R.C. 2158

To the Members of the Board

Re: New York Workers Compensation
Miscellaneous Manual Page Revisions

The Rates Committee has recommended and the New York Insurance Department has approved, with an issue date of January 1, 2008, various amendments to the manual pages in the New York Workers Compensation and Employers Liability Insurance Manual to reflect current rules and procedures.

a. New York Construction Employment Payroll Limitation Program

The maximum payroll for premium calculations under this Program is currently $750 per week. When the Program became effective on October 1, 1999, the New York Manual outlined rules and examples that applied at the onset of the Program commencing with a maximum payroll of $900 per week which was subsequently reduced to the current maximum of $750.

Pages R-29, R-35, R-36, R-47 and R-49 of the Rules section of the Manual and Pages D-11, D-14 and D-16 through D-22 of the Digest of Rules and Interpretations section have been updated to reflect the rules and examples applicable to the current maximum payroll of $750 per week for the classification codes subject to Payroll Limitation.

b. Cookie Manufacturing – Code 2001

Code 2003 “Bakery & Route Salespersons, Route Supervisors & Drivers” applies to bakeries that make cakes, pies, pastries, bread and cookies. However, in New York and in other jurisdictions as well, if an employer is engaged solely in making cookies, then the cracker manufacturing code (2001) applies. As there was formerly no phraseology in the Manual for cookie manufacturing to diminish the potential for misclassification, new phraseology has been added for Code 2001 as shown on page C-23.
c. **Digest of Rulings and Interpretations – Municipalities**

An amendment to the Digest to indicate the proper classification code for a Children’s Home operated by a municipality when there are no nursing or medical personnel on staff is displayed on Page D-110 of the Digest.

Attached are the approved manual phraseologies with regard to the above changes.

Printed manual pages will be distributed as soon as they become available.

Very truly yours,

Monte Almer

President

MA:tg
Encl.
Note: Construction, for purposes of this rule, includes new construction, as well as remodeling, repairs and maintenance on existing structures.

Example: An employer performing plumbing work in a commercial or retail building (Code 5183) would have that payroll subject to payroll limitation; however, payroll from plumbing work performed in one or two-family residential housing, also Code 5183, would not be subject to payroll limitation.

2. When Payroll Limitation Applies

Payroll limitation applies after any deductions of extra pay for overtime.

3. How Payroll Limitation Applies

For the classifications and employments specified in 1. above, an employer’s payroll shall be the actual weekly payroll per employee otherwise determined in accordance with the rules of this manual subject to a maximum of the greater of $750 per week or the weekly wage upon which the maximum weekly benefit is based for policies with effective dates on and after October 1, 2002.

Note:

(1) Actual weekly payroll per employee must be used to determine the limited payroll for those construction classifications subject to this rule. Payroll from construction of one or two-family residential housing must be excluded from the employee’s weekly payroll prior to the application of any payroll limitation required by this rule.

(2) If an employer does not provide sufficient employee payroll records necessary to segregate residential from commercial employments, no payroll limitation shall apply.

(3) An employee’s weekly earnings for payroll limitation purposes shall be assigned to the territory in which the majority of the week’s work was performed.
NEW YORK WORKERS COMPENSATION
AND EMPLOYERS LIABILITY MANUAL
1st Reprint Issued January 1, 2008
RULE VI

H. RATING MODIFICATIONS

1. Experience Rating

If the risk is subject to experience rating, the experience rating modification shall be shown in Item 4 of the Information Page and applied to the premium in accordance with the New York Experience Rating Plan Manual.

2. Merit Rating

If the risk is subject to merit rating, the merit rating factor shall be shown in Item 4 of the Information Page and applied to the premium in accordance with the New York Experience Rating Plan Manual.

I. PREMIUM DETERMINATION FOR CONSTRUCTION EMPLOYMENTS SUBJECT TO RULE V.G.

Employers subject to Rule V.G. shall have their manual premiums adjusted to reflect payroll limitation in the following manner:

1. Limited payroll, as determined in accordance with Rule V.G., will be applied to the published or authorized rate for each applicable construction classification(s) to determine the manual premium.

2. A territory differential shall be applied to each portion of the manual premium corresponding to the geographic territory in which work has actually been performed. Refer to the "Miscellaneous Values" section in the rate pages for the geographic territory definitions and differentials.

Note: Territory differentials are not to be applied to premiums determined from employments engaged in the construction of one or two-family residential housing as defined in Rule V.G.1.

