

April 24, 2023

PCRB CIRCULAR NO. 1795

To All Members of the PCRB:

RE: APPROVAL OF PCRB FILING 338**REVISIONS TO PENNSYLVANIA BASIC MANUAL PROVISIONS RELATED TO COVID-19
EFFECTIVE JULY 1, 2023**

The Pennsylvania Insurance Commissioner has approved PCRB Filing No. 338 which establishes an expiration date of previously filed and approved amendments to the Pennsylvania Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Basic Manual) relating to COVID-19. The revisions are approved for policies with effective dates of 12:01 a.m., July 1, 2023, or later.

PCRB Circular 1754, dated November 4, 2020, announced the removal of the originally filed December 31, 2020, expiration date of COVID-19 related provisions allowing them to remain in place until a more conclusive expiration date was determined. The approval of PCRB Filing No. 338 establishes an expiration date of June 30, 2023, for these COVID-19 related provisions. The Basic Manual provisions are:

- Section 1, Rule IV, Item B.4.a. (COVID-19 CORONAVIRUS EXCEPTION)
- Section 1, Rule IV, Item C.8.a.4 (CHANGING CLASSIFICATIONS)
- Section 1, Rule V, B.3.q. (REMUNERATION – PAYROLL - EXCLUSIONS)
- Section 1, Rule V, Item F.10.e (BASIS OF PREMIUM – ADDITIONAL INFORMATION – Payments to Paid Furloughed Employees During Federal, State and/or Local Emergency Orders, Laws or Regulations Issued Due to COVID-19 (Coronavirus) Pandemic)
- Section 1, Rule VI, Item G (PREMIUM ALGORITHM)
- Section 5, Section IV, Item 1.viii (APPLICATION OF EXPERIENCE MODIFICATION – EXCEPTIONS – Premiums Not Subject to Experience)
- Section 5, Section V.4.b (TABULATION OF EXPERIENCE)

Please refer to Filing No. 338, available on the PCRB's website (<http://www.pcrb.com>) under the "Filings" tab, for additional information on this change. Please contact Drew Kratz, Director – Classification & Underwriting, at (215) 320-4432 or at dkratz@pcrb.com for any questions regarding this Circular. The Basic Manual will be updated on the PCRB's website at a later date.

William V. Taylor
President

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Proposed Effective July 1, 2023

INFORMATION PAGE remains unchanged.

PREFACE remains unchanged.

MEMBERSHIP remains unchanged.

TABLE OF CONTENTS remains unchanged.

SECTION 1 – UNDERWRITING RULES

RULE 1 – GENERAL through **RULE III POLICY PREPARATION – INSURED, POLICY PERIOD AND STATE OF OPERATIONS** remain unchanged.

RULE IV – CLASSIFICATIONS

A. GENERAL EXPLANATION remains unchanged.

B. CLASSIFICATIONS

Remains unchanged.

Item 1 through Item 3 remain unchanged.

4. Standard Exception Classification

Remains unchanged.

- a. **CLERICAL OFFICE EMPLOYEES – Code 953** – are employees exclusively engaged in keeping the books or records of the insured or conducting correspondence or who are engaged wholly in office work where such books or records are kept, or such correspondence is conducted.

This classification shall be applied only to employees herein described who work exclusively in separate buildings or on separate floors or in departments on such floors which are separated from all other workplaces of the employer by floor to ceiling partitions except for retail stores where a partition at least five feet high is required and within which no work is performed other than clerical office duties as defined in this rule.

Office employees shall be separately classified except in connection with those classes which are designated “all employees including office.”

If any clerical office employee (including drafting employees) has any other regular duty, the entire payroll of that employee shall be assigned in accordance with the class to which the business is assigned.

COVID 19 CORONAVIRUS EXCEPTION: An employee’s job duties may be temporarily reclassified to Code 953 – Clerical Office Employees during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies in force effective on March 1, 2020, through June 30, 2023. ~~The exception will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.~~

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[This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.](#)

This classification does not apply to:

- (1) The clerk, such as a counter, front desk, lobby, mall kiosk, time, stock or tally clerk or librarian, whose work is necessary, incidental, or part of any operation of the business other than clerical office. Such clerk should be assigned to the basic classification of the business.
- (2) A cashier who is responsible for accepting payment for merchandise or services rendered. The cashier's physical location may include but is not necessarily limited to: a booth, behind a counter or on a sales floor. The cashier or any employee whose regular and frequent duty is accepting payment for merchandise or services rendered should be assigned to the basic classification of the business regardless of the physical work location.

