



October 10, 2019

CIRCULAR LETTER NO. 2354

To All Members and Subscribers of the WCRIBMA:

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

**EFFECTIVE OCTOBER 1, 2019
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, 2019, the SAWW in the Commonwealth of Massachusetts is \$1,431.66. 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 **\$52,100**.

This change only effects new and renewal business effective on or after October 1, 2019.

Daniel M. Crowley, CPCU
Vice President - Customer Services