



## **VMBA Payroll Services**

So your Chapter is seeking to hire an employee? Great news! VMBA offers 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 2 months to utilize VMBA's payroll services.

Starting in 2022, VMBA now utilizes [Gusto](#) services to handle our payroll. Below you'll find common questions in regards to how to use VMBA's payroll services.

### **Explaining VMBA & Chapter Employee Relationship**

VMBA is the umbrella organization for all Chapters and is the official employer for Chapter employees. All compensation, benefits, and tax documentation will be provided from VMBA. All job oversight, responsibilities, and evaluations will come from the Chapter and its Board of Directors. Upon exit of an employee's employment, VMBA will offer the employee an Exit Interview and share the summary of the interview with the Chapter.

### **How does it work?**

VMBA facilitates your payroll through Gusto. We will link your Chapters banking information to Gusto and have your employee set up with them. Each payroll period, the employee's wage and withholdings will be withdrawn from the Chapter's accounts (so you'll see two credits processed). 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 for at least all hourly employees. It is up to the Chapter if salaried employees will be required to keep track of their hours. The office can provide a timesheet template or the Chapter can source their own. Any vacation or holiday time used will need to be communicated to the office so it reflects correctly on the payroll report. Additionally, a Chapter representative will need to be included on all timesheets submissions for hourly employees.

### **What do I need to do to hire an employee?**

Please notify the office in the early stages of the Chapter's hiring process if you plan on utilizing the payroll services, this way we can prepare in advance the necessary paperwork and the office can assist you with any hiring needs. Once an employee is selected, complete the following:

- (Complete before Hire) Review, edit and fill in highlighted areas of the [VMBA Chapter Employee Handbook](#). Submit this to Krysy and we'll use this handbook to share with the Employee.
- Preferably two weeks before the employee's start date, email Krysy the following information for each employee:
  - First & last name
  - Email address
  - Position title
  - Start Date
  - Salary or hourly rate
  - # of hours per week (average)
  - Any benefits (health stipend, retirement match, vacation days, sick days, paid holidays)
  - Workplace location address
- Krysy will create an Employee Profile through Gusto. Through here, the employee will complete their W-4 and we will input all of the salary and benefits information. We will share the [Employee Onboarding Guide](#) with the Employee that outlines all that they can do in their profile.
- Within three (3) business days of their start date, the office will complete the [Form I-9](#) with the Employee to verify the documentation.
- If you plan on utilizing a timesheet template from the office, let Krysy know. We will email the employee with timesheet submission instructions.
  - Employees need to notify the office when using vacation and/or sick leave.
- Notify Krysy ASAP of any employment changes including: separation, bonuses, salary increases, and/or benefit changes

### **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
- Paid holidays. VMBA's current paid holidays are:
  - New Year's Day
  - MLK Day
  - President's Day
  - Memorial Day
  - Juneteenth
  - Independence Day
  - Labor Day
  - Indigenous Peoples' Day
  - Thanksgiving Day

- Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- Participation in the VMBA SIMPLE IRA up to a 3% retirement match to the employee's retirement account. This will be facilitated through VMBA's bank account and Chapters will be invoiced on a quarterly basis for the retirement funds.
- A healthcare stipend (no healthcare coverage is available)

Chapters can also choose to offer no benefits to their employees.

### **Sick Leave Requirements**

Per VT's Sick Time Law, Employers are required to offer a sick leave to employees that work an average of 18+ hours per week and for 20 weeks+ per year. The employee should receive one (1) hour of earned sick time for every 52 hours worked. Any paid PTO, such as Vacation Time, will fulfill this requirement.

### **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 along with their portion of Workers Compensation. See below for more details regarding WC.

### **Are employees covered by Workers Compensation?**

Absolutely! All Office and 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 the type of work and their salary. Chapters will be invoiced the following fiscal year after all payroll has been processed and our annual WC Audit has been completed. 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: \$0.18
- Salesperson
  - Description: Office-based work and administrative field work. i.e. working with landowners, etc.
  - Rate: \$0.48
- Park
  - Description: Trail work

- Rate: \$3.73

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?**

Each pay period will require a submission of hours - whether through an email or a timesheet. Krysy will send out bi-weekly payroll submission reminders and Employees can either direct email back with a Chapter Rep cc'd or a Chapter Rep can email Krysy directly with the Employee's hours.

**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 January 31st 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 January 31st each year.

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Have additional questions or are you ready to get started? Reach out to Krysy at [krysy@vmba.org](mailto:krysy@vmba.org) - thank you!