3. Both manual premium(s) and territory differential premium(s) are subject to experience rating. The differential premium is to be reported to the Rating Board under the following statistical codes:

- Territory 1 Differential Premium - Code 9126
- Territory 2 Differential Premium - Code 9127
- Territory 3 Differential Premium - Code 9128

4. The rates and differentials used in the examples below are for illustrative purposes only.

Example A:

<table>
<thead>
<tr>
<th>Class Rate</th>
<th>$12.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (Unlimited) Payroll</td>
<td>$1,108,000</td>
</tr>
<tr>
<td>Payroll from Residential Construction</td>
<td>0</td>
</tr>
</tbody>
</table>

Limited Payroll from Commercial Construction

| Territory 1 | $700,000 |
| Territory 2 | $300,000 |

Manual Base Premium $125,000 \((7000 + 3000)\times 12.50\)

| Territory 1 Differential | .085 |
| Territory 2 Differential | .068 |

Territory 1 Differential Premium $7,438 \((7000\times12.50\times.085)\) – Code 9126
Territory 2 Differential Premium $2,550 \((3000\times12.50\times.068)\) – Code 9127

Total Premium Subject to Experience Rating $134,988 \((125,000 + 7,438 + 2,550)\)
Example B:

Class Rate $12.50
Total (Unlimited) Payroll $1,625,000
Payroll from Residential Construction $500,000
Limited Payroll from Commercial Construction
  Territory 1 $715,000
  Territory 2 $300,000
Manual Base Premium $189,375 (5000 + 7150 + 3000) x 12.50
  Territory 1 Differential .085
  Territory 2 Differential .068
  Territory 1 Differential Premium $7,597 (7150 x 12.50 x .085) – Code 9126
  Territory 2 Differential Premium $2,550 (3000 x 12.50 x .068) – Code 9127
Total Premium Subject to Experience Rating $199,522 (189,375 + 7,597 + 2,550)

Refer to Section I.N. of the Digest of Rulings and Interpretations for additional examples.

J. PREMIUM DETERMINATION FOR FEDERAL AND MARITIME INSURANCE

Additional rating procedures are in Rules XII and XIII for insurance for employers subject to the U.S. Longshore and Harbor Workers’ Act, the Federal Employers’ Liability Act and admiralty law.

K. SAFETY PROGRAMS – SURCHARGE AND CREDITS

1. Definition of Modified Premium

Modified premium means, for purposes of this rule, premium determined on the basis of Rating Board established manual rates, or carrier rates authorized by the New York State Insurance Department, and any experience rating modification or merit rating factor.

2. Premium Surcharge and Credits

The premium surcharge and credits applicable to risks subject to Sections 134 and 135 of the Workers’ Compensation Law shall be determined as follows:

a. The premium surcharge imposed on an employer for failure to initiate a Compulsory Safety Consultation or implement the recommendations of a certified loss consultant shall be a 5% charge applied to modified premium as defined in 1. above. The premium surcharge is not subject to experience rating and is to be reported to the Rating Board under Statistical Code 9747.

  Note: An additional 5% charge shall be made in each successive year of non-compliance (e.g., first year, 5%; second year, 10%; third year, 15%; etc.)
5. Executive Officers—Not-For-Profit Organizations

Not-for-profit unincorporated associations or not-for-profit corporations may elect to exclude unsalaried executive officers from coverage. A written notice must be made by the organization and filed with the carrier on a form prescribed by the Workers’ Compensation Board. Attach the New York Executive Officers Exclusion Endorsement (WC 31 03 04) when such officers are to be excluded.

*Note:* Code 8810 applies to executive officers of not-for-profit unincorporated associations subject to the limitations stated in Rule 7—Assignment of Payroll and Rule 8—Flight Duties shown below. Code 8809 applies *only* to executive officers of corporations.

6. Premium Determination

a. Corporations

Premium for executive officers shall be based on their total payroll, subject to the following limitations:

(1) The minimum individual payroll for an executive officer is shown under "Miscellaneous Values" in Part Three—Rates.

(2) The maximum individual payroll for an executive officer is shown under "Miscellaneous Values" in Part Three—Rates. See paragraph 7. below for executive officers subject to construction classifications as provided in Rule V.G.1.

(3) The payroll limitations in (1) and (2) above apply to the average weekly payroll of each executive officer for the number of weeks the officer was employed during the policy period.

