



**PENNSYLVANIA**  
Compensation Rating Bureau

October 14, 2021

**VIA SERFF**

The Honorable Jessica Altman  
Insurance Commissioner  
Commonwealth of Pennsylvania  
Insurance Department  
11311 Strawberry Square  
Harrisburg, PA 17120

**Attention: Michael McKenney, Actuarial Supervisor, Property & Casualty Bureau**

**RE: PCRB Filing No. 327 – Proposed Effective April 1, 2022  
Proposed Revisions to Designated Auditable Payrolls and Concurrent  
Sections 1 and 2 Manual Amendments**

Dear Commissioner Altman:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we hereby submit the proposed filing for revisions to the PCRB Workers' Compensation Manual of Rules, Classifications and Rating Values for Workers' Compensation and Employers Liability Insurance (Basic Manual). These revisions are proposed for policies with effective dates of 12:01 a.m., April 1, 2022, or later. This proposed effective date coincides with changes resulting from PCRB's normal annual comprehensive loss cost revision filing, which will be filed with the Insurance Department at a later date. This coordination consolidates necessary changes that our members and other constituents must make to policies, forms and systems so that they occur once annually.

The Basic Manual designates the following auditable weekly or annual payrolls: 1) the weekly minimum and maximum corporate officer payrolls; 2) the annual taxicab operator payroll; 3) the annual minimum auxiliary or special school police payroll; 4) the weekly maximum musicians' or entertainers' payrolls; and 5) the annual maximum payroll for each player, coach, manager or sports official subject to assignment to Code 970, Athletic Team – Contact Sports, or to Code 991, Athletic Team – Noncontact Sports. The PCRB reviews these auditable payrolls annually. The proposed revisions to each of these designated payrolls are a function of Pennsylvania's Statewide Average Weekly Wage effective January 1, 2021 (\$1,130.00 – an increase of 4.53% in relation to the January 1, 2020, SAWW of \$1,081.00).

The formulas for calculating these auditable payrolls are as follows:

- 100% of SAWW for the corporate officer weekly minimum payroll.
- 2.5 times SAWW (rounded to the nearest \$50.00) for the corporate officer weekly maximum payroll.
- SAWW times 50 (rounded to the nearest \$50.00) for the annual taxicab driver payroll to be used when cabs are leased and no payroll records are available.

- 10% of SAWW times 50 (rounded to the nearest \$50.00) for the auxiliary or special school police minimum annual payroll.
- 100% of SAWW for the maximum weekly payroll to be audited for musicians or entertainers who are not independent contractors.
- SAWW times four multiplied by 52 (rounded to the nearest \$10,000) for the annual maximum payroll for each player, coach, manager, or sports official subject to assignment to Code 970 or Code 991.

As a result of this review the PCRB proposes that effective for April 1, 2022:

- The executive officer minimum be revised from \$1,081 per week to \$1,130 per week.
- The executive officer maximum be revised from \$2,700 per week to \$2,850 per week.
- The taxicab driver's annual payroll be revised from \$54,050 to \$56,500.
- The auxiliary or special school police annual payroll be revised from \$5,400 to \$5,650.
- The maximum auditable payroll for musicians or entertainers be revised from \$1,081 per week to \$1,130 per week.
- The maximum payroll for each player, coach, manager, or sports official subject to assignment to either Code 970 or Code 991 be revised from \$220,000 per year to \$240,000 per year.

These proposals were reviewed by the DCRB Classification and Rating Committee at the Committee's June 9, 2021, meeting.

Thank you in advance for your prompt review and attention to this filing. The PCRB welcomes any questions that you or the Insurance Department staff may have regarding these proposals.

Sincerely,

William V. Taylor  
President

Enclosure: Revisions to Sections 1 & 2

**TO:** Pennsylvania Compensation Rating Bureau Classification & Rating Committee

**FROM:** Robert Ferrante, Senior Classification Analyst – Technical Services

**DATE:** June 01, 2021

**RE:** Proposed Revisions to Designated Auditable Payrolls and Concurrent Sections 1 and 2 Manual Amendments – April 1, 2022

The Pennsylvania Workers' Compensation Manual of Rules, Classifications and Rating Values for Workers' Compensation and for Employers Liability Insurance (Basic Manual) designates the following auditable weekly or annual payrolls: 1) the weekly minimum and maximum corporate officer payrolls, 2) the annual taxicab operator payroll, 3) the annual minimum auxiliary or special school police payroll, 4) the weekly maximum musicians' or entertainers' payrolls, and 5) the annual maximum payroll for each player, coach, manager or sports official subject to assignment to Code 970, Athletic Team – Contact Sports, or Code 991, Athletic Team – Noncontact Sports. The PCRB reviews these auditable payrolls annually.

The PCRB recommends that the revisions to the designated auditable payrolls being proposed in this memorandum become effective concurrent with the implementation of the PCRB's April 1, 2022 comprehensive loss cost revision, to be filed with the Department at a later date. The proposed revisions are a product of Pennsylvania's Statewide Average Weekly Wage (SAWW) effective January 1, 2021 (\$1,130.00 – an increase of 4.53% in relation to the January 1, 2020 SAWW of \$1,081.00).

