



ELECTION TO EXCLUDE RELATIVES OF EXECUTIVE OFFICERS OF A CLOSELY-HELD CORPORATION

Close relatives of officers of closely-held corporations may be excluded from workers' compensation coverage if the corporation files an election with the Department of Labor and Industry and informs the insurer of the elected exclusion. Minnesota Statutes §176.041, subd. 1 paragraph (o), states as follows:

"[This chapter does not apply to] persons employed by a closely-held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in paragraph (g), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section."

"Paragraph (g)" excludes from coverage:

"an executive officer of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation."

"Closely-held corporation" means a corporation whose stock is held by no more than ten persons. Minnesota Statutes §176.011, sub. 22.

"Relatives within the third degree of kindred" include parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, aunts, uncles, nieces, nephews, and siblings. Spouses, parents, and children, regardless of age, are automatically excluded from coverage unless the corporation elects in writing to cover these individuals.

You need not file this form if the only persons you wish to exclude are the spouse, parents and children of executive officers who own at least 25 percent of the corporate stock.

This form must be filed if you want to exclude other relatives of the executive officers.

NAME OF CORPORATION	ADDRESS	
CITY	STATE	ZIP

Payroll Hours in the Previous Calendar Year _____ **Total Number of Stockholders** _____

List corporate officers and the amount of stock in the corporation which is owned by individual officers.

Corporate Officer(s)	Percent of Stock Owned

If you require more space for additional names, you may attach another sheet with the specified information.

List family members whom you are electing to exclude from the closely held corporation's workers' compensation insurance coverage and the relationship to the corporate officer who owns at least 25 percent of the corporation.

Excluded Family Member	Relation	Corporate Officer

The above information is complete and accurate to the best of my knowledge.

NAME (PRINTED OR TYPED)	TITLE	
SIGNATURE	DATE	PHONE NO.

WARNING: The Department of Labor and Industry does not guarantee that this election to exclude family members from workers' compensation coverage is legally effective. The corporation is responsible for determining its legal obligations and for correctly performing the election. The Department will notify you of potential defects if they are discovered, but you may wish to consult your own attorney regarding the legal effect of this election.

You must file a copy of this form with the Department of Labor and Industry by mailing or faxing to:

Department of Labor and Industry
 Workers' Compensation Division - BMR Compliance
 PO Box 64221
 St. Paul, MN 55164-0221
 Fax: 651-284-5729

You must also submit a copy of this form to your workers' compensation insurance company.

PLEASE SPECIFY THE NAME OF WORKERS' COMPENSATION INSURANCE COMPANY:

The election to exclude coverage is not effective unless this form has been filed with the Minnesota Department of Labor and Industry.

This material can be given to you in different formats, such as large print, Braille or on audio tape. Please call (651) 284-5019 (voice) or (651) 297-4198 (TTY).

For questions regarding this form, you may call (651) 284-5081.