(4) An inactive executive officer shall be included at the fixed amount of $100 payroll per year.

(5) In the case of elective or appointive officers of municipal corporations or other political subdivisions of the State, covered by the policy, the minimum individual payroll and the fixed amount to be included for an officer who serves without pay shall be $100 per year. If such executive officers serve with pay, then provisions (1), (2) and (3) apply.

(6) The maximum and minimum payroll limitations in Rules (1) and (2) above are applicable to executive officers regardless of the classification(s) to which the executive officers are assigned.

(7) The maximum payroll for executive officers subject to construction classifications, as provided in Rule V.G.1, shall be based on the payroll limitations set forth in Rule V.G.3.

*Note:* Executive officer payrolls as a result of work performed with respect to one or two-family residential housing are subject to the maximums as provided in paragraphs (2) through (6) above.
B. SOLE PROPRIETORS AND PARTNERS

1. Definition

A sole proprietor is a self-employed person. A partner is a partner of a partnership as defined in Section Ten of the Partnership Law, but does not include a “limited” partner.

In general, a limited partner invests capital only, and is exempt from personal liability or risk beyond the investment actually contributed to the firm. Such partners do not hold themselves out as general partners nor participate in the conduct of the business in any manner.

The definition of partner, as used in this rule, shall also include members (not managers or titled “officers”) of a Limited Liability Company ("LLC"), and a Professional Service Liability Company ("PSLC") established pursuant to the Limited Liability Company Law, and partners of a Registered Limited Liability Partnership ("RLLP") established pursuant to the Partnership Law.

2. Law and Status

Sole proprietors and partners may elect to be covered under the policy by filing, upon a form prescribed by the Workers' Compensation Board, a notice of the election of the named individuals.

3. Coverage

a. Upon election, coverage for a sole proprietor or partner having other persons covered under a policy may be effected by attaching the New York Sole Proprietors and Partners Coverage Endorsement (WC 31 03 13A).

b. Coverage for a sole proprietor or partner having no other persons requiring coverage may be effected by obtaining a workers compensation policy.

Note: Managers or employees with the title of an “officer” are not considered members and not subject to the payroll cap as shown on the “Miscellaneous Values” page.

c. A sole proprietor or partner, who has previously elected coverage or has no other persons requiring coverage, may elect to be excluded from coverage. Attach the New York Sole Proprietors and Partners Exclusion Endorsement (WC 31 03 16).

4. Premium Determination

a. Sole Proprietor and Partners Not Subject to the Construction Employment Payroll Limitation

Premium for each sole proprietor or partner that has elected coverage is based on the minimum and maximum payrolls as shown under "Miscellaneous Values" in Part Three—Rates.

b. Sole Proprietors and Partners Subject to the Construction Employment Payroll Limitation

Premium for each sole proprietor or partner that has elected coverage is based on the minimum payroll as shown under “Miscellaneous Values” in Part Three—Rates. The maximum payroll for premium determination is based on the payroll limitations set forth in Rule V.G.3.

5. Assignment of Remuneration

The remuneration of sole proprietors or partners shall be assigned to classifications and rates under the rules of this manual.
Q: How does the payroll limitation apply?
A: In determining premium, the actual weekly payroll of each employee for the classification codes specified in Rule V.G.1. is subject to a maximum of the greater of $750 or the weekly wage upon which the maximum weekly benefit is based for policies with effective dates on or after October 1, 2002.

Q: Does payroll limitation apply to only new construction?
A: No. The payroll limitation also applies to the remodeling, repair and maintenance of existing structures. Payroll limitation, however, does not apply to any construction of one or two-family residential housing. Refer to Rule V.G.1.

Q: Are there any requirements of an employer entitled to payroll limitation?
A: Yes. The Law requires an employer to maintain true and accurate weekly payroll records for each employee which shows each employee’s total weekly wages and hours worked by type of work performed, by geographic territory and whether or not the work was performed on one or two-family residential housing.

In addition, overtime, vacation, holiday, sick and bonus pay must be segregated for each employee.

Q: What if an employer does not keep the proper records?
A: First, the willful failure to keep proper records or the knowing falsification of any records may be prosecuted as insurance fraud under the Penal Law; and second, the employer would not be entitled to payroll limitation. Refer to Rule V.G.3. Note 2.

In the absence of records, however, the territory premium differentials still apply.

