



October 10, 2019

CIRCULAR LETTER NO. 2355

To All Members and Subscribers of the WCRIBMA:

ADJUSTED INDIVIDUAL PAYROLL LIMITATIONS

**EFFECTIVE OCTOBER 1, 2019
APPLICABLE TO NEW AND RENEWAL BUSINESS**

The individual weekly payroll limitations for executive officer minimum and maximum and Code 9186 – “Carnival, Circus or Amusement Device Operations –Traveling - All Employees & Drivers maximum, and Codes 9178 – “Athletic Team or Park: Non-Contact Sports and 9179 - “Athletic Team or Park: Contact Sports maximum are 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:

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{UMAX}_{\text{new}} = \text{UMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMAX}_{\text{new}} &= \$1,101.03 \times (\$1,431.66 / \$1,383.41) = \$1,139.43 \end{aligned}$$

$$\begin{aligned} \text{Step 2: Initial Value} &= \text{UMIN}_{\text{new}} = \text{UMIN}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMIN}_{\text{new}} &= \$220.21 \times (\$1,431.66 / \$1,383.41) = \$227.89 \end{aligned}$$

Step 3: Basis of Premium equals the Initial Value rounded to the nearest \$10.

$$\begin{aligned} \text{MAX}_{\text{new}} &= \$1,139.43 \quad \text{rounds to } \$1,140. \\ \text{MIN}_{\text{new}} &= \$227.89 \quad \text{rounds to } \$230 \end{aligned}$$

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

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{CMAX}_{\text{new}} = \text{CMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{CMAX}_{\text{new}} &= \$330.32 \times (\$1,431.66 / \$1,383.41) = \$341.84 \end{aligned}$$

Step 2: Basis of Premium equals the Initial Value rounded to the nearest \$10.

$$\text{CMAX}_{\text{new}} = \$341.84 \quad \text{rounds to } \$340$$

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

Effective October 1, 2019, the SAWW in the Commonwealth of Massachusetts increased to \$1,431.66 from \$1,383.41. Consequently, the following individual payroll limitations outlined above are:

Executive Officer, Elected Official or Spouse Weekly Minimum	\$230
Executive Office, Elected Official or Spouse Weekly Maximum	\$1,140
Maximum average weekly wage for Codes 9186, 9178 and 9179	\$340

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

Daniel M. Crowley, CPCU
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