



Pennsylvania Compensation Rating Bureau

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May 12, 2016

PCRB CIRCULAR NO. 1658

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 273**
MANUAL REVISIONS - SECTION 1 RULE IX H.
PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EFFECTIVE OCTOBER 1, 2016

The Insurance Commissioner has approved Pennsylvania Basic Manual revisions to Section 1, Rule IX, H. Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). These revisions are **effective 12:01 a.m., October 1, 2016** with respect to new and renewal business only.

A copy of the complete PCCPAP credit table effective for normal anniversary rating dates on or after October 1, 2016 in the text of Section 1, Rule IX, H. is shown below.

Questions about PCCPAP should be directed to the Rating Rules & Policy Reporting Department at Extension 4445.

The Basic Manual will be updated on our website (www.pcrb.com) at a later date.

The PCRB will continue to advise qualifying employers and their insurers of record of PCCPAP credits using normal procedures.

William V. Taylor
President

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Remember to visit our web site at www.pcrb.com for more information about this and other topics.

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. The Pennsylvania Construction Classification Premium Adjustment Program provides for a premium credit for up to one year for a policy which contains one or more construction classifications. A credit may be applicable to those policies effective new and renewed with normal anniversary rating dates on or after **January 1, 1991**.

For policies subject both to a Pennsylvania Construction Classification Premium Adjustment Program credit and any retrospective rating plan the PCCPAP credit shall be applied in determining standard premium. Such adjusted standard premium shall then be used wherever standard premium would otherwise apply in determining retrospective rating plan values and amounts for the retrospective rating plan applicable to the same risk if no PCCPAP credit were applicable. PCCPAP credits shall not be applied to final retrospective premium either in lieu of or in addition to the above prescribed procedure.

The basis for determining the credit is the total payroll (including overtime premium pay) and hours worked for each construction classification as reported to taxing authorities. The applicable report periods vary according to the normal anniversary rating date of each policy, as set forth below:

Normal Anniversary Rating Dates	Reporting Period for Qualifying Wages
October 1, 2012 – September 30, 2013	Third calendar quarter of 2011
October 1, 2013 – September 30, 2014	Third calendar quarter of 2012
October 1, 2014 – September 30, 2015	Third calendar quarter of 2013
October 1, 2015 – September 30, 2016	Third calendar quarter of 2014
October 1, 2016 and later	Third calendar quarter of 2015

If the insured did not engage in operations for the complete quarter, then the last complete quarter prior to policy year inception shall be used or, if there was no complete quarter of operations prior to the policy inception, then the first complete quarter after policy inception shall be used. A credit may be determined for each construction classification by dividing the total payroll, including overtime premium pay, by the number of hours worked to arrive at the average hourly wage for the classification. In the absence of specific records for salaried employees, it will be assumed each such individual worked forty (40) hours per week. The credit for average hourly wage is listed below:

Normal Anniversary Rating Dates – October 1, 2012 – September 30, 2013

Average Hourly Wage		Credit From Standard Premium	Average Hourly Wage		Credit From Standard Premium
26.49 or less		None	32.90	33.49	18%
26.50	26.89	5%	33.50	34.09	19%
26.90	27.34	6%	34.10	34.69	20%
27.35	27.79	7%	34.70	35.34	21%
27.80	28.24	8%	35.35	35.99	22%
28.25	28.69	9%	36.00	36.64	23%
28.70	29.19	10%	36.65	37.34	24%
29.20	29.69	11%	37.35	38.04	25%
29.70	30.19	12%	38.05	38.79	26%
30.20	30.69	13%	38.80	39.54	27%
30.70	31.24	14%	39.55	40.34	28%
31.25	31.79	15%	40.35	41.14	29%
31.80	32.34	16%	41.15	and over	30%
32.35	32.89	17%			

