



# COMPENSATION RATING AND INSPECTION BUREAU

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## **MANUAL AMENDMENT BULLETIN #503**

To: All Bureau Members and Subscribers

Re: New Jersey Construction Classification Premium Adjustment Program – Updated Wage Scale

### **BACKGROUND**

The Commissioner of Banking and Insurance has approved an amendment to the New Jersey Workers Compensation and Employers Liability Insurance Manual (“Manual”) to increase the minimum eligible hourly wage from \$28.00 to \$30.00 in order to receive a Construction Classification Premium Adjustment Program premium credit. All other hourly wage intervals will be revised accordingly. The changes are effective January 1, 2022 for new and renewal policies.

### **MANUAL CHANGES**

Part 3, Section 8 of the Manual is updated to include the revised wage scale. The Manual changes are attached.

Paul G. Witko  
Executive Director

PWG:njl  
Att:

*Effective January 1, 2022*

## PART THREE

### SECTION 8. CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

**1. Explanation.** The New Jersey Construction Average Credit From Classification Premium Adjustment Program (NJCCPAP) provides for an annual credit to premium for a policy Hourly Wage Manual Premium which contains one or more of the following construction classifications:

1605	5059	5200	5443	5480	6003	6252	9529
3365	5069	5213	5445	5491	6005	6306	
3719	5099	5215	5458	5500	6039	6319	
3724	5103	5222	5459	5538	6042	6325	
3726	5146	5223	5462	5551	6204	6400	
5000	5160	5348	5466	5606	6217	7536	
5022	5183	5402	5473	5610	6229	7538	
5038	5184	5403	5474	5645	6233	7601	
5040	5188	5409	5475	5701	6235	7855	
5057	5190	5437	5479	5703	6251	8227	

#### 2. Credit Determination.

- The insured shall submit the required payroll and hours worked to the Compensation Rating and Inspection Bureau for calculation of any applicable credit via the online application at [ccpap.njcib.com](http://ccpap.njcib.com). The general instructions are included in 3:8-8 of this Manual.
  - The basis for determining the credit is the total payroll (excluding overtime premium pay) and hours worked for each construction classification. The payroll and time worked information is that which is included in form WR-30 and reported to the Department of Labor and Workforce Development, Division of Employment Security Revenue, for any of the latest four complete quarters immediately preceding the due date of the application. In every instance, the selected payroll quarter shall be consistent with the information included in the WR-30.
  - A credit percentage may be determined for each construction classification by dividing the payroll, excluding 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.
- ★ e) The average hourly wage required for NJCCPAP eligibility is \$30.00. The credit percentages for average hourly wages for construction classifications are listed in the Table below:

Average Hourly Wage Credit From Manual Premium

Under 30.00	0%	37.50-38.24	15%
30.00-30.74	5%	38.25-38.99	16%
30.75-31.49	6%	39.00-39.74	17%
31.50-32.24	7%	39.75-40.49	18%
32.25-32.99	8%	40.50-41.24	19%
33.00-33.74	9%	41.25-41.99	20%
33.75-34.49	10%	42.00-42.74	21%
34.50-35.24	11%	42.75-43.49	22%
35.25-35.99	12%	43.50-44.24	23%
36.00-36.74	13%	44.25-44.99	24%
36.75-37.49	14%	45.00 & Over	25%

The average hourly wages in the above Table will be reviewed annually and adjusted (if necessary) based on the change in the state average weekly wage of workers covered under the New Jersey Unemployment Compensation Law. The state average weekly wage is promulgated by the Commissioner of Labor and Workforce Development on or before September 1 in each year based on the average weekly wages as of the preceding calendar year.

*Effective January 1, 2022*

- f) The total construction classification credit amount in dollars must be calculated and then divided by the total premium at manual rates, including construction and non-construction classifications. The manual rates are those which were in effect at the beginning of the payroll quarter being used. The result will be the policy credit percentage.

When calculating the policy credit percentage, the percentage shall be rounded to the nearest whole number with 0.5 being rounded upward.

- g) The credit shall be calculated based on the rating effective date, as determined in 3:11-24A and 3:11-25 of this Manual. Unless otherwise indicated in this section, the policy credit percentage will be applied in the same manner and under the same procedures that govern the application of the experience modification.

