



READER BONUS • STOP BEING FRUSTRATED & OVERCHARGED

AuditCheck Program



How to build an overcharge-proof premium audit package,
and catch the mistakes before you pay for them.

Worksheets, the excluded-pay list, the uninsured subcontractor rules, executive officer limits and the Pennsylvania construction credit tables. Updated for 2026.

What's inside

The program

How to build the overcharge-proof audit package	3
Pre-audit flowchart	4
Audit-day tips	5
The seven most common premium audit mistakes	5

Worksheets

Employee by classification worksheet	6
What comes out of payroll, and what doesn't	8
Payroll summary worksheet	10
Verify deposit premium, credits and the experience mod	12

Subcontractors

Premium for uninsured subcontractors	13
Pennsylvania Act 72 and independent contractors	15
Independent contractor checklist	16

Appendix

A. Executive officers: Pennsylvania rules and limits	17
B. Officer and partner payroll limits by state, 2026	18
C. Pennsylvania construction classification credit (PCCPAP)	19

Built on Pennsylvania's rules. The worksheets work in any state. Where Pennsylvania differs from the NCCI states, the page says so. For excluded pay and officer limits outside Pennsylvania, check your own state's manual or ask your carrier.

Rules and dollar amounts change every year. Everything here was checked against the Pennsylvania Workers Compensation Manual (April 1, 2025 edition) and PCRB filings through October 2026. General information, not legal advice.

The overcharge-proof premium audit package

Most overcharges get built into the audit because nobody handed the auditor anything better. Build your own audit first. Then the auditor is checking your work instead of starting from scratch.

1 Read the audit-day tips before the audit is scheduled

2 Prepare for the audit

- Use your payroll system or a spreadsheet to put every employee who worked during the policy period into the correct class code. Use the **Employee by Classification Worksheet**.
- Pull out excluded pay: officer payroll over the weekly maximum, severance, military pay, uniform allowances and the rest. See **What comes out of payroll**. In Pennsylvania and Delaware overtime stays in.
- Balance to your payroll records and your quarterly unemployment reports, then fill in the **Payroll Summary Worksheet**.
- Check the deposit premium, credits, discounts and the experience mod against your policy and your mod worksheet. Do it before renewal, when a wrong mod can still be fixed.
- Collect certificates of insurance from every subcontractor, covering the dates they worked for you. For anyone without one, figure the charge yourself using **Premium for Uninsured Subcontractors**, so you know whether the auditor got it right.

3 Put the audit package together

- Quarterly unemployment reports covering the entire policy period
- A payroll report showing every employee who worked during the policy period
- Your Payroll Summary Worksheet
- Subcontractor certificates of insurance

4 Have the company financials ready, but don't hand them over unless asked

The carrier has the right to look at them for subcontractor payments.