Items b & c remain unchanged.

Item 5 through Item 6 remain unchanged.

C. ASSIGNMENT OF CLASSIFICATIONS

Item 1 through Item 7 remain unchanged.

8. Changing Classifications

- a. Remains unchanged.

Item 1 through Item 3 remain unchanged.

(4) When the temporary interruption or suspension of normal business activities caused by COVID-19 results in a change in business operations, an employer may be temporarily reassigned to an alternate classification if separate, accurate, verifiable records are maintained. If such records are not maintained, the operations are assigned to the classification applicable to the business prior to any emergency orders, laws, or regulations issued due to the COVID-19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies in force effective on March 1, 2020, through June 30, 2023. ~~The exception will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.~~

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Item b through Item d remain unchanged.

Item 9 through Item 11 remain unchanged.

D. SHOW THE CLASSIFICATION IN ITEM 4 OF THE INFORMATION PAGE remains unchanged.

RULE V – PREMIUM BASIS

A. BASIS OF PREMIUM – TOTAL REMUNERATION remains unchanged.

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B. REMUNERATION – PAYROLL

Item 1 through Item 2 remain unchanged.

3. Exclusions

Item a. through Item p. remain unchanged.

q. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule V.F.10 for the definitions of paid furloughed employees and payments to paid furloughed employees.

Item q. is applicable to new, renewal and in-force policies ~~in force~~effective on March 1, ~~2020~~2020, through June 30, 2023. ~~Item q. will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.~~

Item q. does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 4 through Item 5 remain unchanged.

C. ESTIMATED PAYROLLS through E. PAYROLL LIMITATION remain unchanged.

F. BASIS OF PREMIUM – ADDITIONAL INFORMATION

Item 1 through Item 9 remain unchanged.

10. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws or Regulations Issued Due to Covid-19 (Coronavirus) Pandemic.

- a. For purposes of this, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.
- b. "Payments to paid furloughed employees" means payments made by an employer or any public Governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.
- c. Payments to paid furloughed employees must be assigned to Code 1212, in accordance with the Statistical Plan. Payments to paid furloughed employees made in accordance with this Rule V.F.10 are excluded from the premium, experience rating and merit rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not

maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.

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- d. If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with Manual Rule IV.A.1.

- e. Rule V.F.10 is ~~effective for~~applicable to new, renewal and in-force policies ~~in force~~effective on March 1, 2020, through June 30, 2023. ~~This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.~~

Rule V.F.10 does not apply to new or renewal policies with effective dates on or after July 1, 2023.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

A. – PCRB RATING VALUES through **F. – PREMIUM DETERMINATION FOR FEDERAL AND MARITIME INSURANCE** remain unchanged.

G. PREMIUM ALGORITHM

Pennsylvania and Delaware Premium Algorithm Preface:

The computation of workers compensation premium includes a broad complement of potential rating values, pricing programs and other similar or related variables. To the extent that these component parts of premium determination may be applied in a prescribed sequence and using defined formulas and/or relationships, several potential benefits arise including the following:

- Competitive differences within the marketplace can be more clearly defined and consistently applied;

- Similarly situated risks can receive comparable treatment with respect to specific rating values, pricing programs or other factors, increasing the equity of the marketplace;

- Analysis of the effects of various components of overall premium determination can be better understood and more intelligently compared across carriers, states and/or time;

- In the event that new pricing programs or other factors are introduced in the future, the defined existing formulas can provide a consistent basis for the development of programs and system procedures within the workers compensation industry.

