



Understanding dual wage thresholds and how they impact your insurance premium

When: Your policy will change on your first renewal after September 1, 2024

Who: Construction companies who use “dual wage workers compensation class codes (below) for workers compensation reporting

Why: The California WCIRB narrative is wage inflation, which means less experienced employees are still fetching higher wages. However they are still expected to have more claims than their experienced counterparts.

Impact: The threshold shift can easily cost construction companies thousands of dollars in additional workers compensation premiums.

How: Employees who were once in the “over class” move into the more expensive workers compensation class code if they do not meet the new \$ per hour wage threshold amount.

Dual Wage Classifications	Existing Threshold	Proposed Increase	Proposed Threshold
5027/5028 Masonry	\$32	\$3	\$35
5190/5140 Electrical Wiring	\$34	\$2	\$36
5183/5187 Plumbing	\$31	\$1	\$32
5185/5186 Automatic Sprinkler	\$32	\$1	\$33
5201/5205 Concrete Work	\$32	\$1	\$33
5403/5432 Carpentry	\$39	\$2	\$41
5446/5447 Wallboard Installation	\$38	\$3	\$41
5467/5470 Glaziers	\$36	\$3	\$39
5474/5482 Painting Waterproofing	\$31	\$1	\$32
5484/5485 Plastering or Stucco	\$36	\$2	\$38
5538/5542 Sheet Metal Work	\$29	\$4	\$33
5552/5553 Roofing	\$29	\$2	\$31
5632/5633 Steel Framing	\$39	\$2	\$41
6218/6220 Grading/Land Leveling	\$38	\$2	\$40
6307/6308 Sewer Construction	\$38	\$2	\$40
6315/6316 Water/Gas Mains	\$38	\$2	\$40

What to do:

Ask your insurance agent for your work comp “NET RATES”. Go to www.thresholdcalculator.com. Use the calculator, to see if you can give employees a “FREE raise”. If your employee is within \$3 of the threshold, it may be that the workers compensation savings exceeds the extra payroll costs!

Examples:

- Mario Daniel– Carpenter – Currently earning \$39 per hour. Net rates of \$4/\$9
- Dean Lopez – Painter – Currently earning \$31 per hour. Net rates of \$3.25/\$8