5 Reread the tips the day before

6 Hand the package to the auditor

7 Get a copy of the auditor's worksheets before the auditor leaves

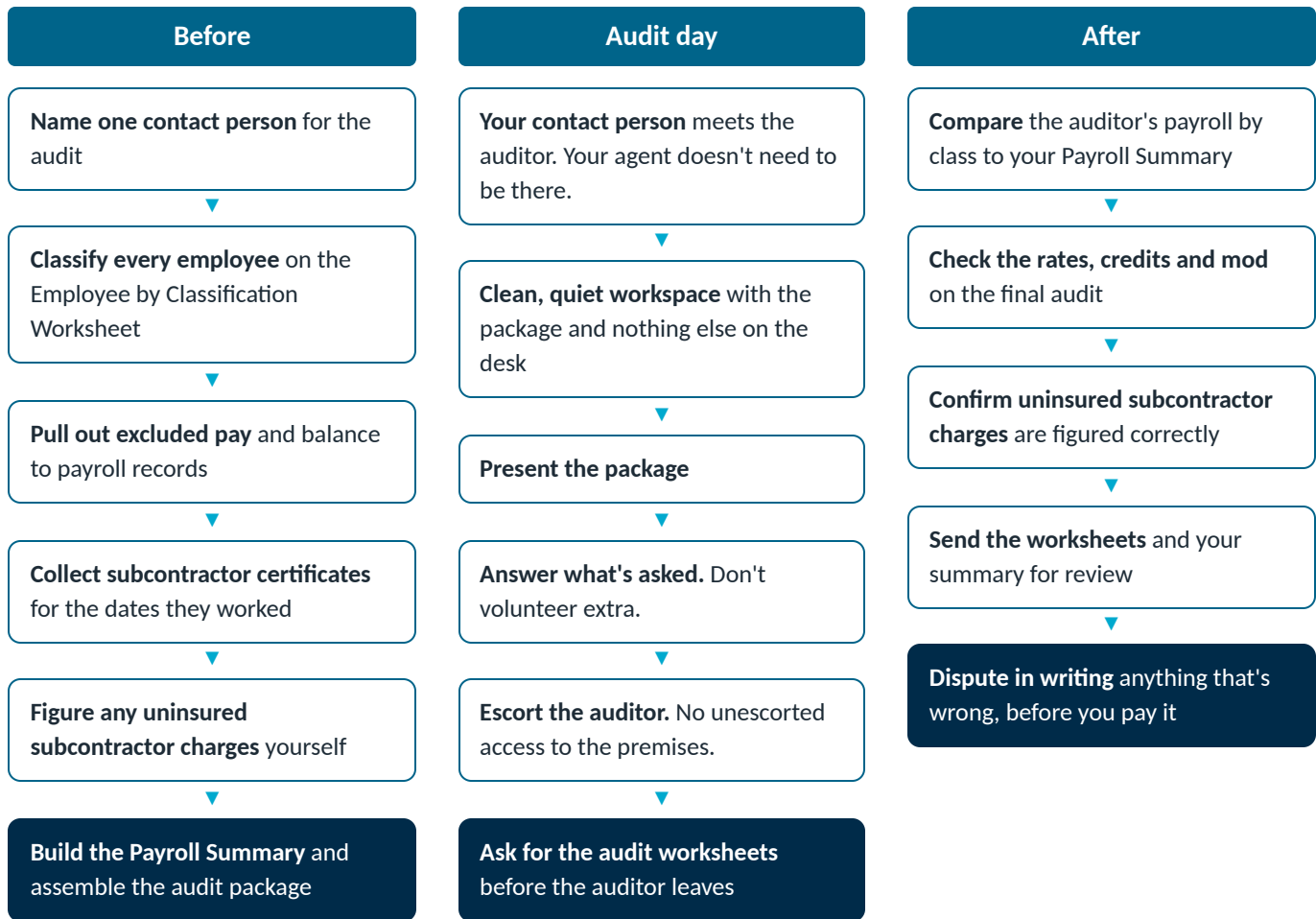
You're entitled to see them. If all you get later is a bill, ask the carrier for the worksheets.

8 Compare the auditor's payroll by class to your Payroll Summary Worksheet

9 Send both to your advisor

Send them to us if you'd like a second look: david@davidleng.com.

Pre-audit flowchart



An audit that's wrong doesn't fix itself. The longer you wait, the harder it is to get the money back.

Audit-day tips

1. Be aggressive, but always create a defensible position. You may not win every point, but you won't get in trouble.
2. Assign one knowledgeable, friendly person to work with the auditor.
3. Schedule the audit when that person and your records are available, not in the middle of your busiest week.
4. Treat the auditor as a welcome guest. They're doing a job, and a hostile audit rarely goes your way.
5. Give the auditor a clean, well-lit place to work in the office area, with the audit package on the desk and nothing else. Stray paperwork invites questions.
6. Present the package and walk through how it's organized.
7. Volunteer nothing, but answer the questions you're asked, honestly.
8. Don't let the auditor roam the workplace unescorted.
9. Have the company financials available, but don't offer them. The carrier has the right to review them for subcontractor payments.
10. Get a copy of the auditor's worksheets before the auditor leaves.

The seven most common premium audit mistakes

1. **Employees who qualify for a standard exception class are left in the highest-rated code.** In Pennsylvania that's Code 953 Clerical, Code 951 Outside Salesperson and Code 822 Telecommuting Clerical. The employee has to meet the class definition.
2. **Executive officer payroll is wrong.** Payroll over the weekly maximum is included, or an officer who qualifies for 953 or 951 is put in the governing class. See Appendix A.
3. **Overtime is handled wrong.** In most NCCI states the premium portion of overtime comes out of payroll if your records show it. In Pennsylvania and Delaware all overtime pay stays in, so don't chase it there.
4. **Other excluded pay is left in:** severance, uniform allowances, documented expense reimbursements, board fees and the rest of the list on page 8.
5. **You're charged for insured subcontractors** because nobody had the certificate in hand when the auditor showed up.
6. **Uninsured subcontractors are charged wrong,** usually at the full contract price when actual payroll or a lower minimum percentage applies.
7. **The final audit uses the wrong mod, rate or credit.** The schedule rating, the Certified Safety Committee credit or the construction credit is missing.

Employee by classification worksheet

This is where most of the money is. Take your last audit and find everyone listed in your governing class code. Next to each name, write what that person actually does all day. Anyone who works in the office, drives or sells, you've probably found money.