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(1)	Classification	xxxx	(1)	Carrier value
(2)	Exposure	xxxx	(2)	Risk characteristic
(3)	Carrier Rating Value	xxxx	(3)	Carrier value
(4)	Classification Manual Premium		(4)	(2)/100x(3) if classification has payroll exposure. Special procedures apply to noon-payroll classes.
(5)	Total Policy Manual Premium		(5)	Sum of (4) for all classifications on the policy
(6)	Employer Liability Increased Limits Factor	xxxx	(6)	Carrier value
(7)	Employer Liability Increased Limits Premium Charge		(7)	(5)x(6) expressed as decimal
(8)	Minimum Premium Employer Liability Increased Limits	9848	(8)	Carrier value
(9)	Minimum Premium Employer Liability Increased Limits Premium Charge	9848	(9)	[(8)-(7)] if (7)<(8) and (6)>0, otherwise zero
(10)	Subject Deductible Credit Percentage	9664	(10)	Carrier value
(11)	Subject Deductible Premium Credit	9664	(11)	[(5)+(7)+(9)]x[(-10) expressed as a decimal]
(12)	Waiver of Subrogation Charge	0930	(12)	Carrier value - subject to experience modification
(13)	Waiver of Subrogation Premium	0930	(13)	Value from Line (12)
(14)	Total Subject Premium		(14)	[(5)+(7)+(9)+(11)+(13)]
(15)	Experience Modification	9898	(15)	Zero for non-experience-rated risks
(16)	Modified Premium		(16)	(14)x(15)
(17)	Merit Rating Credit Factor	9885	(17)	Zero if Merit Rating Credit does not apply
(18)	Merit Rating Credit	9885	(18)	(14)x[(-17) expressed as a decimal]
(19)	Merit Rating Neutral Factor	9884	(19)	Zero whether Merit Rating Neutral Adjustment (no credit or debit) does or does not apply
(20)	Merit Rating Neutral Adjustment	9884	(20)	(14)x[(19) expressed as a decimal]
(21)	Merit Rating Debit Factor	9886	(21)	Zero if Merit Rating Debit does not apply
(22)	Merit Rating Charge	9886	(22)	(14)x[(21) expressed as a decimal]
(23)	Premium After Experience Modification or Merit Rating		(23)	(16) if Experience-Rated, [(14)+(18)+(20)+(22)] if Merit Rated, (14) if Non-Rated
(24)	Non-Ratable Classifications	xxxx	(24)	Carrier Value
(25)	Non-Ratable Classifications Exposure		(25)	Portion of payroll exposure subject to Non-Ratable Classifications
(26)	Non-Ratable Classification Rating Value	xxxx	(26)	Carrier Value
(27)	Non-Ratable Classification Premium		(27)	(25)/100x(26) [based on applicable Non-Ratable Classification exposure]
(28)	Workfare Program Employees Exposure (PA)	0982	(28)	Number of person weeks. A partial workweek for any worker to be counted as 1 person week.
(29)	Workfare Program Employees Rating Value Exposure (PA)	0982	(29)	Carrier Value
(30)	Workfare Program Employees Premium (PA)		(30)	(28) x (29)
(31)	Non-Ratable Classification Premium Total		(31)	Sum of all (27)+(30) premiums
(32)	Non-Ratable Classification Increased Limits Factor	xxxx	(32)	Carrier value
(33)	Non-Ratable Classification Increased Limits Premium Charge	xxxx	(33)	(31)x [(32) expressed as a decimal]
(34)	Minimum Premium Non-Ratable Classification Increased Limits	9848	(34)	Carrier value
(35)	Minimum Premium Non-Ratable Classification Increased Limits Premium Charge	9848	(35)	[(34)-(33)] if (33) < (34) and (32) > 0, otherwise zero
(36)	Premium Before Schedule Rating		(36)	(23)+(31)+(33)+(35)
(37)	Schedule Rating Plan Adjustment Factor	9887/9889	(37)	Carrier value - use 9887 for schedule credits and 9889 for schedule debits
(38)	Schedule Rating Plan Premium Adjustment	9887/9889	(38)	(36)x[(37) expressed as a decimal]. For schedule credits Line (38) will be negative
(39)	Certified Safety Committee Credit Factor (PA)	9890	(39)	Credit applies if insured is certified
(40)	Certified Safety Committee Premium Credit (PA)	9890	(40)	[(36)+(38)]x[(-39) expressed as a decimal]
(41)	Workplace Safety Program Credit Factor (DE)	9880	(41)	Credit applies if insured qualifies
(42)	Workplace Safety Program Premium Credit (DE)	9880	(42)	[(36)+(38)]x[(41) expressed as a de

