

Effect of Claims on Employees' Paychecks

Among other payroll deductions, employers can deduct up to half of the medical aid and the supplemental-pension assessment from the employees' paychecks:

EMP NO		EMPLOYEE			SOC SEC NO		EMPLOYER		
		Joe Carpenter					SCENARIO 1 - Industry Average Rate 1.15		
EARNINGS							DEDUCTIONS		
THIS PAY PERIOD							THIS PAY PERIOD		
DESCRIPTION	RATE	HRS/UNITS	AMOUNT	YEAR TO DATE			DESCRIPTION	AMOUNT	YEAR TO DATE
				AMOUNT					AMOUNT
REG		40.0	1,088.80	56,617.60			FRT	179.00	9,308.00
							FICA-SS	67.51	3,510.29
							FICA-MED	15.79	820.96
							DUES	41.92	2,179.78
							VACATION	40.00	2,080.00
							L&P - EMP	13.62	708.00
THIS PAY PERIOD				YEAR TO DATE			YEAR TO DATE		
PERIOD ENDING	EARNINGS	DEDUCTIONS	NET PAY	EARNINGS	DEDUCTIONS	NET PAY			
	1,088.80	357.83	730.97	56,617.60	18,607.02	38,010.58			

What gets their attention is when you demonstrate for them the difference between payroll deductions for employees in a company with a low claims rate compared with an average company, and compared yet again to a company with an above average claims rate:

	0.411	Experience Factor	1.15	1.60
40 hours/week	\$5.71		\$13.62	\$18.43
2080 hours/year	\$296.74		\$708.00	\$958.42

In short, the financial difference between working for a company with a good safety record and one with a bad one could mean \$662 per year.

(Of course it can also mean the difference between going home safe and healthy at night and not.....)