



VMBA Payroll Services

So your Chapter is seeking to hire an employee? Great news! VMBA offers our payroll services to all Chapters. By utilizing our payroll, a heavy administrative lift is taken off of Chapters having to manage all that comes with payroll services. Please note, employees need to be employed for at least 3 months to utilize VMBA's payroll services.

VMBA utilizes [PayData](#) services to handle our payroll. Below you'll find common questions in regards to how to use VMBA's payroll services.

How does it work?

VMBA facilitates your payroll through PayData. We will link your Chapters banking information to PayData and get your employee set up with them. Each payroll period, the employee's wage and withholdings will be withdrawn from the Chapter's accounts. You'll receive payroll reports from the office each pay period for your own accounting records. Any changes to the employee regarding begin/end dates, wages/salary, benefits, etc. will need to be shared with the office in a timely manner. Proper timekeeping will need to occur, whether salaried or hourly - the office can provide a timesheet template or the Chapter can source their own. Any vacation or holiday time will need to be communicated so it reflects correctly on the payroll report.

What is the pay period?

VMBA operates bi-weekly but can handle monthly, semi-monthly, or quarterly.

What are some benefits to consider?

VMBA can help facilitate certain benefits that the Chapter can choose to provide to their employees. Benefits can include vacation time, sick time, and paid holidays. A 3% retirement match to the employee's retirement account. A healthcare stipend (no healthcare coverage is available). Chapters can also choose to offer no benefits to their employees.

What are the costs to the Chapter?

Very minimal - we handle the payroll processing fees. Chapters are responsible for the wages and withholdings of their employees.

Do you carry Workers Compensation for Chapter employees? What are those costs?

Absolutely! Whether Chapters use their own payroll company or utilize VMBA's, all Chapter employees are covered under VMBA's Workers Compensation policy. Chapters are charged for their portion of the Workers Comp Policy, which is dependent on what the employee will be

doing and their salary. There is a set rate per \$100 of remuneration and is annually paid by the Chapter. Once at the time of hire and again every year for policy renewal via invoice.

For example, a Chapter has an employee that has a salary at \$30K and they do office work. The insurance company categorizes their work as 'Clerical' with a Rate of \$.30/\$100 of remuneration. So, $(30,000/100) \times .30 = \90 that would be due. Please reach out to the office with a description of the work the employee would be doing for a Workers Compensation quote. Here are a few potential rates based on work type.

- Clerical
 - Description: Office-based Work
 - Rate: \$.30
- Salesperson
 - Description: Office-based work and administrative field work. i.e. working with landowners, etc.
 - Rate: \$.83
- Park
 - Description: Trail work
 - Rate: \$5.27

Do you already have an employee and want to fall under VMBA's Workers Compensation Policy? Reach out to the office for further steps. Chapter employees need to be listed on VMBA's Workers Comp Policy for it to be effective.

What information is expected from the Chapter for each pay period?

To get set up, we would need banking information, rate of pay, any benefits, length of employment (if applicable). We would then have the employee fill out new hire paperwork. Once that is set up, we would only need to know if there were any changes to the employee's wage/salary, benefits, or employment.

What about if my Chapter wants to hire an independent contract worker?

Chapters are able to contract out work as they wish. Please note, that if Chapters go this route, the independent contractors need to have proper insurance in place including, but not limited to, General Liability, Automobile, Property, Professional Liability, Workers Compensation.

What about if my Chapter wants to use our own payroll company?

Chapters can utilize this service or choose a different payroll company of their choice. We offer this as a service to Chapters to help ease your administrative load. If you need the employee to fall under VMBA's Workers Compensation policy, please reach out.

W2 vs 1099-NEC

Every year, organizations need to file either a W2 or a 1099-NEC for all employees or contract employees. If they are an employee of your Chapter, you'll need to send out a W2. Payroll

companies will normally facilitate this for you. If you use VMBA's payroll service, we will do that for you. W2 Deadline is February 1st each year.

If you pay any contract workers, such as trail builders, and they receive above \$600 in compensation, they will need a [1099-NEC](#) from you and you'll need to file it with the IRS. Softwares such as Quickbooks can handle this for you or you can use [taxbandit](#) if you do not have a bookkeeping program. VMBA is happy to file your 1099-NEC for you. Please reach out to the office for this process. If the payment of the contract work was facilitated through VMBA, the office will automatically file the 1099-NEC for your Chapter. 1099-NEC Deadline is February 1st each year.

Have additional questions or ready to get started? Reach out to Krysy at krysy@vmba.org - thank you!