The formulas for calculating these designated auditable payrolls remain as follows:

- 100% of SAWW for the executive officer weekly minimum auditable payroll.
- SAWW times 2.5 (rounded to the nearest \$50.00) for the executive officer weekly maximum auditable payroll.
- SAWW times 50 (rounded to the nearest \$50.00) for the annual taxicab driver payroll to be used when cabs are leased and no payroll records are available.
- 10% of SAWW times 50 (rounded to the nearest \$50.00) for the auxiliary or special school police minimum annual payroll.
- 100% of SAWW for the maximum weekly payroll to be audited for musicians or entertainers who are not independent contractors.
- SAWW times 4 multiplied by 52 (rounded to the nearest \$10,000) for the annual maximum payroll for each player, coach, manager or sports official subject to assignment to Code 970 or Code 991.

As a result of this review the PCRB proposes that for April 1, 2022:

- The executive officer minimum be revised from \$1,081 per week to \$1,130 per week.
- The executive officer maximum be revised from \$2,700 per week to \$2,850 per week.
- The taxicab driver's annual payroll be revised from \$54,050 to \$56,500.
- The auxiliary or special school police annual payroll be revised from \$5,400 to \$5,650.
- The maximum auditable payroll for musicians or entertainers be revised from \$1,081 per week to \$1,130 per week.
- The maximum payroll for each player, coach, manager or sports official subject to assignment to either Code 970 or Code 991 be revised from \$220,000 per year to \$240,000 per year.

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

*Proposed Effective April 1, 2022*

**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS** remains unchanged.

**SECTION 1 – Underwriting Rules-Rule I (GENERAL) through Rule IV (CLASSIFICATIONS)** remains unchanged.

**RULE V – PREMIUM BASIS**

No change to Item A.

**B. REMUNERATION – PAYROLL**

No change to Item 1.

**2. Inclusions**

No change.

No change Items a. through m.

- n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$~~1,081~~1,130 per week for each musician or entertainer);

No change Items o. through u.

No change to Item 3. through 5.

No change to Items C. through F.

**SECTION 1 – Underwriting Rules-Rule VI (RATING VALUES AND PREMIUM DETERMINATION) through Rule VIII (LIMITS OF LIABILITY)** remains unchanged.

**RULE IX- SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM**

**A. EXECUTIVE OFFICERS**

No change to Items 1. through 5.

**6. Premium Determination**

No change.

- a. No change.

- b. The minimum individual payroll for an executive officer is \$~~1,081~~1,130 per week.

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

*Proposed Effective April 1, 2022*

c. The maximum individual payroll for an executive officer is \$~~2,700~~2,850 per week.

No change to Items d. and e.

No change to Item B. and Item C.

**SECTION 1 – Underwriting Rules-Rule X (CANCELLATION) through Rule XVIII (PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES) remains unchanged.**

**SECTION 2**

**RATING VALUES through DEFINITIONS** remains unchanged.

**CLASSIFICATIONS**

**803 TAXICAB COMPANY**

No change.

When cabs are leased to operators and no payroll records are available, an amount of \$~~54,050~~56,500 per annum may be taken as payroll per operator provided the insurer has made a determination of employment status. This amount may be prorated if the operator does not work a full year.

**970 ATHLETIC TEAM – CONTACT SPORTS –PROFESSIONAL AND SEMI-PROFESSIONAL**

No change.

The entire remuneration of each player, coach, manager or sports official should be included in computing premium, subject to a maximum of \$~~220,000~~240,000 per policy year. When a player, coach or manager works for two or more teams in the same sport during the policy year, the maximum shall be pro-rated.

No change.

**OPERATIONS ALSO INCLUDED:**

No change.

**OPERATIONS NOT INCLUDED:**

No change.

**985 POLICE OR FIREFIGHTERS, SALARIED EMPLOYEES OF CITIES, TOWNSHIPS, BOROUGHES OR COUNTIES**

**OPERATIONS ALSO INCLUDED:**

1. 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 \$~~5,400~~5,650 per year for each employee performing services at any time during the year.

No change to Items 2. and 3.

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

*Proposed Effective April 1, 2022*

**991 ATHLETIC TEAM – NONCONTACT SPORTS – PROFESSIONAL OR SEMI –PROFESSIONAL**

No change.

The entire remuneration of each player, coach, manager or sports official should be included in computing premium subject to a maximum of \$~~220,000~~ 240,000 per policy year. When a player, coach, or manager works for two or more teams in the same sport during the policy year, the maximum shall be pro-rated.

***OPERATIONS ALSO INCLUDED:***

No change.

***OPERATIONS NOT INCLUDED:***

No change.

**SECTION 1 – Underwriting Rules-Rule VI (RATING VALUES AND PREMIUM DETERMINATION) through Rule VIII (LIMITS OF LIABILITY) remains unchanged.**

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No change to Item A.

**B. REMUNERATION – PAYROLL**

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**2. Inclusions**

No change.

No change Items a. through m.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$1,130 per week for each musician or entertainer);

No change Items o. through u.

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**A. EXECUTIVE OFFICERS**

No change to Items 1. through 5.

**6. Premium Determination**

No change.

a. No change.

b. The minimum individual payroll for an executive officer is \$1,130 per week.



**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS  
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c. The maximum individual payroll for an executive officer is \$2,850 per week.

No change to Items d. and e.

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No change.

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No change.

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No change.

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No change.

**OPERATIONS NOT INCLUDED:**

No change.

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1. 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 \$5,650 per year for each employee performing services at any time during the year.

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No change.

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No change.

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No change.

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