Q: If only annual payroll is available for an employee, can the annual payroll be divided by 52 weeks to arrive at a weekly payroll?
A: No, only the actual weekly payroll can be used. Refer to Rule V.G.3. Note 1.

Q: Suppose an employee did not work a full week. How is the payroll limitation applied?
A: A partial week is considered a full week in determining an employee’s weekly pay for payroll limitation purposes. Refer to Rule V.G.4.

Q: Are there any other requirements relating to payroll limitation?
A: Yes. Detailed employer records of wages, hours-worked and other information by job location is to be reported quarterly to the Department of Taxation.

Contact the Department of Taxation for information regarding these requirements.
Q: The Payroll Limitation rule specifically states that payroll limitation applies to an employee’s actual weekly payroll. How does the payroll limitation apply to an employee who earns $1,500 bi-weekly?

A: The Payroll Limitation Law does not allow for the averaging of payrolls. However, if an employee is paid other than on a weekly basis, the employee’s payroll amount is divided by the number of weeks that apply to a paycheck.

For example: The payroll amount for the employee earning $1,500 bi-weekly is divided by 2 to arrive at a weekly payroll and the appropriate payroll limitation is then applied to each week’s portion. In the case of a policy effective October 1, 1999, there would be no limitation since $750 is less than the maximum payroll amount, however, the territory differential premium still applies.

Q: A commercial employer has one (1) full-time employee who earned $1,600 for a 40 hour work week. This same employer has four (4) part-time employees who each worked 10 hours and who each earned $400 for the week for a total of $1,600. How is the payroll limitation applied in each of these scenarios?

A: A maximum payroll amount of $750 would be used for the one (1) full-time employee. Since the weekly payroll amount for each of the four (4) part-time employees is $400, each of their actual payroll amounts is used since the individual amounts do not exceed the weekly maximum. The territory differential premium applies in both scenarios.

Q: An employer has a home office or base of operations in New York and uses New York employees for an out-of-state job. However, for premium determination purposes, the payroll for the out-of-state job is considered New York payroll. How is the territory differential premium determined?

A: The applicable payroll limitation is used and the territory differential premium is based upon the home office or New York base of operations of the employer. Refer to Rule V.G.3. Note 5.

Q: Rule V.G.2 states that payroll limitation applies after any deduction of extra pay for overtime. How are the remuneration exclusions under manual Rule V.B.3. treated?

A: Payroll limitation applies after any exclusions shown under manual Rule V.B.3.

Q: Will the Premium Verification Program apply to policies subject to the Payroll Limitation rules?

A: Yes, these policies will be test audited.

Q: Is an employer who is entitled to payroll limitation also eligible for a premium credit under the New York Construction Classification Premium Adjustment Program (PAP)?

A: Yes, however, the basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification, other than the construction of one or two-family residential housing, for the third quarter for the year preceding the policy date. Refer to Rule IX.I.3.a.
**EXAMPLE A:** Employer has 1 employee working only on the construction of one or two family residential housing. Since residential housing is not subject to the payroll limitation, the following classification code and rate applies:

- **Code:** 5190
- **Rate:** 6.77
- **Gross Weekly Wage:** $1,200

**PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Code</th>
<th>Residential</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>5190</td>
<td></td>
<td>$1,200 x 6.03</td>
<td>$72</td>
</tr>
</tbody>
</table>

**EXAMPLE B:** Employer has 1 employee performing only commercial work. The following classification code, territory differential and rate applies:

- **Code:** 5445
- **Rate:** 7.77
- **Gross Weekly Wage:** $1,300
- **Territory:** 1.085
- **Payroll Limit:** $750

**BASE PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Code</th>
<th>Commercial</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>5445</td>
<td></td>
<td>$750 x 7.77</td>
<td>$58</td>
</tr>
</tbody>
</table>

**DIFFERENTIAL PREMIUM CALCULATION**

$58 x .085 (Territory 1) = $5

**TOTAL PREMIUM**

$58 + $5 = $63

**EXAMPLE C:** Employer has 1 employee performing both commercial and residential work. The following classification code, territory differential and rate applies:

- **Code:** 5183
- **Rate:** 6.88
- **Gross Weekly Wage:** $1,500 ($500 Residential, $1,000 Commercial)
- **Territory:** 2.068
- **Payroll Limit:** $750

**BASE PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Code</th>
<th>Residential</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>5183</td>
<td></td>
<td>$500 x 6.88</td>
<td>$34</td>
</tr>
<tr>
<td>Code</td>
<td>Commercial</td>
<td>$750 x 6.88</td>
<td>$52</td>
</tr>
</tbody>
</table>

**TOTAL BASE PREMIUM = $86**

**DIFFERENTIAL PREMIUM CALCULATION**

$52 x .068 (Territory 2) = $4

**TOTAL PREMIUM**

$86 + $4 = $90
**EXAMPLE D:** Employer has 2 employees performing only residential work. The following classification code and rate applies. Since this is residential work only, the territory differential does not apply.

