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Treatment of Covered Sole Proprietors, Partners and Members of an LLC
Pennsylvania and Delaware

Sole proprietors, partners and members of a Limited Liability Company (LLC) are not mandatorily covered by the Pennsylvania Workers' Compensation Act. However, Act 20 of 2011 allowed for sole proprietors, partners and members of an LLC to voluntarily elect coverage under the standard workers compensation insurance policy. Such coverage is provided by endorsing WC 00 03 10, Sole Proprietors, Partners, Officers and Others Coverage Endorsement, to the policy. The purpose of this bulletin is to assist carriers in determining the appropriate remuneration to be used for sole proprietors, partners and members who have elected coverage.

The chart below depicts common situations that an auditor can expect when faced with a sole proprietor/partner/LLC member who elects coverage.

Situation	Remuneration Used
Sole proprietor/partners/LLC members not on payroll	Statewide Average Weekly Wage (SAWW)
Sole proprietor, partners or LLC members take draws against profit	Statewide Average Weekly Wage (SAWW)
Sole proprietor, partners or LLC members are on payroll	Payroll amount (subject to executive officer minimum and maximum)

Please note the SAWW is published on the PCRB's website, www.pcrb.com, and can be accessed by clicking Rating Values and then selecting "Quick Reference." The SAWW is established by the Pennsylvania Department of Labor & Industry and is updated each year on January 1st. The SAWW value in effect at policy inception should be used for the duration of the policy period.

In Delaware the same procedure should be used when including remuneration of covered sole proprietors and partners. The Delaware SAWW can be found at www.dcrb.com by clicking Rating Values and then selecting "Quick Reference."