



MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
AFFIDAVIT OF EXEMPTION FOR WORKERS' COMPENSATION INSURANCE
 PURSUANT TO § 287.061, RSMo

Before me, the undersigned authority, personally appeared _____
Name of Affiant

who, being duly sworn on this oath states as follows:

1. My name is _____. I am of legal age and sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated. I understand that by submitting this affidavit to the city or county for an occupational or business license as a contractor in the construction industry, I am stating that my business is exempt from carrying workers' compensation insurance coverage.

2. I am the sole proprietor, owner or partner of _____,
Name of Business

a business engaged in construction industry that is not required to purchase workers' compensation insurance coverage for the following reason:

(Check One)

I am a sole proprietor and have no "employees" as defined under the law, see page 2.

I am a partner in a partnership with no "employees" as defined under the law, see page 2.

I have filed a Notice of Employer's Exemption with the Missouri Division of Workers' Compensation (Division) for _____ to be withdrawn from
Name of Corporation

coverage because there are no more than two owners of the corporation who are also the only employees of the corporation. A copy of the acknowledgement letter from the Division dated _____ is enclosed.
Date

Further, I have not filed a notice to withdraw this exemption for my corporation with the Division and my corporation has no other workers' compensation insurance coverage.

3. I have read and reviewed the concept of "statutory employment" explained on pages 2-3. My business operation is not being carried out by persons who may be regarded as statutory employees.

4. I understand that providing fraudulent information on this affidavit is unlawful under §§287.128, 287.061(3), 570.090, 575.040, 575.050, and/or 575.060, RSMo, and may be either a misdemeanor or a felony, punishable by imprisonment and fine, as indicated on page 3.

Affiant

Date

STATE OF MISSOURI)
)
 COUNTY OF _____)

Subscribed and sworn to before me this _____ day of _____, 20____

My Commission Expires: _____

 Notary Public

(SEAL)

Statutory Employer: §287.040, RSMo, provides that certain independent contractors may be considered to be "employees" of the person who hired them for workers' compensation purposes, under the legal principle known as "statutory employment." Missouri Law does not define "independent contractor." Missouri courts use three factors to determine when a statutory employment relationship exists: (1) the work is performed pursuant to a contract; (2) the injury occurs on or about the premises of the statutory employer; and (3) the work is in the usual course of the statutory employer's business. An employer cannot avoid its workers' compensation liability by hiring independent contractors to perform jobs that would otherwise be performed by its employees. A contract need not be in writing. The Missouri courts have ruled that the "employer's premises" can include a location where the employer is carrying on its business temporarily. As a construction industry employer you may be held responsible to pay workers' compensation benefits to an independent contractor or uninsured subcontractor or their employees. The immediate contractor or subcontractor is liable as an employer of the employees of the subcontractor. The liability of the immediate employer is primary and that of the others is secondary and any compensation benefits that are paid by those who are secondarily liable may be recovered from those primarily liable.

Please Note: A general contractor can require subcontractors to carry workers' compensation insurance. Generally, the Law says that the general contractor is liable for any injuries sustained by uninsured subcontractors or their uninsured employees (§287.040, RSMo). Because of this, the general contractor's insurer will charge an additional premium if the subcontractor cannot provide proof of coverage, even if the subcontractor has no employees. If the general contractor says he/she will not hire the subcontractor unless he/she has a policy and insures himself/herself, the subcontractor would need to buy a policy covering their business or himself/herself or work for a general contractor who does not make this a requirement.

Criminal Penalties: §287.128, RSMo makes it unlawful for any person to knowingly make or cause to be made any false or fraudulent material statement or material representation for the purpose of obtaining or denying any benefit. This is considered a class D felony punishable by fine up to \$10,000 or double the value of the fraud whichever is greater. A subsequent violation is a class C felony.

Any person who knowingly misrepresents any fact in order to obtain workers' compensation insurance at less than the proper rate for that insurance shall be guilty of a class A misdemeanor. A subsequent violation is a class D felony. Any employer who knowingly fails to insure his liability pursuant to this chapter shall be guilty of a class A misdemeanor and, in addition, is liable to the state of Missouri for a penalty in an amount up to three times the annual premium the employer would have paid had such employer been insured or up to \$50,000, whichever amount is greater. A subsequent violation is a class D felony.

Further, providing false information with the intent to deceive also can constitute a felony under §§570.090 (Forgery) and 575.040 (Perjury), and a misdemeanor under §§575.050 (False Affidavit) and 575.060 (False Declaration).