<table>
<thead>
<tr>
<th>Code</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3737</td>
<td>4.82</td>
</tr>
</tbody>
</table>

**GROSS WEEKLY WAGES**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Weekly Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$1,050</td>
</tr>
<tr>
<td>B</td>
<td>$950</td>
</tr>
</tbody>
</table>

**PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Code</th>
<th>Territory</th>
<th>Weekly Wages</th>
<th>Base Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>3737</td>
<td>Residential</td>
<td>$1,050 + $950 = $2,000 x 4.82 = $96</td>
<td></td>
</tr>
</tbody>
</table>

**EXAMPLE E:** Employer has 2 employees performing only commercial work. The following classification code, territory differentials and rate applies. Since each employee’s gross wages are split between two territories, the territory differential where the majority of the work was performed applies.

<table>
<thead>
<tr>
<th>Code</th>
<th>Rate</th>
<th>Territory 1</th>
<th>Territory 2</th>
<th>Payroll Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5536</td>
<td>8.02</td>
<td>.085</td>
<td>.068</td>
<td>$750</td>
</tr>
</tbody>
</table>

**GROSS WEEKLY WAGES**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Territory 1</th>
<th>Territory 2</th>
<th>Weekly Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$800</td>
<td>$300</td>
<td>$1,100</td>
</tr>
<tr>
<td>B</td>
<td>$400</td>
<td>$1,000</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

**BASE PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Code</th>
<th>Type</th>
<th>Employee</th>
<th>Premium Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5536</td>
<td>Commercial</td>
<td>A</td>
<td>$750 x 8.02 = $60</td>
</tr>
<tr>
<td>5536</td>
<td>Commercial</td>
<td>B</td>
<td>$750 x 8.02 = $60</td>
</tr>
</tbody>
</table>

**TOTAL BASE PREMIUM = $120**

**DIFFERENTIAL PREMIUM CALCULATION**

<table>
<thead>
<tr>
<th>Territory</th>
<th>Differential Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territory 1</td>
<td>$60 x .085 = $5</td>
</tr>
<tr>
<td>Territory 2</td>
<td>$60 x .068 = $4</td>
</tr>
</tbody>
</table>

**TOTAL PREMIUM = $120 + $5 + $4 = $129**
EXAMPLE F:  Employer has 2 employees performing both commercial and residential work. The following classification code, territory differentials and rate applies. Since each employee’s gross wages are split between two territories, the territory differential where the majority of the work was performed applies.

<table>
<thead>
<tr>
<th>Code</th>
<th>Rate</th>
<th>Territory 1</th>
<th>Territory 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>5022</td>
<td>16.02</td>
<td>.085</td>
<td>.068</td>
</tr>
<tr>
<td>Payroll Limit</td>
<td>$750</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EMPLOYEE DATA

<table>
<thead>
<tr>
<th>Employee</th>
<th>Residential %</th>
<th>Commercial %</th>
<th>Code</th>
<th>Territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee A</td>
<td>40%</td>
<td>60%</td>
<td>5022</td>
<td>Territory 1</td>
</tr>
<tr>
<td>Employee B</td>
<td>21%</td>
<td>79%</td>
<td>5022</td>
<td>Territory 1</td>
</tr>
</tbody>
</table>

GROSS WEEKLY WAGES

<table>
<thead>
<tr>
<th>Employee</th>
<th>Weekly Wages</th>
<th>Residential</th>
<th>Commercial – Territory 1</th>
<th>Commercial – Territory 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee A</td>
<td>$1,000</td>
<td>$400</td>
<td>$400</td>
<td>$200</td>
</tr>
<tr>
<td>Employee B</td>
<td>$1,450</td>
<td>$300</td>
<td>$250</td>
<td>$900</td>
</tr>
</tbody>
</table>