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(43)	Construction Classification Premium Adjustment Program Credit Factor	9046	(43)	Based on wage level(s), application to rating organization
(44)	Construction Classification Premium Adjustment Program Premium Credit	9046	(44)	[(36)+(38)]x[(-43) expressed as a decimal]
(45)	Drug-Free Workplace Factor (DE)	9846	(45)	Carrier value
(46)	Drug-Free Workplace Credit (DE)	9846	(46)	[(36)+(38)+(42)+(44)]x[(-45) expressed as a decimal]
(47)	Managed Care Factor (DE)	9874	(47)	Carrier value
(48)	Managed Care Credit (DE)	9874	(48)	[(36)+(38)+(42)+(44)+(46)]x[(-47) expressed as a decimal]
(49)	Package Credit Factor (DE)	9721	(49)	Carrier value
(50)	Package Credit (DE)	9721	(50)	[(36)+(38)+(42)+(44)+(46)+(48)]x[(-49) expressed as a decimal]
(51)	Premium After Managed Care and Package Credit If Applicable		(51)	[(36)+(38)+(40)+(42)+(44)+(46)+(48)+(50)]
(52)	Assigned Risk Surcharge Factor (DE)	0277	(52)	May apply to some or all assigned risks based on plan and characteristics of individual insured
(53)	Assigned Risk Premium Surcharge (DE)	0277	(53)	(51)x[(52) expressed as a decimal]
(54)	Deductible Credit Factor	9663	(54)	Carrier value
(55)	Deductible Premium Credit	9663	(55)	[(51)+(53)]x[(-54) expressed as a decimal]
(56)	Loss Constant	0032	(56)	Carrier value - may vary based on risk premium size
(57)	Loss Constant Charge	0032	(57)	Line (56) if applicable
(58)	Short Rate Cancellation Factor	0931	(58)	Carrier value - zero if short rate cancellation does not apply
(59)	Short Rate Premium	0931	(59)	[(51)+(53)+(55)+(57)]x[(58)-1.0000] if (58)>0, otherwise zero
(60)	Expense Constant	0900	(60)	Carrier value if applicable
(61)	Expense Constant Charge	0900	(61)	Line (60)
(62)	Minimum Premium	0990	(62)	Carrier value
(63)	Minimum Premium Charge	0990	(63)	If (62)>[(51)+(53)+(55)+(57)+(59)+(61)], (62)-[(51)+(53)+(55)+(57)+(59)+(61)], otherwise zero
(64)	Unit Statistical Report Total Standard Premium		(64)	[(51)+(53)+(55)+(57)+(59)+(63)]
(65)	Premium Discount Amount	0063/0064	(65)	Carrier value based on [(51)+(53)+(55)+(57)+(59)+(63)]
(66)	Additional premium Waiver of Subrogation (flat charge)	9115	(66)	Carrier value(s)
(67)	Terrorism	9740	(67)	(Total payroll/100) x carrier rating value
(68)	Catastrophe (other than Certified Acts of Terrorism)	9741	(68)	(Total payroll/100) x carrier rating value
(69)	Total Policy Premium Subject to Employer Assessment		(69)	(61)+(64)-(65)+(66)+(67) +(68)
(70)	Employer Assessment Factor Pursuant to Act 57 of 1997 (PA)	0938	(70)	PCRB value for the specific purpose of computing employer assessments
(71)	Employer Assessment Amount Pursuant to Act 57 of 1997 (PA)	0938	(71)	[(69)-(11)-(55)]x 70 NOTE: Cells (11) and (55) are credits. Subtracting these credits as shown effectively adds the premium reduction given for deductible coverage back into the premium for purposes of calculating employer assessments
(72)	Audit Noncompliance Charge	9757	(72)	Carrier Value x (69)
(73)	Payments to Paid Furloughed Employees Due to Covid-19	1212	(73)	Risk characteristic

RULE VII – PREMIUM DISCOUNT through RULE XVIII – PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES remain unchanged.

SECTION 2 – CLASSIFICATIONS AND PCRB RATING VALUES remains unchanged.

SECTION 3 – ENDORSEMENTS remains unchanged.

SECTION 4 – RETROSPECTIVE RATING PLANS – PENNSYLVANIA remains unchanged.

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SECTION 5 – EXPERIENCE RATING PLAN

SECTION I – INSTRUCTIONS through **SECTION III – GENERAL PROVISIONS** remain unchanged.

SECTION IV – APPLICATION OF EXPERIENCE MODIFICATION

1. Experience Modification

Remains unchanged.

