



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

October 24, 2002

CIRCULAR LETTER NO. 1901

To All Members and Subscribers of the Bureau:

**PAYROLL DETERMINATION FOR SOLE PROPRIETORS & PARTNERS OF LEGAL
PARTNERSHIPS**

Effective October 23, 2002, the Commissioner of Insurance approved the Bureau's proposal for determining the appropriate premium to be charged to sole proprietors or partners who elect to be employees pursuant to Chapter 169 of the Acts of 2002 for the purpose of obtaining workers' compensation insurance coverage for themselves.

The premium for sole proprietors and partners who elect to become employees and obtain workers' compensation insurance coverage shall be based on the establishment of a fixed amount equal to the State Average Weekly Wage (SAWW) x 52 weeks. Effective October 1, 2002, the SAWW in the Commonwealth of Massachusetts is \$882.57. The SAWW of \$882.57 x 52 weeks = \$45,893.64. The established rounded fixed amount to be used for the premium determination shall be **\$45,900.00**.

As directed by the Legislature, the Department of Industrial Accidents (DIA) has drafted regulations to govern the implementation of Chapter 169. Upon final approval of the DIA regulations, the Bureau will file proposed amendments to the *Massachusetts Workers' Compensation and Employers Liability Insurance Manual* (MA Manual) for approval by the Commissioner of Insurance. The amended MA Manual provisions will need to correspond with the DIA regulations and therefore cannot be filed until the DIA regulations are final. The amended provisions will include further details about the coverage status and premium determination for sole proprietors and partners

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