BASE PREMIUM CALCULATION

<table>
<thead>
<tr>
<th>Code</th>
<th>Residential</th>
<th>Commercial</th>
<th>Rate</th>
<th>Payroll Limit</th>
<th>Weekly Payroll</th>
<th>Base Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>5022</td>
<td>$400</td>
<td></td>
<td>16.02</td>
<td>$750</td>
<td>$1,000</td>
<td>$64</td>
</tr>
<tr>
<td>5022</td>
<td>$300</td>
<td></td>
<td>16.02</td>
<td>$750</td>
<td>$1,450</td>
<td>$48</td>
</tr>
<tr>
<td>5022</td>
<td>$600</td>
<td></td>
<td>16.02</td>
<td>$750</td>
<td>$1,450</td>
<td>$96</td>
</tr>
<tr>
<td>5022</td>
<td>$750</td>
<td></td>
<td>16.02</td>
<td>$750</td>
<td>$1,450</td>
<td>$120</td>
</tr>
</tbody>
</table>

TOTAL BASE PREMIUM = $328

DIFFERENTIAL PREMIUM CALCULATION

<table>
<thead>
<tr>
<th>Payroll Limit</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 96 x .085 (Territory 1)</td>
<td>$8</td>
</tr>
<tr>
<td>$120 x .068 (Territory 2)</td>
<td>$8</td>
</tr>
</tbody>
</table>

TOTAL PREMIUM = $332 + $8 + $8 = $348
EXAMPLE G: Employer has four employees. Work performed by these employees was split between residential and commercial work and was performed in two territories. The following classification codes, territory differentials and rates apply:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5190</td>
<td>Residential</td>
<td>6.03</td>
</tr>
<tr>
<td>5403</td>
<td>Commercial</td>
<td>12.67</td>
</tr>
<tr>
<td>5474</td>
<td>Commercial</td>
<td>9.89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Territory</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.085</td>
</tr>
<tr>
<td>2</td>
<td>.068</td>
</tr>
</tbody>
</table>

Payroll Limit: $750

EMPLOYEE DATA

<table>
<thead>
<tr>
<th>Employee</th>
<th>Description</th>
<th>Code/ Territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>All Residential</td>
<td>5190</td>
</tr>
<tr>
<td>B</td>
<td>25% Residential</td>
<td>5190 Territory 1</td>
</tr>
<tr>
<td>C</td>
<td>All Commercial</td>
<td>5403 Territory 2</td>
</tr>
<tr>
<td>D</td>
<td>All Commercial</td>
<td>5474 Territory 1</td>
</tr>
</tbody>
</table>

GROSS WEEKLY WAGES

<table>
<thead>
<tr>
<th>Employee</th>
<th>Weekly Pay</th>
<th>Residential/Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$850</td>
<td>Residential</td>
</tr>
<tr>
<td>B</td>
<td>$1,600</td>
<td>$400 Residential, $1,200 Commercial</td>
</tr>
<tr>
<td>C</td>
<td>$1,500</td>
<td>Commercial</td>
</tr>
<tr>
<td>D</td>
<td>$1,250</td>
<td>Commercial</td>
</tr>
</tbody>
</table>

BASE PREMIUM CALCULATION

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Rate Calculation</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>5190</td>
<td>Residential Empl. A &amp; B</td>
<td>$850 + $400 = $1,250 x 6.03 = $75</td>
<td></td>
</tr>
<tr>
<td>5190</td>
<td>Commercial Empl. B Territory 1</td>
<td>$750 x 6.03 = $45</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>Commercial Empl. C Territory 2</td>
<td>$750 x 12.67 = $95</td>
<td></td>
</tr>
<tr>
<td>5474</td>
<td>Commercial Empl. D Territory 1</td>
<td>$750 x 9.89 = $74</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL BASE PREMIUM = $289

DIFFERENTIAL PREMIUM CALCULATION

<table>
<thead>
<tr>
<th>Differential</th>
<th>Rate Calculation</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45 + $74</td>
<td>.085 (Territory 1)</td>
<td>$10</td>
</tr>
<tr>
<td>$95</td>
<td>.068 (Territory 2)</td>
<td>$6</td>
</tr>
</tbody>
</table>

TOTAL PREMIUM = $289 + $10 + $6 = $305
**EXAMPLE H:** Employer has four employees. Work performed by these employees was split between residential and commercial work, was performed in two territories and included overtime, holiday, vacation and bonus pay. The following classification codes, territory differentials and rates apply:

