



October 2, 2017

**CIRCULAR LETTER NO. 2324**

To All Members and Subscribers of the WCRIBMA:

**ADJUSTED INDIVIDUAL PAYROLL LIMITATIONS**

**EFFECTIVE OCTOBER 1, 2017  
APPLICABLE TO NEW AND RENEWAL BUSINESS**

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The individual weekly payroll limitations for executive officer minimum and maximum and Code 9186 – “Carnival, Circus or Amusement Devise Operations –Traveling - All Employees & Drivers maximum, Codes 9178 – “Athletic Team or Park: Non-Contact Sports and 9179 - “Athletic Team or Park: Contact Sports maximum is revised annually to reflect the observed percentage change in the SAWW over the previous year’s SAWW.

**The executive officer minimum and maximum individual weekly payroll limitations are calculated as follows:**

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{UMAX}_{\text{new}} = \text{UMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMAX}_{\text{new}} &= \$1,028.07 \times (\$1,338.05 / \$1,291.74) = \$1,064.93 \end{aligned}$$

$$\begin{aligned} \text{Step 2: Initial Value} &= \text{UMIN}_{\text{new}} = \text{UMIN}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMIN}_{\text{new}} &= \$205.61 \times (\$1,338.05 / \$1,291.74) = \$212.99 \end{aligned}$$

$$\begin{aligned} \text{Step 3: Basis of Premium} & \text{ equals the Initial Value rounded to the nearest } \$10. \\ \text{MAX}_{\text{new}} &= \$1,064.93 \quad \text{rounds to } \$1,060. \\ \text{MIN}_{\text{new}} &= \$212.98 \quad \text{rounds to } \$210 \end{aligned}$$

**The maximum individual weekly payroll limitations for Codes 9186, 9178, and 9179 are calculated as follows:**

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{CMAX}_{\text{new}} = \text{CMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{CMAX}_{\text{new}} &= \$308.43 \times (\$1,338.05 / \$1,291.74) = \$319.49 \end{aligned}$$

$$\begin{aligned} \text{Step 2: Basis of Premium} & \text{ equals the Initial Value rounded to the nearest } \$10. \\ \text{CMAX}_{\text{new}} &= \$319.49 \quad \text{rounds to } \$320 \end{aligned}$$

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\* The values used for UMAXold, UMINold and CMAXold are last year’s unrounded figures.

Effective October 1, 2017, the SAWW in the Commonwealth of Massachusetts increased to \$1,338.05 from \$1,291.74. Consequently, the following individual payroll limitations outlined above are:

Executive Officer, Elected Official or Spouse Weekly Minimum	<b>\$210</b>
Executive Office, Elected Official or Spouse Weekly Maximum	<b>\$1,060</b>
Maximum average weekly wage for Codes 9186, 9178 and 9179	<b>\$320</b>

This change only affects new and renewal business effective on or after October 1, 2017.

Daniel M. Crowley, CPCU  
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