EXCEPTIONS:

Premiums Not Subject to Experience Rating:

The following are not subject to experience rating:

Item i. through Item vii. remain unchanged.

viii. Premium developed under code 1212 – Payments Paid to Furloughed Employees Due to Covid-19

Exception viii is applicable to new, renewal and in-force policies effective March 1, 2020, through June 30, 2023.

Exception viii does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 2 through Item 5 remain unchanged.

SECTION V – TABULATION OF EXPERIENCE

Item 1 through Item 3 remain unchanged.

4. **Losses.** Incurred losses shall be tabulated by policy years in the manner indicated below.

(a) Remains unchanged.

(b) Losses which are subject to average or limiting values, as provided in Rule 5 of this Section, shall be listed individually, showing the total cost of each case as reported and as used for rating purposes. Multiple injury accidents shall be identified in the appropriate column of the rating form.

Exception: All claims reported with Catastrophe Code No. 48 shall be excluded from experience rating calculations. Refer to Pennsylvania Workers Compensation Statistical Plan Manual, Section 2, C. 11. for definition of losses included under Catastrophe Code No. 48.

Exception: All claims reported with Catastrophe Code No. 12 with an accident date of December 1, 2019, through June 30, 2023, shall be excluded from experience rating calculations. Refer to Pennsylvania Workers Compensation Statistical Plan Manual, Section 2, C. 11 for the definition of losses included under Catastrophe Code No. 12.

Item 5 through ~~6-8~~ remain unchanged.

SECTION VI RATING PROCEDURE through **EXPERIENCE RATING PLAN TABLE B** remain unchanged.

SECTION 6 – MERIT RATING PLAN remains unchanged.

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RULE IV – CLASSIFICATIONS

A. GENERAL EXPLANATION remains unchanged.

B. CLASSIFICATIONS

Remains unchanged.

Item 1 through Item 3 remain unchanged.

4. Standard Exception Classification

Remains unchanged.

- a. CLERICAL OFFICE EMPLOYEES – Code 953** – are employees exclusively engaged in keeping the books or records of the insured or conducting correspondence or who are engaged wholly in office work where such books or records are kept, or such correspondence is conducted.

This classification shall be applied only to employees herein described who work exclusively in separate buildings or on separate floors or in departments on such floors which are separated from all other workplaces of the employer by floor to ceiling partitions except for retail stores where a partition at least five feet high is required and within which no work is performed other than clerical office duties as defined in this rule.

Office employees shall be separately classified except in connection with those classes which are designated “all employees including office.”

If any clerical office employee (including drafting employees) has any other regular duty, the entire payroll of that employee shall be assigned in accordance with the class to which the business is assigned.

COVID 19 CORONAVIRUS EXCEPTION: An employee’s job duties may be temporarily reclassified to Code 953 – Clerical Office Employees during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

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- (1) The clerk, such as a counter, front desk, lobby, mall kiosk, time, stock or tally clerk or librarian, whose work is necessary, incidental, or part of any operation of the business other than clerical office. Such clerk should be assigned to the basic classification of the business.
- (2) A cashier who is responsible for accepting payment for merchandise or services rendered. The cashier's physical location may include but is not necessarily limited to: a booth, behind a counter or on a sales floor. The cashier or any employee whose regular and frequent duty is accepting payment for merchandise or services rendered should be assigned to the basic classification of the business regardless of the physical work location.

Items b & c remain unchanged.

Item 5 through Item 6 remain unchanged.

C. ASSIGNMENT OF CLASSIFICATION PROCEDURE

Item 1 through Item 7 remain unchanged.

8. Changing Classifications

- a. Remains unchanged.

Item 1 through Item 3 remain unchanged.

(4) When the temporary interruption or suspension of normal business activities caused by COVID-19 results in a change in business operations, an employer may be temporarily reassigned to an alternate classification if separate, accurate, verifiable records are maintained. If such records are not maintained, the operations are assigned to the classification applicable to the business prior to any emergency orders, laws, or regulations issued due to the COVID-19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item b through Item d remain unchanged.

Item 9 through Item 11 remain unchanged.

D. SHOW THE CLASSIFICATION IN ITEM 4 OF THE INFORMATION PAGE remains unchanged.

RULE V – PREMIUM BASIS

A. BASIS OF PREMIUM – TOTAL REMUNERATION remains unchanged.

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B. REMUNERATION – PAYROLL

Item 1 through Item 2 remain unchanged.