- Code 5403: 12.67
- Code 5538: 10.46
- Territory 1: 0.085
- Territory 2: 0.068
- Payroll Limit: $750

### EMPLOYEE DATA

<table>
<thead>
<tr>
<th>Employee</th>
<th>Residential %</th>
<th>Commercial %</th>
<th>Code</th>
<th>Territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>25</td>
<td>75</td>
<td>5403</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>100</td>
<td></td>
<td>5403</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>100</td>
<td></td>
<td>5538</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td>50</td>
<td>50</td>
<td>5538</td>
<td>2</td>
</tr>
</tbody>
</table>

### GROSS WEEKLY WAGES

<table>
<thead>
<tr>
<th>Employee</th>
<th>Weekly Wages</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$1,860</td>
<td>$325 Residential, $100 Residential (overtime at 1½ times the hourly rate), $975 Commercial (straight time), $200 Commercial (overtime at 1½ times the hourly rate), $260 Holiday Pay (holiday occurred during commercial job)</td>
</tr>
<tr>
<td>B</td>
<td>$1,000</td>
<td>Vacation Wages (vacation was taken during commercial job)</td>
</tr>
<tr>
<td>C</td>
<td>$1,500</td>
<td>$1,250 Commercial (straight time), $250 Commercial (overtime at 1½ times the hourly rate)</td>
</tr>
<tr>
<td>D</td>
<td>$1,800</td>
<td>$800 Residential, $800 Commercial, $200 Bonus (applies to commercial job)</td>
</tr>
</tbody>
</table>

### BASE PREMIUM CALCULATION*

<table>
<thead>
<tr>
<th>Code</th>
<th>Residential Empl.</th>
<th>Calculation</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>5403</td>
<td>A</td>
<td>$325 + $66 (½ of $100 overtime) = $391 x 12.67 = $50</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>A</td>
<td>$100 Residential (overtime at 1½ times the hourly rate)</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>A</td>
<td>$975 Commercial (straight time)</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>A</td>
<td>$200 Commercial (overtime at 1½ times the hourly rate)</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>A</td>
<td>$260 Holiday Pay (holiday occurred during commercial job)</td>
<td></td>
</tr>
<tr>
<td>5538</td>
<td>D</td>
<td>$800 x 10.46 = $84</td>
<td></td>
</tr>
<tr>
<td>5403</td>
<td>A</td>
<td>$750 x $1,500 x 12.67 = $190</td>
<td></td>
</tr>
<tr>
<td>5538</td>
<td>C</td>
<td>$750 x 10.46 = $78</td>
<td></td>
</tr>
<tr>
<td>5538</td>
<td>D</td>
<td>$750 x 10.46 = $78</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL BASE PREMIUM** = $480

### DIFFERENTIAL PREMIUM CALCULATION

- $78 x .085 (Territory 1) = $7
- ($190 + $78) x .068 (Territory 2) = $18

**TOTAL PREMIUM** = $480 + $7 + $18 = $505
Reserved for future use
Reserved for future use
CONSTRUCTION or ERECTION PERMANENT YARD 8227
Applies only to a permanent yard maintained by a construction or erection risk for the storage of material or the storage and maintenance of equipment. Not available at a construction site. May be used only upon specific assignment by the Rating Board. Mill operations or fabrication to be separately rated.

CONTRACTOR–EXECUTIVE SUPERVISOR, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, CONSTRUCTION SUPERINTENDENT OR PROJECT MANAGER 5606
Applies to Executive Supervisors, Construction Executives, Construction Managers, Construction Superintendents or Project Managers that perform administrative responsibilities for construction or erection projects. Executive Supervisors or Construction Executives are defined as those persons exercising supervisory control through job superintendents or foremen.

1. This classification does not apply to any person who is directly in charge of construction work such as a superintendent or foremen or any person that is engaged in actual construction or erection work. The applicable construction or erection classification(s) shall be applied.

2. When actual construction or erection work is given to or placed with subcontractors that have their own supervisor or foremen on their payroll, the executive supervisor or construction executive of the general contractor shall be subject to Code 5606 provided that they meet the above criteria.

3. An executive officer of a corporation who performs the duties of an executive supervisor shall be assigned to Code 8809 “Executive Officers NOC” provided that such executive officer does not otherwise regularly and frequently perform the duties of a foreman, worker or outside salesperson.