Example

Employee name	Class code	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Employee A	953	9,122.40	9,011.10	8,934.70	7,655.10	34,723.30
Employee B	953	5,903.70	5,911.96	5,871.13	5,252.07	22,938.86
Employee C	951	11,250.00	11,250.00	12,480.00	11,250.00	46,230.00
Employee D	652	14,210.55	16,835.20	17,402.88	12,988.40	61,437.03
Employee E	652	13,125.00	15,880.75	16,211.30	11,904.25	57,121.30
Employee F	652	12,688.14	14,920.66	15,377.09	10,842.53	53,828.42
Employee G	652	9,815.32	12,450.88	12,903.12	8,471.66	43,640.98
Employee H	652	0.00	8,044.25	11,290.40	6,920.18	26,254.83
Employee I	652	11,982.60	13,905.11	0.00	0.00	25,887.71
Employee J	953	4,800.75	3,893.73	4,821.86	4,156.77	17,673.11
Employee K	652	10,427.90	12,655.03	13,092.44	9,580.27	45,755.64
Employee L	951	9,800.00	10,450.00	10,900.00	9,800.00	40,950.00
Totals		113,126.36	135,208.67	129,284.92	98,821.23	476,441.18

Codes shown are Pennsylvania classifications for illustration. Use the quarters of your policy period, not the calendar year, if they differ.

Before you move anyone to 953 or 951, make sure their duties meet the class definition and your records show it. An employee who splits time between the office and the job site generally stays in the higher-rated class unless your payroll records separate the hours. A job description and a time record will hold up. A guess won't.

Company: _____ Policy period: _____ to _____

[illegible]

AuditCheck Program • David R. Leng • Duncan Financial Group • 2026

What comes out of payroll, and what doesn't

Pennsylvania rules (PCRB Manual, Section 1, Rule V). Excluded pay only comes out if your records show it separately, so set up your payroll to track these items before the audit, not after.

Excluded from payroll in Pennsylvania

1. Employer payments to group insurance or group pension plans for employees.
2. Employer payments to a group insurance plan, pension plan or third-party administrator as part of a prevailing wage requirement.
3. Special rewards for individual invention or discovery.
4. Dismissal or severance pay, except pay for time worked or accrued vacation.
5. Tips, after any adjustment needed to bring tipped employees up to the federal minimum wage.
6. Pay for active military duty.
7. Employee discounts on goods bought from the employer.
8. Expense reimbursements your records show were valid business expenses. Tool allowances don't count.
9. Meal money for late work.
10. Work uniform allowances.
11. Sick pay paid by a third party, such as disability income paid by your group insurance carrier.
12. Perks: company cars, airplane flights, discounts on property or services, club memberships, tickets to entertainment or sporting events, educational assistance, and relocation and moving expenses.
13. Stock option plans: the difference between market value and the lower option price.
14. Board of Directors' fees.
15. Employer contributions to health savings accounts and flexible spending accounts.
16. Deferred or retroactive pay to retired or terminated employees who weren't employed during the policy period, if your records show it.
17. Executive officer payroll over the weekly maximum: \$5,400 a week as of April 1, 2026. See Appendix A.

Pay that stays in

These are the items owners most often try to take out in Pennsylvania. They stay in payroll.

- **All overtime pay**, including the premium portion.
- **What employees defer through payroll** into 401(k), Section 125 cafeteria plans, HSAs and FSAs. The employer's own contributions come out. The employee's salary reductions don't.
- Bonuses, commissions and draws against commissions.
- Holiday, vacation and sick pay you pay directly.
- Profit sharing, piece work and incentive pay.
- Payments or allowances for hand tools and power tools.
- Prevailing wage payments and fringe benefits paid directly to employees.
- The value of housing, lodging and meals provided as part of pay.
- Store certificates, merchandise and other substitutes for money.
- Automatic gratuities.
- Expense reimbursements your records don't back up.
- Deferred or retroactive pay to current employees, when it's paid.
- Musicians and entertainers who aren't independent contractors, for hotels and restaurants, up to \$1,347 a week each.

Outside Pennsylvania

Most states use the NCCI rule. The list is close to Pennsylvania's, with one big difference: the **premium portion of overtime** comes out when your records show it.

How your records show overtime	What comes out
Overtime premium shown separately	The entire premium amount
Total overtime pay at time and a half	One-third of the overtime pay
Total overtime pay at double time	One-half of the overtime pay

Delaware follows Pennsylvania on overtime. Several states have their own exceptions, including California, Texas and the other independent bureau states. Check your state's manual before you exclude anything.