**3. Experience Modification.** The policy must be experience rated at the time of application to be eligible for this program.

**4. Audit.**

- a) Upon audit, the carrier shall use the calculated policy credit percentage in the determination of the insured's final earned premium.
- b) The carrier shall, upon audit, verify the information that was submitted by the insured and used in the calculation of the credit. If the carrier discovers an error in the original request for policy credit, the revised information must be resubmitted to the Compensation Rating and Inspection Bureau for recalculation of the policy credit.
- c) If the insured does not furnish records to verify the payrolls and hours worked originally submitted and used in the calculation of the credit, no credit shall be applied to the policy.

**5. Information Page.** The premium credit amount, resulting from the policy credit percentage authorized by the Compensation Rating and Inspection Bureau, shall appear in Item 4 of the Policy Information Page under statistical code 9046.

The policy credit percentage shall be applied to the premium produced by the experience modification and prior to any premium discount.

**6. Form of Endorsement.** If the credit is not available at the time of policy issuance, the carrier shall use endorsement WC 29 04 10 New Jersey Construction Classification Premium Adjustment Program Endorsement.

If the policy credit percentage is available at the time of policy issuance, it shall be used in the calculation of the insured's estimated policy premium.

**7. Notification to Insured.** A Policyholder Notice (PHN-NJ) shall be attached to policies containing any of the applicable construction classification codes.

The application must be completed online 60 days prior to the rating effective date

The insurance carrier and the employer will be advised of any applicable premium credit.

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## 8. NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM APPLICATION INSTRUCTIONS

### GENERAL INSTRUCTIONS

This application must contain all of the requested information, it must be signed and it must contain data on ALL of your operations, both contracting and non-contracting. Wages for ALL employees regardless of hourly wage must be included. The application of any Credit Factor is subject to audit. Therefore, please retain your payroll records to support the information provided in the Application.

**To apply visit <https://ccpap.njcrib.com>. The application must be received 60 days prior to the Rating Effective Date. If the completed Application is not received within the timeframe specified, your policy premium calculation will not reflect any premium credit.**

### SPECIFIC INSTRUCTIONS

DATA PERIOD—Must be one of the latest four complete calendar quarters preceding the due date of the application.

NEW JERSEY WAGES. Provide the total gross New Jersey wages paid under each classification code number for the quarter selected. Gross wages are the total amounts paid to your employees during the quarter including wages paid to personnel no longer employed. It includes salaries, wages, commissions and bonuses. It excludes overtime premium wages. Overtime premium wage is the wage paid above the straight time hourly pay. For example, if an employee worked 40 hours @ \$6 an hour and 2 hours @ \$9 an hour, the employee should be included on the application for 42 hours @ \$6 per hours (\$252). The additional \$3 paid for the 2 hours of overtime is excluded provided your payroll records are properly maintained.

The wage and name of each executive officer is to be separately shown under the appropriate classification code number. The actual wage is limited by the minimum/maximum wage requirement depending on selected quarter/year.

Do not include payrolls for subcontractors and independent contractors.

All amounts should be rounded to the nearest dollar.

NEW JERSEY HOURS WORKED. Provide the total number of hours worked for each classification code number for the selected quarter. In the absence of specific records, salaried employees should be assumed to each work forty (40) hours per week. Hours worked for each executive officer are always considered as 520 per quarter.

Note. The wages and hours worked must be consistent (except premium overtime pay) with that included in Form WR-30 and reported to the New Jersey Department of Labor and Workforce Development, Division of Employment Security Revenue.

### TIME SCHEDULE

#### FOR RATING RENEWALS DURING THE MONTH OF

#### YOU MAY SELECT ANY COMPLETE PAYROLL QUARTER BETWEEN

January	x	October x-2 thru September	x-1
February	x	October x-2 thru September	x-1
March	x	January x-1 thru December	x-1
April	x	January x-1 thru December	x-1
May	x	January x-1 thru December	x-1
June	x	April x-1 thru March	x
July	x	April x-1 thru March	x
August	x	April x-1 thru March	x
September	x	July x-1 thru June	x
October	x	July x-1 thru June	x
November	x	July x-1 thru June	x
December	x	October x-1 thru September	x