

## **Brief Summary of Payroll Services & Workers' Compensation Process**

National CMServices, Inc. is an organization that provides businesses of all types and sizes with proficient off-site Pay-As-You-Go Workers' Compensation Insurance and Payroll Processing Services and if needed, much, much more.

We make it all very SIMPLE! Pay your Worker's Compensation Insurance and Payroll Processing as payroll is incurred. No more Deposits - No more Monthly Payments - No more Audits - No more Benefits Administration - No more Claims Management or Processing. You simply Pay-As-You-Go and we do the rest.

Our quote includes the following: workers' compensation insurance cost, processing of payroll cost, remittance of deductions to the appropriate individual taxing agencies (FUTA, SUTA, FICA and Child Support). We have attached a proposed cost per classification and explanation of additional services.

### **I. TERM OF AGREEMENT**

The initial term of this Agreement shall be for thirty days. Following the completion of the initial term, this Agreement shall automatically renew and remain in full force and effect for additional terms of thirty days and shall remain in effect until termination, with or without cause by either party with a 30-day written notice delivered to the other party.

### **II. CLIENT AGREEMENTS**

- a. Client agrees to fax or email the timesheet/hours worked by each employee.
- b. In the event any employee is paid overtime, Client understands the overtime will be billed at time and one half the regular rate.
- c. Client agrees to pay NCMS for all services provided upon receipt of payroll checks, reports and invoice by Cashiers Check until ACH is established.
- d. The rate of billing will be based upon a percentage of the pay to the employee.
- e. Client agrees and understands they have control over interviewing, hiring and firing all employees, as well as sole and exclusive control over the day-to-day job duties of all employees and this control is solely and exclusively assigned to Client.
- f. Client represents and warrants that all wages (including bonuses) paid to any employee are to be paid through NCMS and that any such employees will receive no additional wages in any form from the client.
- g. As NCMS will maintain year-to-date records, and provide employment tax reports quarterly and annually, the Client understands it must provide the year-to-date information if the Client had payroll from the first of the current year through the time Client begins payroll services with NCMS.

### **III. SERVICES PROVIDED BY NCMS**

- a. NCMS agrees to assist the Client by obtaining workers compensation coverage for Client's employees. Client warrants that the list of workers' compensation classifications is accurate and complete and that employees performing these job functions do so at the location specified by client.
- b. NCMS will handle all workers' compensation claims (Claims Management), site inspections; provide a safety program, Certificates of Insurance and workers' compensation audits. Unless Client maintains its own workers' compensation policy.
- c. NCMS will handle all weekly, monthly, quarterly and annual tax reporting required by local, state and federal government, (941 and DES quarterly reporting, 940 annual reporting, W2 and W3 annual reporting), on Client's behalf, during the term of this agreement.
- d. NCMS will assist Client in enrollment in any of the benefit plans available and assist in maintenance of any of the benefit programs.
- e. NCMS will provide W-4's and I-9 forms for compliance with federal and state payroll guidelines to be completed by employee and ensure forms are completed properly, on Clients behalf, but assume no liability of such.
- f. NCMS will process payroll deductions as requested by Client. This includes deduction and payment of garnishments, insurance, union dues, retirement plans.
- g. NCMS will have available for use, at Clients request, Direct Deposit of payroll checks.

- h. NCMS will provide payroll reports and invoice for each payroll period. Basic reports that are provided include: 1) check register report, 2) check detail report and 3) deduction report. Additional reports can be provided by Client request and the payroll system's ability to produce the report. NCMS will ensure every effort to provide customer with additional requested reports.

#### **IV. WORKERS COMPENSATION**

- a. NCMS shall secure workers' compensation coverage in such amounts as is required by applicable law and shall be responsible for the management of workers' compensation claims, claim filings and related procedures for its Client's employees.
- b. Client will be billed for workers compensation insurance as payroll is incurred.
- c. As Client controls the facilities in which each employee works, and NCMS has no such control over said facilities or over any aspect of the Client's business operations, it is agreed and understood that Client shall possess the sole responsibility for compliance with the Occupational Safety and Health Act (OSHA) and comparable state laws and all applicable regulations hereunder.
- d. Client understands it has sole responsibility for its working environment, equipment, machinery, supplies and training for employees and the items meeting all state and federal OSHA standards. Client also has sole responsibility in providing and ensuring use of all personal protection gear and equipment, as required by law, or as deemed necessary by Client's workers' compensation carrier.
- e. Client understands and acknowledges the time of coverage for workers compensation is for the first day of the payroll period in which the first check is processed by NCMS and the coverage terminates on the last day of the payroll period, for the last check processed after notice of termination.
- f. Client must report to NCMS, immediately upon becoming known to Client, work place safety incidents, illnesses or accidents and proper procedures must be followed, if NCMS is to maintain Claims Management duties on Clients behalf.
- g. Client shall permit NCMS and/or its workers' compensation carrier, during normal working hours, upon reasonable notice to Client, access to perform on-site safety inspections.
- h. Client agrees not to issue or approve an agent letter of record change for the Workers' Compensation policy assigned to this Agreement.
- i. Client agrees to keep on file and produce upon NCMS's request, Certificates of Workers' Compensation Insurance on all independent contractors.
- j. Client understands and acknowledges it must maintain its own General Liability Policy and responsibilities of General Liability. NCMS assumes no responsibility for General Liability, Property Insurance, Professional Liability and/or Auto/Fleet Insurance. Client must provide proof of General Liability Insurance upon request by NCMS.