



Pennsylvania Compensation Rating Bureau

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PENNSYLVANIA TEST AUDIT PROGRAM

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EXECUTIVE OFFICERS - CLASSIFICATION ASSIGNMENT

A significant number of test audit differences continue to occur as a result of the misclassification of executive officers' payroll. In an attempt to enhance the accuracy and consistency of the treatment of these issues by the industry, we are providing below a series of questions that Bureau auditors use to aid in the determination of the proper classification for executive officers.

- Who are the officers of the corporation for the policy period?
- Were each of these officers active in the business during the policy period?
- What are each of the officer's job duties?
- How many hours of the week (or what percentage of time) does each officer work in the store, shop, job site, farm, etc.?
- How many hours of the week (or what percentage of time) does each officer spend in the governing classification area, providing direct supervision and/or giving instructions to employees?
- How many hours of the week (or what percentage of time) does each officer spend out of the office for sales calls, meetings or other similar purposes?