

AMENDATORY SECTION (Amending WSR 01-23-059, filed 11/20/01, effective 1/1/02)

WAC 296-17-31013 Building construction. (1) Does this same classification approach apply to building and construction contractors?

Yes, but it may not appear that way without further explanation. We classify contractors by phase and type of construction since it is common for each contract to vary in scope.

Example: A contractor who builds and remodels private residences may frame the structure and work on no other phases of the project. On another job the same contractor may do only the interior finish carpentry. On still another job the contractor may install a wood deck or build a garden arbor. Each of these carpentry activities is covered by a different classification code. To ensure that contractor businesses receive the same treatment as other businesses, we assign classifications according to the phases and types of construction they contract to perform. Since some contractors specialize in one area of construction, such as plumbing, roofing, insulation, or electrical services, this classification approach mirrors that of nonbuilding contractor businesses. The policy of assigning several basic classifications to contractors engaged in multiple phases of construction may seem to be in conflict with the classification approach used for nonbuilding contractor businesses, but we have simply used the **multiple business** classification approach.

If we have assigned multiple classifications to your construction business you should take special care in maintaining the records required in the auditing and recordkeeping section of this manual. If we discover that you have failed to keep the required records we will assign all worker hours for which the records were not maintained to the highest rated classification applicable to the work that was performed.

(2) Who does this rule apply to?

If you are a building, construction or erection contractor and we have assigned one or more of the following classifications to your business, this rule applies to you: 0101, 0103, 0104, 0105, 0107, 0108, 0201, 0202, 0210, 0212, 0214, 0217, 0219, 0301, 0302, 0303, 0306, 0307, 0403, 0502, 0504, 0506, 0507, 0508, 0509, 0510, 0511, 0512, 0513, 0514, 0516, 0517, 0518, 0519, 0521, 0540, 0541, 0550, 0551, 0601,

0602, 0603, 0607, 0608, and 0701.

(3) Can I have a single classification assigned to my business to cover a specific construction project?

Yes, to simplify recordkeeping and reporting requirements we will assign a single classification to cover an entire project.

(4) How do I request the single classification for one of my construction projects?

You should send your request to the attention of your policy manager at the address below:

Department of Labor and Industries
P.O. Box 44144
Olympia, Washington 98504-4144

(5) If I have asked for a single classification on one of my construction projects, how do you determine which classification will apply?

You must supply us with a description of the project and a break down of the total number of hours of exposure by phase of construction that you are responsible for.

Example: *You notify us that your company will be responsible for all plumbing and iron erection work on a commercial building site. You have requested a single classification for this project. In your request you tell us that you estimate that it will take one thousand work hours to perform all the plumbing work and five hundred work hours to do the steel erection work.*

With this information we will estimate the premiums by classification.

Example: *We determine that the plumbing work is covered under classification 0306 and the steel erection work is covered under classification 0518. Assume that classification 0306 has an hourly premium rate of \$1.50 and classification 0518 has an hourly premium rate of \$2.55. We estimate the total premium on this job to be \$2,775 (1,000 hours x \$1.50 = \$1,500 + 500 hours x \$2.55 = \$1,275).*

Our next step in this process is to develop an average hourly rate for the project. We will use this information to select the single classification which will apply to this project.

Example: *We will take the estimated premium (\$2,775) and divide this number by the estimated hours (1,500) and arrive at an average hourly rate of \$1.85.*

To select the single classification that will apply to a construction project, we will compare the average hourly rate that we have computed to the rates of the classifications applicable to the project. We will select the classification whose hourly rate is the closest to the average hourly rate that we computed from the information you supplied us with.

Example: From the information you supplied, we have determined that the average hourly rate for this project is \$1.85. We also know that the rate for the plumbing classification (0306) is \$1.50 per hour and the rate for steel erection is \$2.55 per hour. We would assign classification 0306 as the single classification applicable to this project.

(6) How will I know what classification will apply to my construction project?

We will send you a written notice which will specify the basic classification and premium rate that will apply to this project.

(7) If I have asked for a single classification to cover one of my construction projects, am I required to use the single classification which you gave me?

No, but you should call your policy manager to verify what other classifications would apply to the project. The name and phone number of your policy manager can be found on your quarterly premium report or your annual rate notice. For your convenience you can call us at (360) 902-4817 and we will put you in contact with your assigned policy manager.