3. Exclusions

Item a. through Item p. remain unchanged.

q. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule V.F.10 for the definitions of paid furloughed employees and payments to paid furloughed employees.

Item q. is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

Item q. does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 4 through Item 5 remain unchanged.

C. ESTIMATED PAYROLLS through E. PAYROLL LIMITATION remain unchanged.

F. BASIS OF PREMIUM – ADDITIONAL INFORMATION

Item 1 through Item 9 remain unchanged.

10. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws or Regulations Issued Due to Covid-19 (Coronavirus) Pandemic.

- a. For purposes of this, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.
- b. "Payments to paid furloughed employees" means payments made by an employer or any public Governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.
- c. Payments to paid furloughed employees must be assigned to Code 1212, in accordance with the Statistical Plan. Payments to paid furloughed employees made in accordance with this Rule V.F.10 are excluded from the premium, experience rating and merit rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.

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- d. If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with Manual Rule IV.A.1.
- e. Rule V.F.10 is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

Rule V.F.10 does not apply to new or renewal policies with effective dates on or after July 1, 2023.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

A. – PCRB RATING VALUES through **F. – PREMIUM DETERMINATION FOR FEDERAL AND MARITIME INSURANCE** remain unchanged.

G. PREMIUM ALGORITHM

Pennsylvania and Delaware Premium Algorithm Preface:

The computation of workers compensation premium includes a broad complement of potential rating values, pricing programs and other similar or related variables. To the extent that these component parts of premium determination may be applied in a prescribed sequence and using defined formulas and/or relationships, several potential benefits arise including the following:

- Competitive differences within the marketplace can be more clearly defined and consistently applied;
- Similarly situated risks can receive comparable treatment with respect to specific rating values, pricing programs or other factors, increasing the equity of the marketplace;
- Analysis of the effects of various components of overall premium determination can be better understood and more intelligently compared across carriers, states and/or time;
- In the event that new pricing programs or other factors are introduced in the future, the defined existing formulas can provide a consistent basis for the development of programs and system procedures within the workers compensation industry.