The records rule. If your payroll doesn't show an excluded item separately, by employee, the auditor will leave it in. That's the most common reason legitimate exclusions get lost.

Payroll summary worksheet: example

Policy period February 1, 2025 to February 1, 2026. Because the policy doesn't start on a calendar quarter, January 2025 comes out of the first quarter and January 2026 is added at the end. Rates are illustrative. Use the rates on your policy.

Class code 953 Clerical	Rate 0.31
1st quarter 2025	233,045.00
Less January 2025	(78,410.22)
2nd quarter 2025	196,442.10
3rd quarter 2025	237,294.17
4th quarter 2025	213,720.72
January 2026	81,186.19
Total payroll	883,277.96
Excluded pay	(7,294.63)
Adjusted payroll	875,983.33
Premium (adjusted payroll ÷ 100 × rate)	\$2,716

Class code 951 Outside Salesperson	Rate 0.45
1st quarter 2025	96,210.40
Less January 2025	(31,880.00)
2nd quarter 2025	92,455.25
3rd quarter 2025	98,102.66
4th quarter 2025	94,877.10
January 2026	33,015.75
Total payroll	382,781.16
Excluded pay	(2,410.00)
Adjusted payroll	380,371.16
Premium (adjusted payroll ÷ 100 × rate)	\$1,712

Class code 652 Construction class	Rate 9.67
1st quarter 2025	88,722.81
Less January 2025	(27,410.65)
2nd quarter 2025	79,026.13
3rd quarter 2025	98,407.15
4th quarter 2025	84,718.67
January 2026	29,840.12
Total payroll	353,304.23
Excluded pay	(5,428.83)
Adjusted payroll	347,875.40
Premium (adjusted payroll ÷ 100 × rate)	\$33,640

Balance it. Total payroll for all classes, before excluded pay comes out, should equal the gross wages on your quarterly unemployment reports for the same months. If it doesn't balance, the auditor will notice before you do.

Payroll summary worksheet

Company: _____ Policy period: _____ to _____

Class code _____ Rate _____
1st quarter
Less months before the policy
2nd quarter
3rd quarter
4th quarter
Months after the last full quarter
Total payroll
Excluded pay
Adjusted payroll
Premium

Class code _____ Rate _____
1st quarter
Less months before the policy
2nd quarter
3rd quarter
4th quarter
Months after the last full quarter
Total payroll
Excluded pay
Adjusted payroll
Premium

Class code _____ Rate _____
1st quarter
Less months before the policy
2nd quarter
3rd quarter
4th quarter
Months after the last full quarter
Total payroll
Excluded pay
Adjusted payroll
Premium

Class code _____ Rate _____
1st quarter
Less months before the policy
2nd quarter
3rd quarter
4th quarter
Months after the last full quarter
Total payroll
Excluded pay
Adjusted payroll
Premium

Verify deposit premium, credits and the experience mod

Keep these with your copy of the audit package.

1 Verify what you paid

Use your accounting records to total the premium you paid on the policy being audited. If it doesn't match the deposit and installments the carrier shows, send the details to your agent or carrier and get it corrected before the audit bill is final.

2 Verify credits and discounts

Put a copy of the policy and the latest endorsement in your package and highlight every credit and debit: schedule rating, premium discount, the Certified Safety Committee credit (5% in Pennsylvania) and the construction classification credit if you qualify (Appendix C). Then make sure each one shows up on the final audit. Credits that were on the policy and fall off the audit are more common than you'd think.

3 Verify the experience mod

Highlight the mod on the latest policy or endorsement and compare it to your experience rating worksheet for that year. If the audit uses a different mod than the one promulgated for your policy, ask why before you pay. Do the same check before renewal. A mod is far easier to get corrected before the policy year starts than after the audit.

4 Verify the rates and class codes

Every class code on the audit should be on your policy, with the same rate. A new code added at audit deserves a question. Sometimes it's right. Often it's an auditor's guess about what someone does.

One number most owners don't have is their Minimum Mod: the lowest your mod could go with no claims at all. The distance between your mod and your Minimum Mod is what your claims are costing you every year. The Annual Executive Briefing spreadsheet on the reader page does that math.

Premium for uninsured subcontractors

If a subcontractor's workers get hurt and the sub has no coverage, your policy pays. So the carrier charges you premium on that sub's work unless you can prove they were insured.

Pennsylvania rule

You have to furnish satisfactory evidence that the subcontractor had workers' compensation insurance in force covering the work they did for you. In Pennsylvania that means a certificate of insurance (or self-insurance) showing current coverage. You may need two certificates if the sub's policy renews in the middle of your job.

