b. Premium Determination

Add the following to Rule 2-E-1-b:

Executive/corporate officers that are eligible to elect coverage under the Workers Compensation Act must choose a coverage level at the time of election, and report the amount to the insurance company. For the applicable coverage level that an electing officer may choose, refer to the Montana Miscellaneous Values and Appendix F.

Electing officers may choose a coverage level of—

- A minimum of $600 per month,
- A maximum of 1.6 times the state average weekly wage, or
- Any coverage level between the minimum and maximum amounts.

Executive/corporate officers who are automatically included under the Workers Compensation Act must report their actual wage to the insurance company, subject to a minimum of $600 per month and a maximum of 1.6 times the state average weekly wage.

Executive/corporate officers who do not receive compensation for the ordinary work of the corporation are not eligible for coverage under the Workers Compensation Act. For election of coverage information, refer to C-1 of Montana's User's Guide.
3. Partners or Sole Proprietors

Change Rule 2-E-3 as follows:

Premium for each partner or sole proprietor treated as an employee is based on a minimum and maximum amount. For the applicable minimum and maximum amounts, refer to the Montana Miscellaneous Values and Appendix F. Payroll of partners or sole proprietors must be assigned to classifications and rates under the rules that apply to employees. To determine if a partner or sole proprietor is to be treated as an employee, refer to the Election of Coverages Reference Table in Montana's User's Guide.
3. **Partners or Sole Proprietors**

Premium for each partner or sole proprietor treated as an employee is based on the payroll amount shown on the state pages. For the applicable state payroll determination formula, refer to Appendix F. Payroll of partners or sole proprietors must be assigned to classifications and rates under the rules that apply to employees. To determine if a partner or sole proprietor is to be treated as an employee, refer to "Election of Coverages Reference Table in User's Guide."
STATE PAYROLL DETERMINATION FORMULAS

Appendix F provides the state payroll determination formulas for the following:
- Partners and Sole Proprietor Determination
- Executive Officer Weekly Minimum and Maximum Payroll Limitation
- Code 7370 Employee-Operated Vehicle and Leased or Rented Vehicle Payroll Basis (used in the absence of verifiable payroll records)
- Code 9178 and Code 9179 Weekly Maximum Payroll Limitation

STATE PAYROLL DETERMINATION FORMULA TABLE 1

<table>
<thead>
<tr>
<th>State</th>
<th>Effective Date</th>
<th>Partners/Sole Proprietor Payroll Determination</th>
<th>Executive Officer Weekly Payroll Limitation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>7/1/2013</td>
<td>Minimum = Fixed Wage</td>
<td>Elected Coverage Fixed Wage</td>
<td>Refer to the Montana Miscellaneous Values for the applicable partner/sole proprietor minimum yearly-monthly wage and the executive/corporate officer minimum weekly payroll limitation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weekly Maximum = SAWW x 62-1.5²</td>
<td>Elected Coverage: SAWW x 1.5²</td>
<td></td>
</tr>
</tbody>
</table>

1 Rounded to nearest $100.00.
2 Rounded to nearest $50.00.
3 Rounded to nearest $1.00.