



State of Rhode Island and Providence Plantations  
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## **CORPORATE OFFICER ALERT**

The Rhode Island General Assembly revised the Workers' Compensation Act relating to corporate officers. Effective January 1, 2002, all corporate officers, except for the officers identified below, will now be covered under the Act unless specifically excluded. This effectively removes the exemption granted in 1999. The recent change is not retroactive and does not apply to officers who were previously exempted by filing the Notice of Claim of Common Law Rights, form DWC-11 prior to 1/1/99. The following outlines the changes that are effective January 1, 2002.

### **THE LAW AS IT USED TO BE**

Before January 1, 1999 corporate officers were considered employees and covered by the Workers' Compensation Act. In 1999 there was an exception created for corporate officers; the definition of employee was amended to provide that it did not include the president, one vice president, secretary and/or treasurer of a corporation. These officers could opt into the Workers' Compensation system only by filing a form DWC-11C with the Department.

### **THE LAW AS IT WILL BE AS OF JANUARY 1, 2002**

The Rhode Island General Assembly amended the Workers' Compensation Act, as it relates to corporate officers, and it will go into effect as of January 1, 2002. Most corporate officers will be considered employees and therefore covered under the Workers' Compensation Act. However, some corporate officers will be excluded under the Workers' Compensation Act. In order to determine if the officer is excluded from the Act, the following questions must be answered; when did the person become a corporate officer and was the person an employee when appointed? Once these are determined, then you can find out whether or not something has to be done to allow the officer to either opt in or opt out of the Workers' Compensation Act.

### **Were you a Corporate Officer before January 1, 1999?**

If a person was a corporate officer before January 1, 1999, then that person remains an employee for purposes of the Workers' Compensation Act unless they statutorily waived their entitlement to workers' compensation benefits by filing a Notice of Claim of Common Law Rights form DWC-11 with the Department. If the person wishes to remain an employee for purposes of the Workers' Compensation Act then nothing need be done.

### **Were you appointed a Corporate Officer after January 1, 1999?**

Any person who was appointed a corporate officer between January 1, 1999 and December 31, 2001 and was not previously an employee of that corporation will not be considered an employee unless they opt into the workers' compensation system. This "opt in" mechanism is the filing of form DWC-11C with the Department of Labor and Training. If such a form was never filed then he or she is not subject to the jurisdiction of the Workers' Compensation Act and not entitled to workers' compensation benefits. However, these corporate officers may file the form DWC-11C with the Department to opt into the workers' compensation system.

### **Were you appointed a Corporate Officer after January 1, 2002?**

If a person is appointed a corporate officer after January 1, 2002, then that person will be considered an employee for purposes of both jurisdiction and benefits. Of course, that person may still opt out of the system by filing a Notice of Claim of Common Law Rights form DWC-11 with the Department of Labor & Training.

If you have any questions regarding corporate officer coverage please contact the Education Unit at (401) 462-8125 or your insurance agent.

Dr. Lee H. Arnold, Director