



## **Fact Sheet Workers' Compensation Pay-As-You-Go Q & A for Employers**

April, 2009

### **Why should I switch to Workers' Compensation Pay-As-You-Go?**

Workers' Compensation Pay-As-You-Go makes good business sense. Unlike traditional Workers' Comp insurance, there is no advance premium. The payments are directly related to the liability in your current payroll. So as your company expands or contracts, its insurance coverage changes accordingly.

One of the goals of the program is to eliminate or at least reduce the inconvenience of large end-of-year payouts. It smoothes out your cash flow and relieves you of the stress of large, unexpected end-of-plan payments as well as most of the work for your year-end workers' comp audit. Payments are directly related to the size of your payroll.

### **If I choose to switch to Pay-As-You-Go, can I still work with my insurance agent?**

Yes, he or she will still be your agent, that won't change.

### **What role does Custom Payroll Services play?**

Custom Payroll Services has all of the file layouts written to work with Insurelinx, our service provider. We will also verify that each employee is set up with the correct workers' comp code. Each time that you process payroll, Custom Payroll Services will transmit the processed data to Insurelinx. Based on that data, the liability is calculated and the funds are subsequently impounded from your bank account. This happens every payroll.

### **How long will it take us to get on to Pay-As-You-Go once we decide to make the change?**

Not long at all. After your agent keys your company information into Insurelinx, it will be sent out to quote. Quotes come back anywhere from 2 – 6 days. Once you make your decision, depending on the plan year, you can start Pay-As-You-Go. You do have to be processing your payroll with Custom Payroll Service first. Custom Payroll Services will be happy to convert your payroll account so you can participate.

### **How many quotes will I have to choose from?**

It depends on your industry and experience. Generally it could be as many as 3 or 4.

### **Which insurers will I have access to?**

The list of insurers includes: AmeriSafe, AmTrust, Ace, Amguard, AIG, Swiss Re, AequiCap, the Guard, Summit (Liberty Mutual), Travelers and Zurich depending on the industry.

### **Will switching to Workers' Comp Pay-As-You-Go cost me anything extra?**

Not at all...it will save you money. There is a \$100 monthly charge that is absorbed by Custom Payroll Services.

### **Why Custom Payroll Services?**

Custom Payroll Services was started in January, 1995 by Martha Burman who has been a CPA since 1980. With a 98% retention rate, Custom Payroll Services focuses on great customer service, great technology and innovation.

Every one of their clients has a payroll specialist dedicated to their account. Many of our clients have been with us for more than 7 years, some even 14 years. They include: museums, schools, banks, physicians, attorneys, long term care, retail and restaurants.

### **What is the next Step?**

Call your independent insurance agent with any questions or to request a quote.