(8) I am a general construction or erection contractor, I subcontract all my work and have no employees of my own. Do I have to report to the department of labor and industries?

No, since you do not have employees, you do not need to report to the department of labor and industries. You should be aware that the workers' compensation insurance laws of Washington include certain independent contractors as workers. If we determine that an independent contractor that you used qualifies as a covered worker, you will be responsible for the premium due for their work time. You can also be held responsible for premiums due to labor and industries if you subcontract with an unregistered contractor and they fail to pay premiums on behalf of their employees. It is in your best interest to make sure that your subcontractors are registered contractors by contacting us at 1-800-647-0982.

(9) Am I required to keep any special records of subcontractors that I use?

Yes, you are required to keep certain information about the subcontractors that you use. The information required is:

- ✎ Subcontractor's legal name;
- ✎ Contractor registration number and expiration date;
- ✎ UBI number (or labor and industries account ID number).

If you supply materials to a subcontractor, also keep a record of the:

- ✎ Amount of material supplied;
- ✎ Project name or location;
- ✎ Date material was supplied; and
- ✎ Completion date of contracted work.

Failure to maintain these records may result in the subcontractor being considered a covered worker for whom you must report hours.

(10) What classification should I use to report construction site cleanup by my employees? You should report the cleanup of construction debris in the same classification that applied to the work which generated the debris unless another classification treatment is provided for in other rules. For example, if you are a roofing contractor and you have an employee pick up roofing debris at the construction (project) site, you would report the employee involved in the site cleanup in the roofing classification (0507). If you are the general contractor at a construction site and have either classification 0510 "wood frame building construction" or classification 0518 "nonwood frame building construction" assigned to your business, you would report site cleanup in the classification applicable to the type of building you are constructing. For example, if you are a general contractor and you are engaged in building a single-family wood frame dwelling, you would report construction site cleanup by your employees in classification 0510 "wood frame building construction."

(11) I am a construction site clean-up contractor, my employees only pick up construction debris, we do no construction work, what classification do I report site cleanup in? If your employees are cleaning a construction site where a wood frame building was erected, you would report their work time in classification 0510 "wood frame building construction." If your employees are cleaning a construction site where a nonwood frame building was erected, you would report their work time in classification 0518 "nonwood frame building construction." If your employees are cleaning other nonbuilding construction sites, you would report their work time in the same classification that applied to the construction work that generated the nonbuilding construction debris. For example, if you are doing site cleanup for a concrete contractor that was involved in pouring and finishing sidewalks and driveways, you would report the work time of your employees involved in this construction site clean-up project in classification 0217 "concrete flatwork."

(12) What classification should I use to report the work time of my employees when they are involved in the set up of scaffolding, hoists, cranes, towers or elevators at a construction site? We use the same classification treatment for this type of work as we do with construction site cleanup. For example, if you are a roofing contractor and you have an employee set up scaffolding at the construction (project) site, you would report the employee involved in the set up of scaffolding in the roofing classification (0507). If you are the general contractor at a construction site and have either

classification 0510 "wood frame building construction" or classification 0518 "nonwood frame building construction" assigned to your business, you would report the set up of scaffolding at the construction in the classification applicable to the type of building you are constructing. For example, if you are a general contractor and you are engaged in building a single-family wood frame dwelling, you would report scaffolding set up by your employees in classification 0510 "wood frame building construction." Helicopter services that are engaged to assist in lifting beams, air conditioning units, statues and other objects onto buildings or structures are to be reported separately in classification 6803.

(13) **Is preoccupancy cleanup of a building by my employees classified the same as debris cleanup at a construction site?** Since your understanding of what preoccupancy clean-up work is may be different from ours, we need to share with you our understanding before we can answer this question. Our understanding in this area is that preoccupancy cleanup occurs after the building is finished. The clean-up work consists of washing paint and overspray from windows, vacuuming carpets, washing floors and fixtures, and dusting woodwork, doors and cabinets. If you have employees whose duties are limited to this type of cleaning, we will allow you to report their work time in classification 6602 "janitors."

