

BULLETIN

Empire State Agricultural Compensation Trust

October 2007

HOUSING REMUNERATION

The dairy and agriculture industry is unique in that the rating for remuneration does not only include the payroll for you employee, but also takes into consideration any non-traditional compensation that is provided to your employee in lieu of monetary compensation.

Below are the reporting and rating requirements as they pertain to providing a housing benefit to your employees.

The New York State Workers' Compensation Board defines Remuneration as Payroll to included money or substitutes for money.

Substitutes for money include the following in the definition of Remuneration:

1. The rental value of an apartment or a house provided for an employee based on comparable accommodations
2. The value of lodging, other than an apartment or house, received by employees as part of their pay, to the extent shown in the insured's records.

In the event of a Workers' Compensation claim, the value of housing (in addition to the value of other non-monetary benefits, i.e. free milk or beef) provided to an employee is factored in to the final compensation figure an employee is entitled to while unable to perform his/her customary duties on the job.

EMPACT, through a market survey, determined the comparable monthly value of the following accommodations for each employee in New York State to be as follows:

Room:	\$300
Apartment/Mobile Home:	\$400
House:	\$500

EMPACT Members are required to report compensation including any type of housing provided for each employee.

Examples of how the total housing remuneration is determined are displayed on the reverse side of this page:

Examples:

1) 2 Houses provided to 2 Employees for 12 months

2 Employees X 12 Months = 24 Months X \$500 House rate = \$12,000 Remuneration

2) 3 Mobile Homes/Apts provided to 3 Employees for 9 Months

3 Employees X 9 Months = 27 Months X \$400 MH/Apt rate = \$10,800 Remuneration

3) 6 Rooms provided to 6 Employees for 12 Months

6 Employees X 12 Months = 72 Months X \$300 Room rate = \$21,600 Remuneration

It is a common practice to have accommodations shared by more than one or two employees. If an apartment/mobile home or a house is shared by 4 or more employees, regardless of the type of structure, the Room rate of \$300 is used. For Example:

1) 2 Houses provided to 10 Employees for 12 Months

10 Employees X 12 Months = 120 Months X \$300 Room rate = \$36,000 Remuneration
(in lieu of using the \$500 House rate or \$60,000 Remuneration)

2) 3 Mobile Homes/Apts provided to 12 Employees for 12 Months

12 Employees X 12 Months = 144 Months X \$300 Room rate = \$43,200 Remuneration
(in lieu of using the \$400 Mobile Home/Apt rate or \$57,500 Remuneration)

The housing costs are converted to a remuneration amount that is then subject to a rate per \$100 of payroll. This then becomes part of the policy premium.