



TO: Delaware Compensation Rating Bureau, Inc. (DCRB) Classification & Rating Committee

FROM: Robert Ferrante – Manager – Classification

DATE: July 31, 2026

RE: Proposed Revisions to Designated Auditable Payrolls and Concurrent Section 1 Basic Manual Amendments – December 1, 2026

The Basic Manual designates auditable payroll limits for: (1) corporate officers, (2) musicians and entertainers, (3) players, coaches, managers, and sports officials assigned to Code 970, *Athletic Team – Contact Sports*, and (4) players, coaches, managers, and sports officials assigned to Code 991, *Athletic Team – Non-Contact Sports*. The corporate officer weekly minimum and maximum payrolls also serve as the auditable payroll for sole proprietors and partners when their actual payroll cannot be determined. The DCRB reviews these payroll limits annually.

The proposed revisions to the corporate officer weekly minimum and maximum payrolls and the weekly maximum payroll for musicians and entertainers are based on Delaware's Statewide Average Weekly Wage (SAWW) effective July 1, 2026, of \$1,444.07, an increase of 4.2% from the July 1, 2025, SAWW of \$1,386.46. Maximum corporate officer payrolls are rounded to the nearest \$50. The DCRB recommends that these revisions take effect concurrent with the DCRB's December 1, 2026, comprehensive loss cost and residual market rate filing.

The auditable payroll formulas are:

- Corporate officer weekly minimum payroll: 100% of the SAWW.
- Corporate officer weekly maximum payroll: 4 times the SAWW, rounded to the nearest \$50.
- Weekly maximum payroll for musicians and entertainers: 100% of the SAWW.

Applying these formulas to the July 1, 2026, SAWW of \$1,444.07 results in the following proposed changes effective December 1, 2026:

- Corporate officer weekly minimum payroll: \$1,386 to \$1,444.
- Corporate officer weekly maximum payroll: \$5,550 to \$5,800.
- Weekly maximum payroll for musicians and entertainers: \$1,386 to \$1,444.

The DCRB is not proposing revisions to the annual minimum or maximum payroll applicable to players, coaches, managers, or sports officials assigned to Codes 970 or 991.

**DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND
RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS' LIABILITY
INSURANCE**

Proposed Effective December 1, 2026

Proposed Manual Language Amendments:

SECTION 1

RULE V – PREMIUM BASIS

B. REMUNERATION - PAYROLL

2. INCLUSIONS

Remuneration includes:

No change to items a through m.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$~~1,386~~1,444 per week for each musician or entertainer);

No change to items o through v.

RULE IX - SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

A. EXECUTIVE OFFICERS

5. Premium Determination

Premium for executive officers.....subject to the following:

No change to item a.

b. The minimum individual payroll for an executive officer is \$~~1,386~~1,444 per week.

c. The maximum individual payroll for an executive officer is \$~~5,550~~5,800 per week.

No change to items d and e.

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c. The maximum individual payroll for an executive officer is \$5,800 per week.

No change to items d and e.