

INSTRUCTIONS FOR COMPLETION OF THE MCPAP CREDIT FACTOR APPLICATION

Note: If you do not currently have contracting operations, or do not have at least one contracting code for which you paid more than \$30.50 in average hourly wages during the data period, you are not eligible and need not apply.

GENERAL INSTRUCTIONS

- **WE RECOMMEND THAT THE APPLICATION BE COMPLETED AND SUBMITTED ONLINE AT www.mwcia.org/Pages/MCPAP.** Since most validations are done as you complete the application online, there is a greater chance that the application will be accepted for processing.
- In order for MWCIA to calculate the proper MCPAP credit factor, the application must contain all the requested information and must include data for all of your operations, both contracting and non-contracting.
- Data must be submitted for all commonly owned businesses.
- Data submitted in any form other than the MCPAP application is **not** acceptable and will be returned.
- The application of the credit factor is subject to audit. Please retain your payroll records upon which the credit factor application is based.
- Applications postmarked later than April 1, 2025 are subject to a two-point (.02) late penalty adjustment in the MCPAP credit calculation. The MCPAP credit factor will apply to policies with an effective date of January 1, 2026 or later.

SPECIFIC INSTRUCTIONS

DATA PERIOD – The data period should be based on actual wages and hours worked, as reflected in your payroll records, for the 12-month period beginning January 1, 2024 and ending December 31, 2024.

COLUMN 1 – WC CODE NUMBERS – A WC code number is a four-digit number. Refer to the Information Page of your WC Policy – Item 4 for these four digit numbers. **If you cannot locate this information, contact your insurance agent or insurance company. List each code only once.**

COLUMN 2 – MINNESOTA WAGES

- Show the total gross Minnesota wages paid for each code number for the entire year. This includes wages paid to personnel no longer employed. It includes salaries, wages, commissions and bonuses. Sick wages, vacation wages and holiday wages should be **included** and overtime premium wages should be **excluded**. Overtime wages are the extra monies paid for overtime in excess of the regular rate.
- Do not include subcontractors' payroll unless it was included in your workers' compensation audit.
- Covered officers', partners', or sole proprietors' wages are subject to a minimum of \$69,524 and a maximum of \$278,096. Wages of the spouse, parent, or child (children) of a covered owner are included at their actual wages subject to a minimum of \$20,852 (no maximum).
- All dollar amounts should be rounded to the nearest dollar.

COLUMN 3 – HOURS WORKED DURING CALENDAR YEAR

- List the total number of hours worked for each WC code number. Salaried employees should be assumed to each work forty (40) hours per week.
- Include hours paid for sick-time, vacations and holidays.

Additional notes: All data submitted is subject to an audit prior to the application of a credit factor. If you are submitting revised information, you must report all data, including revised and previously reported data.

If you have any questions concerning MCPAP, please contact your agent or insurance carrier.