(14) **If I have an employee who does some construction work, construction site cleanup and preoccupancy cleanup, can I divide their work time between the janitor and a construction classification?** No, we will not permit you to divide the work time of an employee between the janitor classification and a construction classification. If you have an employee who does preoccupancy clean-up work for you, and that employee also performs other nonpreoccupancy clean-up work for you such as construction work, shop work or construction site debris clean-up work, then you must report all of their work time in the applicable construction or nonshop classification.

NEW SECTION

WAC 296-17-67701 Classification 5302. 5302-00 Computer consulting, programming, software and website development, and internet service providers (ISPs), N.O.C.

Applies to establishments engaged in providing computer consulting - primarily recommending and designing hardware systems and/or software for the needs of the contracting entity. Consultants may provide training on software programs and

hardware systems. Programming may include creating or maintaining programs using computer language code. Activities include product conceptualization, design of the blueprint, creating flowcharts, coding the program, beta testing, etc. Included is website development.

Software development firms design and develop "packaged" software for sale in retail stores for mainframe systems or PCs, or they may develop general application programs, educational, entertainment or games software. Additional program aspects could include musical and sound code applications, visual representation and animation artists.

Internet service providers offer business and commercial computer users access to the internet by various telephony, digital and wireless means. Most ISPs charge subscribers a monthly or annual fee. Some may offer a variety of free web-related services as part of a total package--i.e., search engines, e-mail address, personal web page, quick links to popular websites, twenty-four hour customer service and technical support and instant messaging. Tech support is generally engaged in troubleshooting and will frequently walk users through whatever steps are needed to correct a computer problem. Some ISPs have technical professionals who assist clients by designing, upgrading, and/or maintaining their business website or home page. This classification includes clerical office and outside sales personnel who travel from one office environment to another.

This classification excludes adjustments, service, or repairs and hardware installations to business machines for others which are to be reported separately in classification 4107; computer technical support staff for firms not in the computer industry are inclusive within that firm's primary class, i.e., a law firm's computer support staff are inclusive within class 5301-11; retail and internet store activities are to be reported separately in classification 6406; CD copy/write scanning are to be reported separately in classification 6506; electrical rewiring when performed by a specialty contractor not in the business to install computer equipment is to be reported separately in classification 0608; assembly and repair of premanufactured parts into operative computer components, shop only, is to be reported separately in classification 3602; business that has instructors/trainers (only) is to be reported in either 4904 or 6303 depending on training room location.

AMENDATORY SECTION (Amending WSR 03-24-066, filed 12/1/03, effective 1/1/04)

WAC 296-17-895 Industrial insurance accident fund base rates and medical aid base rates by class of industry. Industrial insurance accident fund and medical aid fund base rates by class of industry shall be as set forth below.

Class	Base Rates Effective January 1, 2004	
	Accident Fund	Medical Aid Fund
0101	1.5814	0.7743
0103	1.7560	1.0231
0104	1.0798	0.5941
0105	1.4448	0.9613
0107	1.2655	0.7206
0108	1.0798	0.5941
0112	0.7788	0.4591
0201	2.7967	1.3868
0202	3.8070	2.0165
0210	1.4498	0.6811
0212	1.2948	0.6731
0214	1.4592	0.7138
0217	1.3036	0.6971
0219	1.0750	0.7601
0301	0.5567	0.4307
0302	2.2802	0.9416
0303	2.1458	0.9612
0306	1.1713	0.5736
0307	0.9965	0.5767
0308	0.5270	0.4263
0403	1.6656	1.2385
0502	1.7909	0.8089
0504	1.3821	0.8266

0506	5.5423	3.0267
0507	3.1811	1.8865
0508	2.4737	1.0339
0509	1.8702	0.8009
0510	1.6703	0.9807
0511	1.8921	0.9897
0512	1.4169	0.7795
0513	0.9884	0.5366
0514	1.7316	1.0394
0516	1.6703	0.9807
0517	1.6780	1.0950
0518	1.8366	0.9328
0519	1.9295	1.0901
0521	0.6989	0.4450
0601	0.6461	0.3862
0602	0.7255	0.4146
0603	1.1661	0.5393
0604	0.9048	0.7316
0606	0.4319	0.3655
0607	0.4193	0.3175
0608	0.3621	0.2512
0701	2.5501	0.8175
0803	0.4758	0.3517
0901	1.8366	0.9328
1002	1.0578	0.7479
1003	0.8656	0.6100
1004	0.5325	0.3268
1005	8.3826	4.4172
1007	0.3697	0.2374
1101	0.6527	0.4899
1102	1.4175	0.7790
1103	1.1092	0.8062
1104	0.4796	0.4454

