



September 4, 2025

CIRCULAR LETTER TO ALL WORKERS COMPENSATION MEMBER COMPANIES

Re: WC2025-03

**Revisions to Manual Rules and Classifications
Related to Clerical Telecommuter Employees**

Summary – This filing clarifies the following:

Revises the Rule, Code 8871 – Clerical Telecommuter Employees:

- Specify that the clerical telecommuter employees' duties must take place within their residence or a shared office space away from any location of their employer.
- Specify that Code 8871 must not be assigned when the basic classification assigned to the employer includes "clerical" in the phraseology, even if the clerical telecommuter employee's workstation is in a state where the employer has no additional operations.

The North Carolina Rate Bureau filed, and the North Carolina Commissioner of Insurance has approved our filing number WC2025-03. This filing revises language in the North Carolina Basic Manual for Workers Compensation and Employers Liability for Class Code 8871 – Clerical Telecommuter Employees as outlined above.

Complete copies of the WC2025-03 Filing Memorandum and exhibits outlining all changes are included for your review. These changes become effective 7/1/26.

If you have any questions, contact Regulatory Manager, Jodi Webb at 919-719-3028 or via email at JLW@ncrb.org.

Sincerely,

Jarred Chappell
Chief Operating Officer

JC: ko
Attachments
C-25-9



North Carolina Rate Bureau Filing Memorandum Filing WC2025-03

Revisions to Basic Manual Rules and Classifications Related to Clerical Telecommuter Employees

PURPOSE

This item clarifies rules and classifications related to clerical telecommuter employees in NCRB's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*.

PROPOSAL

This item proposes the following revisions to NCRB's Basic Manual:

1. Revise the Rule, Code 8871 clerical office telecommuter workstations to:
 - Specify that the clerical telecommuter employee's duties must take place within their residence or a shared office space away from any location of their employer.
 - Specify that Code 8871 must not be assigned when the basic classification assigned to the employer includes "clerical" in the phraseology, even if the clerical telecommuter employee's workstation is in a state where the employer has no additional operations.

IMPLEMENTATION

This filing proposes revising language in the Basic Manual to add clarity to existing classification codes. It is applicable to new and renewal policies with effective dates on or after 12:01 am on July 1, 2026.

- Computer programs
- Employer records
- Files
- Telephone duties and/or telephone sales
- Data entry
- Operation of copy or fax machines, unless the insured is in the business of making copies or faxing for the public
- General office work similar in nature to the above

2) Site

a) Code 8810 – The duties listed in Rule 1-B-2-a (1) must take place in a work area that is separated from the operating hazards of:

- Factories
- Stores
- Shops
- Construction sites
- Warehouses
- Yards
- Any other work areas such as:
 - Work or service areas
 - Areas where inventory is located
 - Areas where products are displayed for sale
- Areas to which the purchaser customarily brings the product from another area for payment

b) Work stations or service areas for Code 8810 must be physically separated from the operating hazards by at least one of the following:

- Floors
- Walls
- Partitions
- Counters
- Other physical barriers that protect the clerical employee from the operating hazards of a business

c) Code 8871 – The clerical duties as defined in Rule 1-B-2-a (1) above must take place ~~inside the home of the clerical employee~~ in a clerical workstation located within the residence of the telecommuter employee, or shared office space away from any location of the employer. The location must be separate and distinct from the employer's. Note: Code 8871 must not be assigned when the basic classification wording applicable to the employer includes the word "clerical" in the phraseology, even if the clerical telecommuter employee's workstation is in a state where the employer has no additional locations.

3) Other

a) Employees who meet the requirements for Code 8810 or Code 8871 will not be disqualified from assignment to these codes if they perform certain incidental non-clerical duties that are related to their employment. These duties include:

- Making bank deposits
- Picking up or delivering mail
- Purchasing office supplies
- Delivering paychecks or clerical-related documents to employees within an area exposed to the operative hazards of the business

b) Employees who otherwise meet the requirements for Code 8810 and Code 8871 will be disqualified from assignment to this classification if their duties involve:

- Outside sales or outside representatives
- Direct supervision of non-clerical employees not performed in an eligible site according to Rule 1-B-2-a (2) above
- Physical labor, demonstration or instruction
- Work exposure to the operative hazards of the business that is incidental, necessary, or related to any business operations other than a clerical office
- Performing work that is included in the basic classification of the employer.

b. Drivers, Chauffeurs, Messengers, and Their Helpers NOC - Commercial (Code 7380)

This classification is assigned to employees who engage in duties on or in connection with a vehicle. Garage employees and employees using bicycles as part of their work duties are included in this code. Messenger and courier deliveries of documents and goods owned by the employer are assigned to the governing class code of the business when the deliveries are made by foot or public transportation.

