

Effective July 1, 1997, the Idaho legislature amended the Workers' Compensation Law to allow a family member employee of a sole proprietorship who is related to the sole proprietor employer within the first degree of consanguinity, and who is not residing in the household of the sole proprietor employer, to file an election for exemption from workers' compensation insurance coverage. Effective July 1, 1999 the Law was amended again to allow grandchildren of a sole proprietor owner to file an election for exemption.

To qualify for the exemption, the following conditions must be met:

- 1. The employer must be a sole proprietorship.*
- 2. The family member must not dwell in the same household as the employer.
NOTE: Family members of a sole proprietor employer dwelling in the household of the sole proprietor are already exempt under Section 72-212(4).*
- 3. The relationship between the employee and employer must be within the first degree of consanguinity or the employee must be a qualifying grandchild of the sole proprietor owner. The attached chart identifies the relationships eligible for exemption.*
- 4. The family member must file a written declaration with the Industrial Commission and the declaration must be approved by the Industrial Commission.*

INSTRUCTIONS FOR COMPLETING IC53 ELECTION FOR EXEMPTION FORM

1. Complete all of the information in the employee and employer sections. If the employer does not carry workers' compensation insurance, indicate "none" in the space provided for the name of the insurance company.
2. Check the appropriate box at the bottom of the form designating the form as either an election for exemption or a revocation of a previously filed election for exemption.
3. Both the employee and employer must sign at the bottom of the form where indicated. A separate IC53 Election for Exemption form must be filed for each family member requesting an exemption.
4. Mail the original and one copy of the IC53 Election for Exemption to the Idaho Industrial Commission at the following address:

**Employer Compliance Department
P.O. Box 83720
Boise, ID 83720-0041**

or, you may fax the form to the Employer Compliance Department at (208) 334-5145.

5. If the employer carries workers' compensation insurance, it is the employer's responsibility to send a copy of the IC53 Election for Exemption to the insurance company.
6. The effective date of the exemption will be the date the *properly* completed form is received by the Industrial Commission.
7. Once the form is reviewed and approved by the Industrial Commission, a copy will be mailed to the employee claiming the exemption.
8. The exemption will remain in effect until (1) a revocation of exemption form is filed with the Industrial Commission; (2) termination of employment with the designated employer; or (3) upon the death of the employee, whichever occurs first. If a break in service with the designated employer occurs for a period of 365 days or less, the exemption remains in effect until revoked or upon the death of the employee.