



NYCIRB

New York Compensation
Insurance Rating Board
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New York, NY 10017
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December 7, 2017

R.C. 2455

Re: Clarification: Separation of Payroll for Contracting Employers (RC 2454)

Members of the Rating Board:

The Rating Board has received a few inquiries seeking further explanation of RC 2454 and the changes made to the New York Workers Compensation and Employers Liability Manual ("Manual") that were referenced and described therein. Accordingly, I write to provide further clarity on the recent change to the Manual related to separation of payroll for contracting employers.

The approved filing described in RC 2454 does not change the existing methodology for classifying Construction or Erection Operations. Rather, the addition of the phrase "all operations to completion" to these construction classification phraseologies clarifies that incidental operations performed within a specific trade at a single job or location are not eligible for a separate classification code assignment even if separate payroll records are maintained.

Nevertheless, as was the case previously, each distinct type of construction or erection trade/operation at a single job or location shall continue to be assigned to the classification which specifically describes the operations performed provided separate payroll records are maintained for each trade/operation.

By way of example, while working on a gas main project, which is subject to classification code 6319 (Gas Main or Connection Construction & Drivers), an employee plants bushes to remedy land that was impacted by the work. The entire project is subject to classification code 6319, and not classification code 0042 (Landscape Gardening & Drivers), regardless of payroll separation, because the landscaping work is incidental to the gas main operation. However, if landscaping was performed at the job site by a separate crew, then classification code 0042 would apply to that work provided separate payroll records are maintained.



Please do not hesitate to contact Rose Bajrami at rbajrami@nycirb.org or (212) 697-3535 extension 161, should you have any questions or concerns.

Very truly yours,

A handwritten signature in blue ink, appearing to read "ja Attie".

Jeremy Attie
President and CEO