1105	1.0193	0.7100
1106	0.3168	0.3134
1108	0.6003	0.4657
1109	1.2172	0.9398
1301	0.7260	0.3982
1303	0.2359	0.1719
1304	0.0242	0.0194
1305	0.3640	0.2850
1401	0.4888	0.4061
1404	0.6507	0.5258
1405	0.4630	0.3620
1407	0.6507	0.5258
1501	0.5898	0.3839
1507	0.5258	0.3512
1701	1.0139	0.5815
1702	2.2784	1.0454
1703	1.0410	0.3854
1704	1.0139	0.5815
1801	0.5893	0.3974
1802	0.6768	0.4355
2002	0.6934	0.5787
2004	0.8083	0.6479
2007	0.4262	0.3258
2008	0.3220	0.2403
2009	0.3158	0.3162
2101	0.7157	0.5397
2102	0.5026	0.4361
2104	0.2749	0.2907
2105	0.6066	0.4813
2106	0.4257	0.3452
2201	0.2517	0.1986
2202	0.7279	0.5211
2203	0.4299	0.4196

2204	0.2517	0.1986
2401	0.4450	0.3439
2903	0.6146	0.5552
2904	0.6859	0.5526
2905	0.5029	0.4761
2906	0.3469	0.2639
2907	0.4824	0.4221
2908	1.0443	0.7208
2909	0.3880	0.3364
3101	1.0798	0.6249
3102	0.2780	0.2292
3103	0.5594	0.4228
3104	0.6477	0.4140
3105	0.7218	0.6194
3303	0.4072	0.3326
3304	0.4851	0.4488
3309	0.4086	0.3370
3402	0.5131	0.3800
3403	0.2011	0.1529
3404	0.5017	0.4108
3405	0.3030	0.2306
3406	0.1946	0.1855
3407	0.6760	0.4481
3408	0.1647	0.1198
3409	0.1400	0.1350
3410	0.2301	0.2230
3411	0.4844	0.3267
3412	0.5755	0.3539
3414	0.5520	0.3888
3415	0.7473	0.5298
3501	1.0049	0.7260
3503	0.2692	0.2962
3506	1.3008	0.5776

3509	0.3666	0.3533
3510	0.3547	0.2989
3511	0.6851	0.5304
3512	0.3102	0.2838
3513	0.4529	0.4138
3602	0.1106	0.1023
3603	0.4591	0.3661
3604	0.8039	0.6965
3605	0.5317	0.3611
3701	0.2780	0.2292
3702	0.4132	0.3523
3708	0.6358	0.4386
3802	0.1591	0.1422
3808	0.4550	0.3078
3901	0.1328	0.1528
3902	0.4252	0.3863
3903	1.0296	0.9966
3905	0.1328	0.1528
3906	0.4828	0.4052
3909	0.2477	0.2366
4002	1.4293	0.7720
4101	0.2771	0.2120
4103	0.3652	0.4111
4107	0.1533	0.1235
4108	0.1366	0.1195
4109	0.2105	0.1737
4201	0.7318	0.3596
4301	0.6271	0.5697
4302	0.5894	0.4574
4304	0.8819	0.7071
4305	1.3133	0.7131
4401	0.3790	0.3197
4402	0.7470	0.6336

4404	0.4702	0.4284
4501	0.1791	0.1584
4502	0.0387	0.0385
4504	0.0931	0.1040
4601	0.6942	0.5520
4802	0.2337	0.2024
4803	0.2168	0.2237
4804	0.5433	0.4452
4805	0.2414	0.2437
4806	0.0483	0.0468
4808	0.4569	0.3766
4809	0.3475	0.3139
4810	0.1253	0.1330
4811	0.2220	0.2256
4812	0.3461	0.2991
4813	0.1526	0.1368
4900	0.3773	0.2508
4901	0.0746	0.0543
4902	0.0957	0.0748
4903	0.1176	0.0846
4904	0.0280	0.0252
4905	0.2850	0.3019
4906	0.0959	0.0747
4907	0.0450	0.0396
4908	0.0830	0.1583
4909	0.0371	0.0696
4910	0.4052	0.3337
5001	5.6626	2.5112
5002	0.6043	0.4230
5003	2.0838	0.9576
5004	1.0382	0.7851
5005	0.7259	0.4013
5006	1.9405	0.9896

