

Estimation of Delinquency When Employers Fail to Submit to Audit

If an Employer fails to produce its books and records necessary for a proper audit, the Funds will estimate an amount owed by assuming that the Employer's weekly hours subject to contributions for each week of the requested audit period are the highest number of average hours reported per week for any period of four consecutive weeks during the audit period. If the Employer reported no hours during the audit period, then the determination shall be made based on the highest number of average hours reported per week for any period of four consecutive weeks during the prior audit period. Prior to making such determination, the Fund Office shall send the Employer a letter by Certified Mail stating that such determination shall be made if the Employer does not schedule an audit within seven (7) days after the date of the letter. Such a determination shall constitute presumptive evidence of delinquency. The Funds will then seek an arbitration award and/or court judgment for the amount of the estimated delinquency.

Employers can avoid being subject to this estimate procedure by submitting to an audit.