

## Revisions to Basic Manual Classifications effective January 1, 2024 (Item 01-OR-2023)

*Background: Brewery, distillery, and winery operations have evolved and continue to evolve from traditional business models to include a variety of other operations, such as:*

- *microbreweries—breweries with limited production and distribution of specialty beers.*
- *brewpubs—restaurants or bars with brewing operations on the premises.*
- *tap or tasting rooms—restaurant or bar operations at a brewery, distillery, or winery;*
- *on-site facility tours and retail shopping.*

### Code 9079 (Restaurant & Drivers)

- Brewery, distillery, and winery operations- This phraseology applies to the following operations located on the premises of a brewery, distillery, or winery:
  - bars
  - catering
  - restaurants, and
  - tap or tasting rooms.

### Code 2121 (Beer or Ale Dealer—Brewery & Drivers) *possible impacted policies: 40*

- Breweries that brew their own beer or ale and distribute **more than 50%** of the beer or ale they produce to off-site customers such as restaurants, redistributors, or resellers are assigned to Code 2121 and
- Breweries that brew their own beer or ale and distribute **50% or less** of the beer or ale they produce to off-site customers such as restaurants, redistributors, or resellers are assigned to Code 9079.
- Included brewery operations:
  - distributing stations
  - onsite activities, such as facility tours and retail shopping, and
  - warehouses.
- Brewery operations to be separately rated to Code 9079:
  - Bars
  - catering
  - restaurants, and
  - tap or tasting rooms.

### Code 2130 (Distillery – Spiritous Liquor) *possible impacted policies: 19*

- Includes activities such as facility tours and retail shopping.
- Operations to be separately rated to 9079:
  - bars
  - catering
  - restaurants, and
  - tap or tasting rooms.

### Code 2143 (Winery & Drivers) *possible impacted policies: 223*

- Vineyard operations are to be separately rated to the appropriate farm classification (0008)
- Winery operations to be separately rated to Code 9079:
  - bars
  - catering
  - restaurants,
  - and tap or tasting rooms.

### Code 0008 (Farm—Vineyard—All Operations & Drivers) *possible impacted policies: 306*

- Tasting rooms located at the vineyard must be separately rated to 9079.

## **Revisions to Basic Manual Rules effective January 1, 2024**

### **(Item B-1449)**

*Background: Automatic gratuities have grown in recent years. Based on NCCI's research and carrier feedback, NCCI determined that it is appropriate to establish a Basic Manual rule to address service charges. These changes align with the Internal Revenue Service's (IRS) Publication 15, Employer's Tax Guide, which states, "Service charges aren't tips; therefore, withhold taxes on service charges as you would on regular wages."*

- *Service charges and automatic gratuities are set percentages or fees added to a bill or contract where the customer does not determine the amount of the percentage or fee;*
- *determine who receives the percentage or fee; and*
- *have the ability to reduce the payment amount below the set percentage or fee.*

**Rules for including service charges and automatic gratuities in payroll:** Include service charges and automatic gratuities received by employees in payroll. Only the amount of the service charge or automatic gratuity received by employees is included in payroll.

**Rules for excluding from payroll tips or other gratuities:** Exclude from payroll tips or other gratuities received by employees in a manner consistent with Oregon Law.

### **(Item B-1448)**

*Background: Provide additional clarity regarding the exclusion of expense reimbursements.*

**Rules for excluding from payroll verified expense reimbursements:** Exclude from payroll expense reimbursements and flat expense allowances paid to employees only when all of the following conditions are met:

- *The employer's verifiable records confirm that the expenses or allowances are incurred as a valid business expense;*
- *The amount of each employee's expense or allowance is shown separately in the employer records;*
- *The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of their work;*
- *The expense reimbursements and/or flat expense allowances paid to the employee must be in addition to, not in lieu of, the wages earned by the employee.*

### **\*New\* Rules for excluding from payroll a maximum daily expense allowance for nonverified expenses incurred on overnight business:**

Exclude from payroll a maximum expense allowance of up to \$75 per day when:

- *it can be verified that the employee was away from home overnight on business for the employer;*
- *the employer did not maintain verifiable records for the employee's daily incurred business expenses; and*
- *the daily expense allowance paid to the employee is in addition to, not in lieu of, the wages earned by the employee.*

Include the remaining nonverified daily business expenses in excess of \$75 per day in payroll.