CONTRACTORS' MACHINERY DEALER—store or yard — & Drivers 8107
Operations include repair of machinery and parts sales at the insured’s premises.

CONVALESCENT or Nursing HOME—ALL EMPLOYEES 8829
A convalescent or nursing home operated by a hospital, at the same location or adjacent to the hospital shall be assigned to Code 8833 “Hospital—Professional Employees” and Code 9040 “Hospital—All Other Employees.”

CONVENIENCE STORE with Self-Service Gasoline Station
Refer to Section II of the Digest of Rulings and Interpretations.

COOKIE MFG. 2001

COOPERAGE ASSEMBLY
Stock mfg. to be separately rated as Code 2710 “Cooperage Stock Mfg.”

COOPERAGE STOCK MFG.
Applies to the manufacture of heads, hoops or staves. Cooperage assembly to be separately rated as Code 2759.

COPPER or Brass GOODS MFG. 3315

CORD, Rope or Twine MFG.—cotton, linen or silk 2302

CORRUGATED or Fiberboard CONTAINER MFG.
Includes corrugating or laminating of paper. Paper or paper board mfg. to be separately rated as Code 4239.

COTTON BATTING, Wadding or Waste MFG. 2211

COTTON MERCHANT & Drivers
Includes warehouse or yard employees.

COTTON SPINNING AND WEAVING 2302
HOMES
— Aged—including nursing and medical personnel ......................................... 8829
— Aged—no nursing or medical personnel on staff ........................................ 8866
— Children’s—including nursing and medical personnel .................................. 8833/9040
— Children’s—no nursing or medical personnel on staff ................................... 8865
— Invalid ............................................................................................................ 8829
— Maternity ......................................................................................................... 8833/9040
— Mentally Disturbed—including nursing and medical personnel ...................... 8833/9040
— Mentally Disturbed—no nursing or medical personnel on staff ....................... 8865
— Nursing—including nursing and medical personnel ....................................... 8829
— Nursing—no nursing or medical personnel on staff ........................................ 8866
— Orphan ........................................................................................................... 8833/9040

HOSPITAL
— Professional Employees .................................................................................. 8833
— All Other Employees ...................................................................................... 9040

INSPECTOR
— Board of Health ............................................................................................ 9410
— Building .......................................................................................................... 9410
— Electrical ......................................................................................................... 9410
— Mine—periodical ............................................................................................ 9410

INVESTIGATOR—outside .................................................................................... 9410

JAIL—All Employees .......................................................................................... 7720

JANITOR OR MAINTENANCE
— Clerical Facility Only ..................................................................................... 9026
— Medical Facilities ......................................................................................... 9040
— Operational Departments—such as sewerage or waterworks plants ............ GOV. CLASS
— Residential Facility For Aged ......................................................................... 8829
— Schools, Libraries & Museums ........................................................................ 9101

JUVENILE DETENTION CENTERS—incl boot camps ...................................... 7720

LABORATORY—Technician, Bacteriologist, Biochemist .................................... 9410

LANDFILL—sanitary .......................................................................................... 6217

LIBRARY OR MUSEUM—public
— Curators, Librarians ...................................................................................... 8838
— Maintenance & Drivers ................................................................................. 9101
— Ushers or Attendants .................................................................................... 8838

MAYOR & COMMISSIONERS ............................................................................ 8810

MEALS-ON-WHEELS PROGRAMS ................................................................ 9072

MEDICAL EXAMINER, MORGUE
— Drivers ............................................................................................................ 7380
— Physicians & Clerical ..................................................................................... 8832
— Laboratory & X-ray & All Other Employees .................................................. 9410

NURSE
— Public Health—clinics .................................................................................. 8832
— Visiting ........................................................................................................... 8854

PARKING METER INSTALLATION, SERVICE OR REPAIR, INCLUDING SHOP ... 5192

PARK
— Playgrounds .................................................................................................... 9102
— Lifeguards ....................................................................................................... 9015

PARKWAY OPERATION
— Landscaping Maintenance ............................................................................. 9102
— Paving or Repaving Roads ............................................................................. 5506
— Toll Collectors ................................................................................................ 9019

POLICE OFFICER .............................................................................................. 7720

POOL—outdoor—including lifeguards ................................................................ 9015

PROBATION OFFICER
— Adult ............................................................................................................... 7720
— Children .......................................................................................................... 7720