



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

October 7, 2013

CIRCULAR LETTER NO. 2226

To All Members and Subscribers of the WCRIBMA:

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

**EFFECTIVE OCTOBER 1, 2013
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, 2013, the SAWW in the Commonwealth of Massachusetts is \$1,181.28. 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 **\$43,000**.

This change only affects new and renewal business effective on or after October 1, 2013.

Daniel M. Crowley, CPCU
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