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(1)	Classification	xxxx	(1)	Carrier value
(2)	Exposure	xxxx	(2)	Risk characteristic
(3)	Carrier Rating Value	xxxx	(3)	Carrier value
(4)	Classification Manual Premium		(4)	(2)/100x(3) if classification has payroll exposure. Special procedures apply to noon-payroll classes.
(5)	Total Policy Manual Premium		(5)	Sum of (4) for all classifications on the policy
(6)	Employer Liability Increased Limits Factor	xxxx	(6)	Carrier value
(7)	Employer Liability Increased Limits Premium Charge		(7)	(5)x(6) expressed as decimal
(8)	Minimum Premium Employer Liability Increased Limits	9848	(8)	Carrier value
(9)	Minimum Premium Employer Liability Increased Limits Premium Charge	9848	(9)	[(8)-(7)] if (7)<(8) and (6)>0, otherwise zero
(10)	Subject Deductible Credit Percentage	9664	(10)	Carrier value
(11)	Subject Deductible Premium Credit	9664	(11)	[(5)+(7)+(9)]x[(-10) expressed as a decimal]
(12)	Waiver of Subrogation Charge	0930	(12)	Carrier value - subject to experience modification
(13)	Waiver of Subrogation Premium	0930	(13)	Value from Line (12)
(14)	Total Subject Premium		(14)	[(5)+(7)+(9)+(11)+(13)]
(15)	Experience Modification	9898	(15)	Zero for non-experience-rated risks
(16)	Modified Premium		(16)	(14)x(15)
(17)	Merit Rating Credit Factor	9885	(17)	Zero if Merit Rating Credit does not apply
(18)	Merit Rating Credit	9885	(18)	(14)x[(-17) expressed as a decimal]
(19)	Merit Rating Neutral Factor	9884	(19)	Zero whether Merit Rating Neutral Adjustment (no credit or debit) does or does not apply
(20)	Merit Rating Neutral Adjustment	9884	(20)	(14)x[(19) expressed as a decimal]
(21)	Merit Rating Debit Factor	9886	(21)	Zero if Merit Rating Debit does not apply
(22)	Merit Rating Charge	9886	(22)	(14)x[(21) expressed as a decimal]
(23)	Premium After Experience Modification or Merit Rating		(23)	(16) if Experience-Rated, [(14)+(18)+(20)+(22)] if Merit Rated, (14) if Non-Rated
(24)	Non-Ratable Classifications	xxxx	(24)	Carrier Value
(25)	Non-Ratable Classifications Exposure		(25)	Portion of payroll exposure subject to Non-Ratable Classifications
(26)	Non-Ratable Classification Rating Value	xxxx	(26)	Carrier Value
(27)	Non-Ratable Classification Premium		(27)	(25)/100x(26) [based on applicable Non-Ratable Classification exposure]
(28)	Workfare Program Employees Exposure (PA)	0982	(28)	Number of person weeks. A partial workweek for any worker to be counted as 1 person week.
(29)	Workfare Program Employees Rating Value Exposure (PA)	0982	(29)	Carrier Value
(30)	Workfare Program Employees Premium (PA)		(30)	(28) x (29)
(31)	Non-Ratable Classification Premium Total		(31)	Sum of all (27)+(30) premiums
(32)	Non-Ratable Classification Increased Limits Factor	xxxx	(32)	Carrier value
(33)	Non-Ratable Classification Increased Limits Premium Charge	xxxx	(33)	(31)x [(32) expressed as a decimal]
(34)	Minimum Premium Non-Ratable Classification Increased Limits	9848	(34)	Carrier value
(35)	Minimum Premium Non-Ratable Classification Increased Limits Premium Charge	9848	(35)	[(34)-(33)] if (33) < (34) and (32) > 0, otherwise zero
(36)	Premium Before Schedule Rating		(36)	(23)+(31)+(33)+(35)
(37)	Schedule Rating Plan Adjustment Factor	9887/9889	(37)	Carrier value - use 9887 for schedule credits and 9889 for schedule debits
(38)	Schedule Rating Plan Premium Adjustment	9887/9889	(38)	(36)x[(37) expressed as a decimal]. For schedule credits Line (38) will be negative
(39)	Certified Safety Committee Credit Factor (PA)	9890	(39)	Credit applies if insured is certified
(40)	Certified Safety Committee Premium Credit (PA)	9890	(40)	[(36)+(38)]x[(-39) expressed as a decimal]
(41)	Workplace Safety Program Credit Factor (DE)	9880	(41)	Credit applies if insured qualifies
(42)	Workplace Safety Program Premium Credit (DE)	9880	(42)	[(36)+(38)]x[(41) expressed as a de