For each subcontractor without that evidence, additional premium is charged on your policy:

- a. If you provide complete payroll records for the sub's employees, premium is charged on that payroll, in the classes that would have applied if they'd been your employees.
- b. If you don't, the full subcontract price of the work done during the policy period becomes payroll.

Exception. If investigation of a specific job shows a definite part of the subcontract price is payroll, that amount is used, but never less than:

Type of contract	Minimum payroll
Mobile equipment with operators (earth movers, graders, bulldozers, log skidders)	33% of the price
Labor and material	50% of the price
Labor only	90% of the price

Your experience mod applies to the premium developed for the uninsured sub.

Vehicles with drivers

If you hire vehicles with drivers, chauffeurs or helpers and the owner hasn't shown proof of workers' compensation, their actual payroll goes on your policy in the driver class. If payroll can't be obtained, one-third of the total paid for the vehicles is used. If the contract price doesn't include fuel, maintenance or other services you provide, add their value before taking the one-third.

Pennsylvania law also says a contractor shall not subcontract any part of a job unless the sub has presented proof of insurance. Municipalities and public bodies require it for building permits and public work, and they issue stop-work orders when coverage lapses.

Uninsured subcontractors in NCCI states

Most NCCI states follow the same idea with a few differences. Acceptable evidence usually includes a certificate of insurance, a copy of the sub's policy, or a state certificate of exemption. Some states have their own exceptions, so check your state's manual.

Table 1: how the payroll is figured

If the sub hasn't shown proof of coverage and you...	Then the payroll used is...
Furnish complete payroll records of the sub's employees	The payroll in those records
Don't furnish payroll records, and the price doesn't show a definite payroll amount	The full subcontract price for work during the policy period
Don't furnish payroll records, but job records show a definite payroll amount	That amount, subject to the minimums in Table 2

Table 2: minimum payroll

If the job involves	Minimum payroll
Mobile equipment with operators	33 1/3% of the subcontract price
Labor and material	50% of the subcontract price
Labor only	90% of the subcontract price
Piecework	100% of the subcontract price

Table 3: vehicles with drivers

If the vehicle owner hasn't shown proof of coverage and...	Then...
Payroll can be obtained	The drivers' total payroll is included
Payroll can't be obtained, or the driver is an owner-operator without a set payroll	One-third of the total contract price is payroll
The contract price doesn't include fuel, maintenance or other services you provide	Add their value before taking the one-third

In all cases the payroll goes in the class that would have applied if the sub's people were your employees, and your experience mod applies.

Let us track the certificates

Many of our clients have Duncan Financial Group track subcontractor certificates for them. We get the certificates directly from your subs, check them, keep copies ready for your audit, and chase the renewal certificates when the subs' policies expire.

Pennsylvania Act 72: who counts as an independent contractor

The Construction Workplace Misclassification Act (Act 72) took effect February 10, 2011. It applies to all commercial and residential construction in Pennsylvania and is enforced by the Department of Labor & Industry.

Act 72 has a narrow definition. An individual is an independent contractor only if they:

1. Have a written contract to perform the construction services,
2. Are free from control or direction over how they perform them, and
3. Are customarily engaged in an independently established trade, occupation, profession or business.

"Customarily engaged in an independently established business" means all six of these are true:

1. They own the essential tools to do the work, independent of your business.
2. They can make a profit or suffer a loss on the project.
3. They have a proprietary interest in their business.
4. Their business location is separate from yours.
5. They've done the same work for others, or were available to and said they could.
6. They carry at least \$50,000 of liability insurance during the contract.

Also prohibited

- Retaliating against anyone who exercises rights under the law, files a complaint or tells someone about a violation.
- Requiring someone to sign an agreement or document that misclassifies them as an independent contractor.
- Knowingly contracting with another employer that intends to misclassify its workers.

Penalties

A company, and its officers or agents, can be penalized for failing to treat a worker as an employee under the Workers' Compensation Act or the Unemployment Compensation Law. Each misclassified worker is a separate violation.

Enforcement has picked up. In 2024 alone, L&I investigated 639 cases and issued more than \$1 million in fines covering 1,883 misclassified workers. In early 2025 a Pittsburgh remodeler was fined \$144,000 for misclassifying 192 workers.

Independent contractor checklist

Use this for every sole proprietor without employees who works for you on construction in Pennsylvania. If you can't check every box, treat them as an employee or require a certificate of workers' compensation insurance.

