



October 7, 2020

CIRCULAR LETTER NO. 2376

To All Members and Subscribers of the WCRIBMA:

ADJUSTED INDIVIDUAL PAYROLL LIMITATIONS

**EFFECTIVE OCTOBER 1, 2020
APPLICABLE TO NEW AND RENEWAL BUSINESS**

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

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{UMAX}_{\text{new}} = \text{UMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMAX}_{\text{new}} &= \$1,139.43 \times (\$1,487.78 / \$1,431.66) = \$1,184.10 \end{aligned}$$

$$\begin{aligned} \text{Step 2: Initial Value} &= \text{UMIN}_{\text{new}} = \text{UMIN}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{UMIN}_{\text{new}} &= \$227.89 \times (\$1,487.78 / \$1,431.66) = \$236.82 \end{aligned}$$

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

$$\begin{aligned} \text{MAX}_{\text{new}} &= \$1,184.10 \quad \text{rounds to } \$1,180. \\ \text{MIN}_{\text{new}} &= \$236.82 \quad \text{rounds to } \$240 \end{aligned}$$

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

$$\begin{aligned} \text{Step 1: Initial Value} &= \text{CMAX}_{\text{new}} = \text{CMAX}_{\text{old}} \times (\text{SAWW}_{\text{new}} / \text{SAWW}_{\text{old}}) \\ \text{CMAX}_{\text{new}} &= \$341.84 \times (\$1,487.78 / \$1,431.66) = \$355.24 \end{aligned}$$

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

$$\text{CMAX}_{\text{new}} = \$355.24 \quad \text{rounds to } \$360$$

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

Effective October 1, 2020, the SAWW in the Commonwealth of Massachusetts increased to \$1,487.78 from \$1,431.66. Consequently, the following individual payroll limitations outlined above are:

Executive Officer, Elected Official or Spouse Weekly Minimum	\$240
Executive Office, Elected Official or Spouse Weekly Maximum	\$1,180
Maximum average weekly wage for Codes 9186, 9178 and 9179	\$360

This change only affects new and renewal business effective on or after October 1, 2020.

Daniel M. Crowley, CPCU
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