

**California-Hawaii Elks Association  
Insurance and Safety Committee Newsletter–August 2013**

**Subject:**        *Workers Compensation Penalties – Incorporate a Lodge or not – Filing the Form SI-100 Domestic Statement*

**Workers Compensation Penalties:** I have received calls about the Workers Compensation penalties for paid officers in the Lodge.

The State of California has required all carriers that provide Workers compensation for anyone earning **any** income, to pay a premium based on a minimum income figure of \$33,800 per officer.

If you pay your Secretary or any other officer any dollar amount, even if it is one dollar a year, you will be assess a premium based on earnings of \$33,800. That is approximately \$400 a year for each officer that is being paid. This is the State Law and the carrier has no choice.

**Incorporate a Lodge or not:** I have discussed this with our Area 7 Sponsors, Past Grand Exalted Rulers Moore, Grillo, and Brazier as to whether or not a lodge should unincorporate so as to avoid paying Workers Compensation.

Our Association has many lodges that are now incorporated and have been for many years. To unincorporate at this time may or may not be the best business decision. You have to look at when you incorporated and see if it was prior to Proposition 13 or not. That could create many other challenges to deal with, very possibly it may affect your non-profit status, paying higher taxes on your property, or both.

This decision should be made by carefully looking at all sides of your Lodge business and gathering all the facts and reviewing this information with the Lodge Trustees, a Real Estate Attorney, the Association Business Practices Committee and your members before sending it up through the chain to Grand Lodge.

In speaking with Grand Lodge, they are not recommending any Lodge to Unincorporate without carefully reviewing all prudent business practices.

**Form SI-100 Domestic Statement:** Please do not forget to file your Form SI 100 Domestic Statement on time with the California Secretary of State. This is filed annually by the first week of the month in which your lodge incorporated and lists your corporate officers.

If you have any questions, please feel free to contact me by email at [kfo!@charter.net](mailto:kfo!@charter.net) or my cell number 760-403-0016. Thanks

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CHEA Insurance & Safety Chairman