Name: _____ Trade: _____ Job: _____

- ☐ Signed written contract for the work, on file
- ☐ They decide how the work gets done. We don't direct or control it.
- ☐ They use their own essential tools and equipment
- ☐ They can make a profit or take a loss on the job (bid price, not hourly pay set by us)
- ☐ They own their business
- ☐ Their business address is separate from ours
- ☐ They do or offer the same work for other customers (website, advertising, other customers named)
- ☐ Certificate of liability insurance, at least \$50,000, in effect for the whole contract
- ☐ Certificate of workers' compensation insurance, if they have employees or have elected coverage
- ☐ Copies of all of the above in the audit package

Checked by: _____ Date: _____

Act 72 decides whether someone is your employee under the law. Your carrier's audit asks a related question, whether you can prove the sub was insured. A sole proprietor who passes every Act 72 test but has no certificate can still end up as payroll on your audit, depending on your carrier. Ask before the job, not after.

Executive officers: Pennsylvania rules and limits

Policies effective	Weekly minimum	Annual minimum	Weekly maximum	Annual maximum
4/1/2026 to 3/31/2027	\$1,347	\$70,044	\$5,400	\$280,800
4/1/2025 to 3/31/2026	\$1,325	\$68,900	\$5,300	\$275,600
4/1/2024 to 3/31/2025	\$1,273	\$66,196	\$3,200	\$166,400
4/1/2023 to 3/31/2024	\$1,205	\$62,660	\$3,000	\$156,000

The maximum jumped in 2025. The PCRB raised it from 2.5 to 4 times the statewide average weekly wage, so the weekly maximum went from \$3,200 to \$5,300. For a well-paid owner-officer that's more than \$100,000 of additional payroll on the audit. If your officers earn over \$166,400, expect it.

How the limits work

- The limits apply to each officer's weekly payroll for the weeks they were employed during the policy period. A part of a week counts as a full week.
- If an officer takes no salary, or the records don't show one, the minimum is charged. If a salary is credited on the books but not paid, the credited amount is charged.
- Officer payroll goes in the governing class unless the officer's duties meet the definition of Code 951, 953 or 822.
- Sole proprietors, partners and LLC members aren't covered automatically, but can elect coverage. If they do, the same minimum and maximum apply.

Who is an executive officer

The President, Vice President, Secretary, Treasurer or any other officer appointed or elected under the corporation's charter or bylaws. Officers are covered like any other employee, with these exceptions:

- Elected officers of the Commonwealth or its political subdivisions aren't employees under the policy.
- An officer of a for-profit corporation may elect not to be covered if they have an ownership interest in an S corporation, or at least 5% of a C corporation. An officer of a nonprofit who serves voluntarily and without pay may also elect out.

How to exclude an officer

Complete the Application for Executive Officer Exception (LIBC-509) and the Executive Officer's Affidavit (LIBC-513), available from L&I or your carrier. Return both to the carrier before the exclusion date. As a rule, officers can only be excluded on the policy effective date, and the forms must be redone when an officer's status changes or you move to a different carrier group. Corporations with no employees apply to the Bureau of Workers' Compensation for an exemption certificate.

Officer and partner annual payroll limits by state, 2026

State	Officer min	Officer max	Partner max	Eff. after
Alabama	59,800	244,400	61,000 Flat	3/1/2026
Alaska	33,800	135,200	43,200 Flat	1/1/2026
Arizona (g)	70,200	286,000	70,879 Max	1/1/2026
Arkansas	54,600	218,400	55,200 Flat	7/1/2025
California	63,700	165,100	165,100 Max	9/1/2025
Colorado	79,800 Flat	79,800 Flat	79,800 Flat	1/1/2026
Connecticut	88,400	176,800	89,200 Flat	1/1/2026
Delaware (f)	72,072	288,600	288,600 Max	12/1/2025
District of Columbia	93,600	374,400	94,100 Flat	1/1/2026
Florida (a)	67,600	202,800	67,300 Flat	1/1/2026
Georgia	72,800	286,000	71,600 Flat	3/1/2026
Hawaii	62,400	249,600	62,000 Flat	1/1/2026
Idaho	54,600	223,600	27,900 Flat	1/1/2026
Illinois	75,400	301,600	75,500 Flat	1/1/2026
Indiana	54,600	254,800	254,800 Max	1/1/2026
Iowa	31,200	244,400	244,400 Max	1/1/2026
Kansas	59,800	239,200	60,300 Flat	1/1/2026
Kentucky	57,200	234,000	58,200 Flat	1/1/2026
Louisiana	59,800	182,000	60,800 Flat	5/1/2026
Maine	31,200	249,600	62,300 Flat	4/1/2026
Maryland	78,000	312,000	77,600 Flat	1/1/2026
Massachusetts	16,120	79,560	70,000 Flat	10/1/2025
Michigan	32,916	130,000	26,000 Flat	1/1/2026
Minnesota	73,996	295,984	295,984 Max	1/1/2026

