



October 7, 2020

CIRCULAR LETTER NO. 2375

To All Members and Subscribers of the WCRIBMA:

PAYROLL DETERMINATION FOR SOLE PROPRIETORS, PARTNERS OF LEGAL PARTNERSHIPS & MEMBERS OF AN LLC

**EFFECTIVE OCTOBER 1, 2020
APPLICABLE TO NEW AND RENEWAL BUSINESS**

The Basis of Premium for sole proprietors, partners of a legal partnership, and members of an LLC who elect to become employees and obtain workers compensation insurance coverage is a function of the State Average Weekly Wage (SAWW) and is calculated as follows:

Step 1: Initial Value = 70% x SAWW x 52 weeks

Step 2: Basis of Premium equals the Initial Value rounded to the nearest \$100

Effective October 1, 2020, the SAWW in the Commonwealth of Massachusetts is \$1,487.78. Consequently, the Basis of Premium for sole proprietors, partners of a legal partnership, and members of an LLC who elect to become employees and obtain workers compensation insurance coverage is **\$54,200**.

This change only affects new and renewal business effective on or after October 1, 2020.

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