5101	0.9430	0.6911
5103	0.6953	0.6625
5106	0.6953	0.6625
5108	0.9034	0.7555
5109	0.6908	0.4594
5201	0.4178	0.3177
5204	0.9292	0.6996
5206	0.3773	0.2508
5207	0.1420	0.1531
5208	0.8731	0.6533
5209	0.8321	0.5874
5301	0.0286	0.0263
<u>5302</u>	<u>0.0286</u>	<u>0.0263</u>
5305	0.0520	0.0520
5306	0.0578	0.0507
5307	0.4812	0.3319
6103	0.0673	0.0798
6104	0.3592	0.3227
6105	0.2903	0.2119
6107	0.1032	0.1306
6108	0.3710	0.3912
6109	0.0898	0.0712
6110	0.4754	0.3989
6201	0.3725	0.2394
6202	0.6046	0.5298
6203	0.0708	0.1013
6204	0.1278	0.1223
6205	0.2342	0.2049
6206	0.2116	0.1761
6207	0.9203	1.0906
6208	0.1942	0.2291
6209	0.2548	0.2471
6301	0.1353	0.0832

6302	0.1506	0.1407
6303	0.0651	0.0572
6304	0.2883	0.3111
6305	0.0848	0.0943
6306	0.2906	0.2495
6308	0.0547	0.0484
6309	0.1578	0.1568
6402	0.2798	0.2622
6403	0.1352	0.1383
6404	0.1730	0.1758
6405	0.5698	0.4319
6406	0.0873	0.0926
6407	0.2469	0.2313
6408	0.3740	0.3030
6409	0.8659	0.5358
6410	0.2515	0.2082
6501	0.1576	0.1317
6502	0.0324	0.0317
6503	0.0819	0.0470
6504	0.3363	0.3718
6505	0.0845	0.0987
6506	0.0847	0.0899
6509	0.3189	0.3214
6510	0.5002	0.3039
6511	0.2683	0.2825
6601	0.1744	0.1621
6602	0.3962	0.3475
6603	0.3395	0.2526
6604	0.0628	0.0606
6605	0.2132	0.2917
6607	0.1770	0.1510
6608	0.6719	0.3123
6614	987*	927*

6615	358*	356*
6616	271*	238*
6617	102*	92*
6618	99*	50*
6620	4.5954	3.4827
6704	0.1531	0.1352
6705	0.6840	0.8359
6706	0.2997	0.3124
6707	2.6228	2.3616
6708	6.4860	8.3254
6709	0.2315	0.2619
6801	0.5513	0.3850
6802	0.3743	0.3762
6803	0.9264	0.5238
6804	0.2581	0.2058
6809	4.7942	4.4011
6901	0.0000	0.0691
6902	1.1874	0.4826
6903	8.8112	4.6583
6904	0.4889	0.2997
6905	0.4082	0.2813
6906	0.0000	0.2414
6907	1.1483	0.8577
6908	0.4866	0.3980
6909	0.1067	0.0968
7100	0.0303	0.0261
7101	0.0248	0.0203
7102	2.9027	4.5880
7103	0.5655	0.3505
7104	0.0272	0.0236
7105	0.0264	0.0254
7106	0.1772	0.1606
7107	0.2057	0.2255

7108	0.1596	0.2033
7109	0.1293	0.1253
7110	0.4185	0.2625
7111	0.4096	0.2851
7112	0.5838	0.4891
7113	0.3442	0.3640
7114	0.5276	0.5917
7115	0.5057	0.4960
7116	0.5758	0.5188
7117	1.2566	1.0693
7118	1.0394	0.9808
7119	1.2604	0.9886
7120	5.7871	4.6097
7121	5.5522	4.3375
7201	1.3512	0.8174
7202	0.0414	0.0264
7203	0.0997	0.1276
7204	0.0000	0.0000
7301	0.4601	0.3847
7302	0.8603	0.6898
7307	0.4975	0.4589
7308	0.2130	0.2885
7309	0.2315	0.2619

* These rates are calculated on a per license basis for parimutuel race tracks and are base rated.