State	Officer min	Officer max	Partner max	Eff. after
Mississippi	49,400	166,400	49,200 Flat	3/1/2026
Missouri	57,100 Flat	57,100 Flat	57,100 Flat	1/1/2026
Montana (e)	10,400	88,686	88,686 Max	7/1/2025
Nebraska	59,800	234,000	58,800 Flat	2/1/2026
Nevada (b)	6,000	36,000	3,600 Flat	3/1/2025
New Hampshire (d)	39,000	322,400	40,000 Flat	1/1/2026
New Jersey	44,720	178,360	178,360 Max	1/1/2026
New Mexico	59,800	239,200	59,600 Flat	1/1/2026
New York (a)	50,700	153,400	153,400 Max	10/1/2025
North Carolina	65,000	130,000	65,300 Flat	4/1/2026
Oklahoma	57,200	223,600	56,300 Flat	1/1/2026
Oregon	72,800	296,400	73,700 Flat	1/1/2026
Pennsylvania (f)	70,044	280,800	280,800 Max	4/1/2026
Rhode Island	65,000	260,000	Not applicable	8/1/2025
South Carolina	28,600	234,000	59,000 Flat	4/1/2026
South Dakota	54,600	223,600	55,400 Flat	7/1/2025
Tennessee (c)	67,600	270,400	67,400 Flat	3/1/2026
Texas	7,800	62,400	79,200 Flat	7/1/2025
Utah	67,600	270,400	67,900 Flat	2/1/2026
Vermont	31,200	244,400	30,600 Flat	4/1/2025
Virginia	39,000	150,800	76,100 Flat	4/1/2026
West Virginia	57,200	228,800	57,700 Flat	1/1/2026
Wisconsin	20,696	103,428	68,952 Flat	10/1/2025

(a) Florida construction minimum \$33,800. New York construction codes maximum \$95,349.

(b) Nevada sole proprietor or partner electing higher benefits: \$21,600.

(c) Tennessee construction codes minimum \$33,800, maximum \$99,100.

(d) New Hampshire officers of unincorporated associations: minimum \$19,500, maximum \$161,200.

(e) Montana individual and partner minimum \$10,800.

(f) Individuals or partners not on payroll: Delaware minimum \$72,072; Pennsylvania minimum \$70,044.

(g) Arizona individual and partner minimum \$7,200, maximum \$70,879.

"Flat" means a fixed amount is charged regardless of actual pay. "Max" means actual pay is used up to the maximum. Amounts change each year on the date shown; confirm with your carrier or state bureau for your policy dates. Source: ICW Group, 2026 Officers & Partners Annual Payroll Limitations (March 2026).

Pennsylvania construction classification credit (PCCPAP)

Construction employers who pay above-average wages can earn a premium credit of up to 30% for one year. It isn't automatic. You have to apply.

- **Who qualifies:** any policy with a construction class: every 6xx code, plus the 26xx temporary staffing construction codes.
- **How it's figured:** for each construction class, total Pennsylvania payroll for the qualifying third quarter (July through September), **including overtime**, divided by total hours worked. Salaried employees without time records are counted at 40 hours a week. The average hourly wage sets the credit for that class from the table for your policy date.
- **The policy credit:** the dollar credit for all construction classes is divided by the total policy premium, including non-construction classes, and rounded to a whole percent. If you're experience rated, the credit is then adjusted for its effect on your mod, so it usually comes out a few points lower.
- **How to apply:** send the PCRB Premium Credit Application to pccpap@pcrb.com. List every class on the policy, construction and non-construction, with wages and hours for the quarter. Include officers (subject to the limits), but not officers who have elected out.
- **Deadline:** the PCRB won't process an application filed more than 12 months after the policy period ends.
- **At audit,** the carrier verifies the payroll and hours you reported. If you can't back them up, the credit comes off.

If you're a construction employer and have never applied, check the last policy that's still within the 12-month window. That credit may still be available.

PCCPAP credit tables: last four years

October 1, 2026 and later

Wages from the third quarter of 2025. Below \$38.40: no credit.