Code 7380 does not apply when the basic classification wording includes drivers. Refer to [Rule 2-H-3](#) for vehicles under contract.

c. Salespersons or Collectors - Outside (Code 8742)

This classification is assigned to employees engaged in sales or collection duties away from their employer's premises.

This classification is not assigned to employees who:

- Deliver merchandise
- Use vehicles to deliver or pick up goods, even if they collect or sell. These employees must be assigned to the classification applicable to the business for drivers
- Use public transportation or walk to deliver goods even if they collect or sell. These employees must be assigned to the governing classification applicable to the business
- Travel between locations of the employer as district or regional managers to perform various duties not involving outside sales or collections. [Refer to Rule 2-G-Interchange of Labor.](#)
- Perform job site measurements or inspections to prepare bids for a job for a construction contractor.

Code 8742 does not apply when the basic classification wording includes "Outside Salesperson" and/or "Collector".

d. Automobile Salespersons (Code 8748)

This classification is assigned to employees who perform their duties on or away from the employer's location. Types of transactions can include, but are not limited to, sale and/or long-term lease of:

- Automobiles
- Mobile Homes
- Boats

These employees are subject to the same rules and treatment as Code 8742 – Salespersons or Collectors – Outside.

3. General Inclusions

General Inclusions are operations that appear to be separate businesses but are included within the scope of all basic classifications. These operations are not separately classified. They include the following:

- Restaurants or cafeterias, stores, or day care services operated by the insured for employee use

Exception:

If these operations are conducted in connection with construction, erection, lumbering, or mining operations, they must be separately classified.

- Manufacture of containers by the insured, such as bags, barrels, bottles, boxes, cans, cartons, or packing cases for sole use in the insured's business operations
- Medical clinics, facilities, or hospitals operated by the insured for its employees
- Repair or maintenance of the insured's buildings or equipment by the insured's employees
- Printing by the insured on its own products, packaging, brochures, or promotional materials
- Piloting of unmanned aircraft systems or drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds

Exceptions:

(a) Autonomous drone aircraft computer system designers or programmers who qualify as clerical office or telecommuter employees in accordance with Rule 1-B-2-a and do not pilot or operate the drone aircraft are assigned to the appropriate clerical classification.

(b) If an employee qualifies as an outside salesperson in accordance with Rule 1-B-2-c, the piloting of the drone aircraft to support their sales duties is included within the classification assigned to the outside salesperson.

- For employees that perform general inclusion duties for more than one basic classification, refer to [Rule 2-G](#) for classification treatment.
- A general inclusion operation must be classified separately if any of the following conditions apply:
 - It is conducted as a separate and distinct business of the insured ([Rule 1-D-3](#)).
 - It is specifically excluded in the basic classification wording.
 - The principal business is described by a standard exception classification.

Example of a General Inclusion Exception:

An internet service provider, classified to the standard exception Code 8810 – Clerical Office Employees NOC, operates a restaurant for its employees' use. A restaurant operated for the insured's employees is a general inclusion and usually not separately classified. However, because this business is classified to a standard exception classification, the restaurant operations must be separately classified to the appropriate restaurant classification.

4. General Exclusions

Some operations in the business are so unusual for the business described in the basic classification they must be separately classified even though the operations are not conducted as a secondary business. These operations are called general exclusions. They are classified separately unless they are specifically included in the basic classification. General exclusions are:

- Aviation – all operations of ground and flying crews, including piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more
- New construction or alterations
- Stevedoring
- Sawmill operations

Example of a General Exclusion:

An internet service provider, classified to the standard exception Code 8810 – Clerical Office Employees NOC, maintains a private plane, pilot and flight crew for the use of executives traveling to various work locations. The employer-provided aviation services are considered a general exclusion. This means that unless a classification applicable to the business includes aviation, this service is separately classified. Therefore, the aviation services provided by the internet service provider must be separately classified to the appropriate aviation classification(s).

Note: