



Pennsylvania Compensation Rating Bureau

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TO: Pennsylvania Classification and Rating Committee

FROM: David T. Rawson, Technical Director - Classification and Field Operations

DATE: October 16, 2003

RE: Proposed Revisions to Designated Auditable Payrolls and Concurrent Sections 1 and 2 Manual Amendments

The Manual designates various auditable weekly or annual payrolls including the weekly maximum musicians or entertainers payrolls and the weekly minimum and maximum corporate officer payrolls, the annual taxicab operator payroll and the annual minimum auxiliary or special school police payroll. The Bureau reviews these designated payrolls annually. The Section 1 proposals include a revision to weekly maximum payroll for musicians and entertainers who are not independent contractors and a revision to the corporate officer maximum weekly payroll. In Section 2 there are proposed revisions to the taxicab driver annual payroll to be used when cabs are leased and no payroll records are available and to the auxiliary or special police minimum annual payroll. The proposed revisions to each of these designated payrolls were derived as a function of the statewide average weekly wage with results rounded to the nearest \$50.00 and calculated using a formula originally reviewed and adopted by the Committee in 1982. The Bureau recommends that all of the designated payroll revisions become effective concurrent with the implementation of the Bureau's 2004 loss cost revision.

PROPOSED MANUAL REVISIONS

SECTION 1

**RULE V – PREMIUM BASIS
Item 4 of the Information Page - continued**

B. REMUNERATION – PAYROLL

2. Inclusions

Remuneration includes:

- a. through m. remain unchanged.
- n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (**maximum of \$[300]350 per week for each musician or entertainer**);

RULE IX - SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

A. EXECUTIVE OFFICERS

4. Premium Determination

Premium for executive officers..... refer to Section 5).

- a. The requirements of Rule V-E.
- b. The minimum individual payroll for an executive officer is \$350 per week.
- c. The maximum individual payroll for an executive officer is **\$[1,650]1,700** per week.
- d. and e. remain unchanged.

SECTION 2

803 TAXICAB COMPANY.

When cabs are leased to operators and no payroll records are available, an amount of **[\$33,100]33,750** per annum shall be taken as payroll per operator. This amount may be prorated if the operator does not work a full year.

985 POLICE OR FIREFIGHTERS, SALARIED Employees of Cities, Townships, Boroughs or Counties.

Also includes auxiliary police or special school police appointed by municipalities or townships. For such personnel, premium shall be based upon the actual remuneration subject to a minimum payroll of **[\$3,300]3,400** per year for each employee performing services at any time during the year.

Further included are.....assigned to Code 980.