

# Workers' Compensation: Premium Audit

## Notice to Dual Wage Contractors: California Time Record Requirements

### California Policyholders only:

The Department of Industrial Relations (DIR) Industrial Welfare Commission, under Order No. 16-2001, regulates wages, hours and working conditions in certain on-site occupations in the construction, drilling, logging and mining industries. As part of this order, construction employers are required to maintain precise records of hours worked each day, including records showing when the employee begins and ends each work period.

The Workers' Compensation Insurance Rating Bureau of California (WCIRB) requires audits of time records for non-salaried employees with the following **records requirement**:

- Original time cards or time book entries for each employee. Original records must include the operations performed, the total hours worked each day and the times the employee started and ended each work period throughout the workday. At job locations where all of the employer's operations cease for a uniform unpaid meal period, recording the start and stop times of the uniform break period is not required, or
- A Valid collective bargaining agreement (*between the employer and a labor union*) that shows the regular hourly wage rate by job classification of worker. If using a collective bargaining agreement, the records must include an employee roster by job classification that permits the reconciliation of the individual employees to the job classifications set forth in the collective bargaining agreement.

**PLEASE NOTE:** If proper records are not maintained, **ALL EMPLOYEES MUST BE PLACED INTO THE LOWER WAGE THRESHOLD CLASSIFICATION.**

Salaried employee thresholds are calculated based on 2,000 hours, or pro-ration thereof, if not employed for the full year. Please contact us if you have any questions about these records requirements.

### Following are samples of compliant and non-compliant time records:

#### Compliant Record:

Note: If all work at a job site ceases for lunch at the same time, in and out for lunch is not needed.

NAME	WEEK ENDING				
	Time IN	Time OUT	Time IN	Time OUT	Hours
Mon	8:00	11:30	12:00	4:30	8.00
Tues	8:00	11:30	12:00	4:30	8.00
Wed	8:00	11:30	12:00	4:30	8.00
Thu	8:00	11:30	12:00	4:30	8.00
Fri	8:00	11:30	12:00	4:30	8.00

Non-Compliant, all wages will be classified in the Lower Threshold Class

If Verifiable Compliant Time Records are not maintained, all wages go to lower threshold classification.

NAME	WEEK ENDING				
	Time IN	Time OUT	Time IN	Time OUT	Hours
Mon					8.00
Tues					8.00
Wed					8.00
Thu					8.00
Fri					8.00

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