Business Response Resource Center.

[Access Cottingham & Butler Client Resource Center](#)