Average hourly wage	Credit
\$38.40 to \$38.99	5%
\$39.00 to \$39.59	6%
\$39.60 to \$40.19	7%
\$40.20 to \$40.84	8%
\$40.85 to \$41.49	9%
\$41.50 to \$42.19	10%
\$42.20 to \$42.89	11%
\$42.90 to \$43.59	12%
\$43.60 to \$44.29	13%
\$44.30 to \$45.04	14%
\$45.05 to \$45.79	15%
\$45.80 to \$46.54	16%
\$46.55 to \$47.34	17%
\$47.35 to \$48.14	18%
\$48.15 to \$48.99	19%
\$49.00 to \$49.84	20%
\$49.85 to \$50.74	21%
\$50.75 to \$51.64	22%
\$51.65 to \$52.59	23%
\$52.60 to \$53.54	24%
\$53.55 to \$54.54	25%
\$54.55 to \$55.54	26%
\$55.55 to \$56.59	27%
\$56.60 to \$57.64	28%
\$57.65 to \$58.74	29%
\$58.75 and over	30%

October 1, 2025 to September 30, 2026

Wages from the third quarter of 2024. Below \$40.15: no credit.

Average hourly wage	Credit
\$40.15 to \$40.74	5%
\$40.75 to \$41.39	6%
\$41.40 to \$42.04	7%
\$42.05 to \$42.69	8%
\$42.70 to \$43.34	9%
\$43.35 to \$44.04	10%
\$44.05 to \$44.74	11%
\$44.75 to \$45.44	12%
\$45.45 to \$46.19	13%
\$46.20 to \$46.94	14%
\$46.95 to \$47.74	15%
\$47.75 to \$48.54	16%
\$48.55 to \$49.34	17%
\$49.35 to \$50.19	18%
\$50.20 to \$51.04	19%
\$51.05 to \$51.94	20%
\$51.95 to \$52.84	21%
\$52.85 to \$53.79	22%
\$53.80 to \$54.74	23%
\$54.75 to \$55.74	24%
\$55.75 to \$56.74	25%
\$56.75 to \$57.79	26%
\$57.80 to \$58.89	27%
\$58.90 to \$59.99	28%
\$60.00 to \$61.14	29%
\$61.15 and over	30%

PCCPAP credit tables, continued

October 1, 2024 to September 30, 2025

Wages from the third quarter of 2023. Below \$39.50: no credit.

Average hourly wage	Credit
\$39.50 to \$40.09	5%
\$40.10 to \$40.74	6%
\$40.75 to \$41.39	7%
\$41.40 to \$42.04	8%
\$42.05 to \$42.69	9%
\$42.70 to \$43.39	10%
\$43.40 to \$44.09	11%
\$44.10 to \$44.79	12%
\$44.80 to \$45.54	13%
\$45.55 to \$46.29	14%
\$46.30 to \$47.09	15%
\$47.10 to \$47.89	16%
\$47.90 to \$48.69	17%
\$48.70 to \$49.54	18%
\$49.55 to \$50.39	19%
\$50.40 to \$51.29	20%
\$51.30 to \$52.19	21%
\$52.20 to \$53.14	22%
\$53.15 to \$54.09	23%
\$54.10 to \$55.09	24%
\$55.10 to \$56.09	25%
\$56.10 to \$57.14	26%
\$57.15 to \$58.19	27%
\$58.20 to \$59.29	28%
\$59.30 to \$60.44	29%
\$60.45 and over	30%

October 1, 2023 to September 30, 2024

Wages from the third quarter of 2022. Below \$37.95: no credit.

Average hourly wage	Credit
\$37.95 to \$38.54	5%
\$38.55 to \$39.14	6%
\$39.15 to \$39.79	7%
\$39.80 to \$40.44	8%
\$40.45 to \$41.09	9%
\$41.10 to \$41.74	10%
\$41.75 to \$42.44	11%
\$42.45 to \$43.14	12%
\$43.15 to \$43.89	13%
\$43.90 to \$44.64	14%
\$44.65 to \$45.39	15%
\$45.40 to \$46.14	16%
\$46.15 to \$46.94	17%
\$46.95 to \$47.79	18%
\$47.80 to \$48.64	19%
\$48.65 to \$49.49	20%
\$49.50 to \$50.39	21%
\$50.40 to \$51.29	22%
\$51.30 to \$52.24	23%
\$52.25 to \$53.19	24%
\$53.20 to \$54.19	25%
\$54.20 to \$55.19	26%
\$55.20 to \$56.24	27%
\$56.25 to \$57.34	28%
\$57.35 to \$58.44	29%
\$58.45 and over	30%

Sources: PCRB Manual Section 1, Rule IX-H; PCRB Filings 337, 345 and 347.



Want a second set of eyes on your audit?

Send me your last three audits, the auditor's worksheets and your current mod worksheet. I'll tell you what I see, what looks like it's costing you money, and whether it's worth chasing. Some of it isn't, and I'd rather say so up front.

David R. Leng, CPCU, CIC, CRM, CBWA, MWCA

Chief Risk Officer, Duncan Financial Group

311 Main Street, Irwin, PA 15642

david@davidleng.com • 724-307-5364

davidleng.com