

# EZ-Pay Guidelines

## We make paying work comp premiums simple.

### 1. CONTACT INFORMATION SHEET

A Contact Information sheet must be completed by the payroll service company and provided to MEM so information can be entered into MEM's system prior to use.

### 2. FEES COLLECTED UP FRONT.

The following fees must be collected up front: Second Injury Fund (state mandated surcharge), TRIPRA (federally mandated terrorism surcharge) and MEM's expense constant. The Second Injury Fund and TRIPRA surcharges may be adjusted if the final payroll and premium are calculated and adjusted.

### 3. ONLINE PAYROLL REPORTING AND PAYMENTS

Payroll information must be remitted online, via MEM's secure portal, with payment to MEM as it's collected from the customer. If assistance is needed setting up a secure portal account, please contact Customer Care at [customer-care@mem-ins.com](mailto:customer-care@mem-ins.com) or 1.800.442.0593. To qualify for the EZ-Pay Program, the online payment and payroll report must come from the payroll service company. There are two instances when MEM will accept a check directly from the policyholder—payment for an audit or if the policy goes into pre-cancellation.

### 4. PAY PLAN OPTION

The insurance producer must indicate on the application that a payroll service company is being used. EZ-Pay policies are set up on a monthly payroll reporting cycle. The monthly payment cycle must be selected at the time of policy issuance as no mid-term changes can be made. If the policyholder has different payroll cycles for employees, the company

will not qualify for MEM's EZ-Pay program unless the payroll service company can accommodate reporting all payroll on a monthly basis. Please contact MEM Customer Care at 1.800.442.0593 or [customer-care@mem-ins.com](mailto:customer-care@mem-ins.com).

### 5. OWNER/OFFICER PAYROLL

If an owner or officer is included for coverage, regardless of the amount they are paid, premium

must be remitted based on required annual payroll (see inset). It is the responsibility of the payroll service company to notify the policyholder about payroll and premium requirements for owners/officers. If the payroll is not reported or reported incorrectly, it will be picked up at the annual audit, and the policyholder will be invoiced for additional premium. Payroll for Missouri owners/officers must be split with 90% applied to the governing class code and 10% allocated to either 8810-clerical or 8742-outside sales. Separate payment arrangements will not be made to accommodate owner/officer salary.

### 6. BILLING ADDRESS

The payroll service company's address will be used as the policyholder's billing address. As such, the payroll service company will receive statements for additional premium due as a result of an audit. It is the payroll service company's responsibility to notify the policyholder of the balance due and forward all billing statements accordingly.

### 7. AUDIT PREMIUM

Audit premium due for a prior policy term will be billed to the policyholder through the payroll service company (see guideline 6) and will not be rolled into the current policy term payment schedule.

### 8. MID-TERM ENDORSEMENTS

Any mid-term premium-bearing endorsements, such as a change in the experience modification factor, will be applied to the policy and adjust the amount of premium due. MEM will notify the insurance producer and payroll service company

## PAYROLL REQUIREMENTS

Payroll for Missouri owners/officers is **\$48,200.**

This applies to sole proprietors, partners, corporate officers and LLC members.

The set payroll amount is subject to change annually effective Jan. 1.

of the new premium and premium factor for the EZ-Pay program, in addition to providing updated payroll reports to be used for the remainder of the policy term, if applicable.

#### **9. WORK COMP POLICY CANCELLATION**

If the payroll service company fails to remit funds, MEM will send a pre-termination notice to the policyholder, and MEM's cancellation process will follow. MEM will accept payment directly from the policyholder in this situation.

#### **10. PRODUCER RESPONSIBILITIES**

Insurance producers are responsible for explaining to policyholders that payroll for uninsured subcontractors must be reported. Producers are also responsible for explaining workers compensation, in general, and payroll classifications.

#### **11. PAYROLL SERVICE CANCELLATION**

If the policyholder cancels the payroll service company contract mid-term, MEM will change the payroll reporting option according to our current offerings and update the billing address. MEM will also pro-rate and invoice the policyholder for the security deposit; failure to pay will result in cancellation.

#### **12. UNDERWRITING**

All submissions requesting EZ-Pay must be quoted by MEM before submitting for issuance. MEM will underwrite each account according to our usual guidelines. Pricing and acceptability decisions will not be influenced by participation in the EZ-Pay program.

#### **13. OTHER STATES**

Contact an Underwriter for questions regarding EZ-Pay and other states policies.