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(43)	Construction Classification Premium Adjustment Program Credit Factor	9046	(43)	Based on wage level(s), application to rating organization
(44)	Construction Classification Premium Adjustment Program Premium Credit	9046	(44)	[(36)+(38)]x[(-43) expressed as a decimal]
(45)	Drug-Free Workplace Factor (DE)	9846	(45)	Carrier value
(46)	Drug-Free Workplace Credit (DE)	9846	(46)	[(36)+(38)+(42)+(44)]x[(-45) expressed as a decimal]
(47)	Managed Care Factor (DE)	9874	(47)	Carrier value
(48)	Managed Care Credit (DE)	9874	(48)	[(36)+(38)+(42)+(44)+(46)]x[(-47) expressed as a decimal]
(49)	Package Credit Factor (DE)	9721	(49)	Carrier value
(50)	Package Credit (DE)	9721	(50)	[(36)+(38)+(42)+(44)+(46)+(48)]x[(-49) expressed as a decimal]
(51)	Premium After Managed Care and Package Credit If Applicable		(51)	[(36)+(38)+(40)+(42)+(44)+(46)+(48)+(50)]
(52)	Assigned Risk Surcharge Factor (DE)	0277	(52)	May apply to some or all assigned risks based on plan and characteristics of individual insured
(53)	Assigned Risk Premium Surcharge (DE)	0277	(53)	(51)x[(52) expressed as a decimal]
(54)	Deductible Credit Factor	9663	(54)	Carrier value
(55)	Deductible Premium Credit	9663	(55)	[(51)+(53)]x[(-54) expressed as a decimal]
(56)	Loss Constant	0032	(56)	Carrier value - may vary based on risk premium size
(57)	Loss Constant Charge	0032	(57)	Line (56) if applicable
(58)	Short Rate Cancellation Factor	0931	(58)	Carrier value - zero if short rate cancellation does not apply
(59)	Short Rate Premium	0931	(59)	[(51)+(53)+(55)+(57)]x[(58)-1.0000] if (58)>0, otherwise zero
(60)	Expense Constant	0900	(60)	Carrier value if applicable
(61)	Expense Constant Charge	0900	(61)	Line (60)
(62)	Minimum Premium	0990	(62)	Carrier value
(63)	Minimum Premium Charge	0990	(63)	If (62)>[(51)+(53)+(55)+(57)+(59)+(61)], (62)-[(51)+(53)+(55)+(57)+(59)+(61)], otherwise zero
(64)	Unit Statistical Report Total Standard Premium		(64)	[(51)+(53)+(55)+(57)+(59)+(63)]
(65)	Premium Discount Amount	0063/0064	(65)	Carrier value based on [(51)+(53)+(55)+(57)+(59)+(63)]
(66)	Additional premium Waiver of Subrogation (flat charge)	9115	(66)	Carrier value(s)
(67)	Terrorism	9740	(67)	(Total payroll/100) x carrier rating value
(68)	Catastrophe (other than Certified Acts of Terrorism)	9741	(68)	(Total payroll/100) x carrier rating value
(69)	Total Policy Premium Subject to Employer Assessment		(69)	(61)+(64)-(65)+(66)+(67) +(68)
(70)	Employer Assessment Factor Pursuant to Act 57 of 1997 (PA)	0938	(70)	PCRB value for the specific purpose of computing employer assessments
(71)	Employer Assessment Amount Pursuant to Act 57 of 1997 (PA)	0938	(71)	[(69)-(11)-(55)]x 70) NOTE: Cells (11) and (55) are credits. Subtracting these credits as shown effectively adds the premium reduction given for deductible coverage back into the premium for purposes of calculating employer assessments
(72)	Audit Noncompliance Charge	9757	(72)	Carrier Value x (69)

RULE VII – PREMIUM DISCOUNT through RULE XVIII – PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES remain unchanged.

SECTION 2 – CLASSIFICATIONS AND PCRB RATING VALUES remains unchanged.

SECTION 3 – ENDORSEMENTS remains unchanged.

SECTION 4 – RETROSPECTIVE RATING PLANS – PENNSYLVANIA remains unchanged.

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SECTION 5 – EXPERIENCE RATING PLAN

SECTION I – INSTRUCTIONS through **SECTION III – GENERAL PROVISIONS** remain unchanged.

SECTION IV – APPLICATION OF EXPERIENCE MODIFICATION

1. Experience Modification

Remains unchanged.

EXCEPTIONS:

Premiums Not Subject to Experience Rating:

The following are not subject to experience rating:

Item i. through Item vii. remain unchanged.

viii. Premium developed under code 1212 – Payments Paid to Furloughed Employees Due to Covid-19

Exception viii is applicable to new, renewal and in-force policies effective March 1, 2020, through June 30, 2023.

Exception viii does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 2 through Item 5 remain unchanged.

SECTION V – TABULATION OF EXPERIENCE

Item 1 through Item 3 remain unchanged.

4. **Losses.** Incurred losses shall be tabulated by policy years in the manner indicated below.

(c) Remains Unchanged.

(d) Losses which are subject to average or limiting values, as provided in Rule 5 of this Section, shall be listed individually, showing the total cost of each case as reported and as used for rating purposes. Multiple injury accidents shall be identified in the appropriate column of the rating form.

Exception: All claims reported with Catastrophe Code No. 48 shall be excluded from experience rating calculations. Refer to Pennsylvania Workers Compensation Statistical Plan Manual, Section 2, C. 11. for definition of losses included under Catastrophe Code No. 48.

Exception: All claims reported with Catastrophe Code No. 12 with an accident date of December 1, 2019, through June 30, 2023 shall be excluded from experience rating calculations. Refer to Pennsylvania Workers Compensation Statistical Plan Manual, Section 2, C. 11 for the definition of losses included under Catastrophe Code No. 12.

Item 5 through 8 remain unchanged.

SECTION VI RATING PROCEDURE through **EXPERIENCE RATING PLAN TABLE B** remain unchanged.

SECTION 6 – MERIT RATING PLAN remains unchanged.