PENNSYLVANIA WORKERS COMPENSATION MANUAL

SECTION 1

EFFECTIVE DATE: OCTOBER 1, 2016

UNDERWRITING RULES

Normal Anniversary Rating Dates – October 1, 2013 – September 30, 2014

Average Hourly Wage		Credit From Standard Premium	Average Hourly Wage		Credit From Standard Premium
27.34 or less		None	34.00	34.59	18%
27.35	27.74	5%	34.60	35.19	19%
27.75	28.19	6%	35.20	35.84	20%
28.20	28.64	7%	35.85	36.49	21%
28.65	29.14	8%	36.50	37.14	22%
29.15	29.64	9%	37.15	37.84	23%
29.65	30.14	10%	37.85	38.54	24%
30.15	30.64	11%	38.55	39.29	25%
30.65	31.14	12%	39.30	40.04	26%
31.15	31.69	13%	40.05	40.84	27%
31.70	32.24	14%	40.85	41.64	28%
32.25	32.79	15%	41.65	42.44	29%
32.80	33.39	16%	42.45	and over	30%
33.40	33.99	17%			

Normal Anniversary Rating Dates – October 1, 2014 – September 30, 2015

Average Hourly Wage		Credit From Standard Premium	Average Hourly Wage		Credit From Standard Premium
27.79 or less		None	34.55	35.14	18%
27.80	28.24	5%	35.15	35.74	19%
28.25	28.69	6%	35.75	36.39	20%
28.70	29.14	7%	36.40	37.04	21%
29.15	29.64	8%	37.05	37.74	22%
29.65	30.14	9%	37.75	38.44	23%
30.15	30.64	10%	38.45	39.19	24%
30.65	31.14	11%	39.20	39.94	25%
31.15	31.69	12%	39.95	40.69	26%
31.70	32.24	13%	40.70	41.49	27%
32.25	32.79	14%	41.50	42.29	28%
32.80	33.34	15%	42.30	43.14	29%
33.35	33.94	16%	43.15	and over	30%
33.95	34.54	17%			

PENNSYLVANIA WORKERS COMPENSATION MANUAL

SECTION 1

EFFECTIVE DATE: OCTOBER 1, 2016

UNDERWRITING RULES

Normal Anniversary Rating Dates – October 1, 2015 – September 30, 2016

Average Hourly Wage		Credit From Standard Premium	Average Hourly Wage		Credit From Standard Premium
28.34 or less		None	35.25	35.84	18%
28.35	28.79	5%	35.85	36.49	19%
28.80	29.24	6%	36.50	37.14	20%
29.25	29.74	7%	37.15	37.84	21%
29.75	30.24	8%	37.85	38.54	22%
30.25	30.74	9%	38.55	39.24	23%
30.75	31.24	10%	39.25	39.99	24%
31.25	31.79	11%	40.00	40.74	25%
31.80	32.34	12%	40.75	41.54	26%
32.35	32.89	13%	41.55	42.34	27%
32.90	33.44	14%	42.35	43.19	28%
33.45	34.04	15%	43.20	44.04	29%
34.05	34.64	16%	44.05	and over	30%
34.65	35.24	17%			

Normal Anniversary Rating Dates – October 1, 2016 and later

Average Hourly Wage		Credit From Standard Premium	Average Hourly Wage		Credit From Standard Premium
29.14 or less		None	36.20	36.84	18%
29.15	29.59	5%	36.85	37.49	19%
29.60	30.09	6%	37.50	38.19	20%
30.10	30.59	7%	38.20	38.89	21%
30.60	31.09	8%	38.90	39.59	22%
31.10	31.59	9%	39.60	40.34	23%
31.60	32.14	10%	40.35	41.09	24%
32.15	32.69	11%	41.10	41.89	25%
32.70	33.24	12%	41.90	42.69	26%
33.25	33.79	13%	42.70	43.54	27%
33.80	34.39	14%	43.55	44.39	28%
34.40	34.99	15%	44.40	45.24	29%
35.00	35.59	16%	45.25	and over	30%
35.60	36.19	17%			