



400 High St. SE, Salem, OR 97312  
1.800.285.8525

### Designation of Corporate Officer Exemption In the Construction, Timber Harvest or Landscaping Industries

Corporation Name: \_\_\_\_\_ Policy No.: \_\_\_\_\_

Number of employees, including employed officers: \_\_\_\_\_

Type of registration:       Construction       Landscaping       Timber Harvest

The corporation agrees to notify SAIF Corporation in writing of any changes to the exemptions, with the change to be effective upon receipt by SAIF. The corporation selects this option (mark only one):

1.  The corporation has no officers who perform work for the business in Oregon.

2.  The Oregon officers are not eligible for exemption (see Page 2) and are all subject, covered workers.

3.  No exemptions are claimed. The corporation elects to cover all officers who perform work for the business in Oregon until further notice.

4.  The corporation designates the following eligible officers to be exempt effective \_\_\_\_\_.

If you designate fewer officers than authorized by law, all officers not named who perform work for the business in Oregon are subject workers until further notice, and premium will be payable for their coverage.

Position Title	Name of Exempted Officer	% Owned	Director Yes or No	Weekly Payroll
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

All officers named under option #4 ( are  are not) members of the same family.

\_\_\_\_\_  
Authorized Corporate Representative

\_\_\_\_\_  
Date

**See Page 2 for Explanation of Exempt Officers**

## **Corporate Officer Exemption for Construction, Timber Harvesting and Landscaping Employers**

Oregon law (ORS 656.027) places a limit on the number of corporate officers who perform work for a construction, timber harvesting, or landscape business who may be exempted from workers' compensation coverage.

Corporate officers must meet these basic criteria to be eligible for exemption:

1. Occupy an officer position authorized in the corporate bylaws;
2. Be a member of the corporation's board of directors;
3. Own either 10 percent or more of corporate stock or at least a percentage equal to the average stockholder.
4. If the corporation performs work regulated by the Construction Contractors Board (CCB) or the Landscape Contractors Board (LCB), the corporation must be registered with the appropriate Board.

Each corporation is authorized to exempt two corporate officers or one officer for each 10 corporate employees, whichever is greater. Please use the form on page 1 to designate corporate officers exempt from workers' compensation coverage. Changes to your designated exemptions must be requested in writing, and will become effective no sooner than the date received by SAIF Corporation.

The officer exemption law allows a family corporation to exempt all of its officers, without numeric limit, if certain conditions are met.

1. **All** officers must be members of the same family. If one or more officers are not family members, this special family rule does not apply.
2. Each officer must have one of the following relationships to another officer: parent, daughter, son, daughter-in-law, son-in-law, grandchild, spouse, brother, or sister.
3. Only officers meeting the first three eligibility criteria above may be designated as exempt. Individual officers who do not meet the criteria must be covered as subject workers, and may not be exempted.
4. The corporation must designate all exempted officers in writing to the insurer. A failure to do so will limit your exemptions to two officers or one for each 10 employees\*, whichever is greater.

Oregon Administrative Rule (OAR 436-050-0050) states that if a corporation fails to designate which officers are exempt, the exempt officers shall be determined in the following order: 1) president, 2) secretary, 3) vice president, 4) secretary-treasurer, 5) treasurer, and 6) all others.

\*If you have seasonal fluctuations in the number of people employed by your corporation, please contact your agent or account representative for additional information.

Corporate officers not designated as exempt are considered subject workers and must report payroll, subject to the minimum and maximum limits established by the National Council on Compensation Insurance. Report payroll of nonexempt officers in the classification appropriate to their duties. If a corporate officer performs several duties, the payroll may be split between different classifications providing you maintain verifiable payroll records for the time spent working in each classification. Corporate officers who do not perform work in the operation of the corporation or who work without any remuneration are not covered as workers and do not need to be listed as exempt.