

EXHIBIT 1
BASIC MANUAL—2001 EDITION
MONTANA STATE RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,
AND SOLE PROPRIETORS
1. EXECUTIVE OFFICERS

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 \$860 per month.~~
- ~~• A maximum of 1.5 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 \$500 per month and a maximum of 1.5 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.

EXHIBIT 2
BASIC MANUAL—2001 EDITION
MONTANA STATE RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,
AND SOLE PROPRIETORS

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. - Refer to

39-71-401

EXHIBIT 3
BASIC MANUAL—2001 EDITION
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,
AND SOLE PROPRIETORS
(National Rule to be Discontinued in Montana)

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.~~

EXHIBIT 4
BASIC MANUAL—2001 EDITION
APPENDIX F
(Applies in: MT)

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

State	Effective Date	Partners/Sole Proprietor Payroll Determination ¹	Executive Officer Weekly Payroll Limitation		Comments
			Minimum ²	Maximum ¹	
MT	7/1/2013	<p>Minimum = Fixed Wage</p> <hr/> <p>Weekly Maximum = SAWW x .52 x 1.5⁵</p>	Elected Coverage Fixed Wage	Elected Coverage SAWW x 1.5 ⁵	Refer to the Montana Miscellaneous Values for the applicable partner/sole proprietor minimum <u>yearly monthly</u> wage and the executive/corporate officer minimum weekly payroll limitation

¹ Rounded to nearest \$100.00.

² Rounded to nearest \$50.00.

⁵ Rounded to nearest \$1.00.