

## Third degree of kindred chart

*This document contains general information. It is not legal advice. Every situation is different and other laws might apply to your situation. If you have questions, contact an attorney, visit the Department of Labor and Industry website at [www.dli.mn.gov/business/workers-compensation-businesses](http://www.dli.mn.gov/business/workers-compensation-businesses) or call the workers' compensation hotline at 800-342-5354 and press 3.*

This chart may be used to determine whether persons are related by blood or marriage within the third degree of kindred to an executive officer of a closely held corporation (CHC) or to a manager of a limited liability company (LLC) under Minnesota Statutes, section 176.041, subdivision 1, paragraphs (15) and (20).

Relatives of CHC executive officer's spouse or LLC manager's spouse			Relatives of CHC executive officer or LLC manager		
3rd degree by marriage	2nd degree by marriage	1st degree by marriage	1st degree	2nd degree	3rd degree
Great-grandparents and spouses (2)					Great-grandparents and spouses (2)
	Grandparents and spouses (2)			Grandparents and spouses (2)	
Aunts/uncles and spouses (2)		Parents and spouses (2)	Parents (1) and spouses (2)		Aunts/uncles and spouses (2)
	Siblings and spouses (2)	<b>Executive officer or manager's spouse (1)</b>	<b>Executive officer of HRC or LLC manager (1)</b>	Siblings and spouses (2)	
Nephews/nieces and spouses (2)		Children (1) and spouses (2)	Children (1) and spouses (2)		Nephews/nieces and spouses (2)
	Grandchildren and spouses (2)			Grandchildren and spouses (2)	

Relatives of CHC executive officer's spouse or LLC manager's spouse			Relatives of CHC executive officer or LLC manager		
3rd degree by marriage	2nd degree by marriage	1st degree by marriage	1st degree	2nd degree	3rd degree
Great-grandchildren and spouses (2)					Great-grandchildren and spouses (2)

## Explanation of the figures within the table

(1): The spouse, parents and children of certain executive officers of closely held corporations and of certain managers of limited liability companies are automatically excluded from workers' compensation coverage if they are employed by the CHC or LLC unless it elects coverage for them.\* "A stepchild is a 'child' within the meaning of section 176.041" (see Minn. Stat. § 176.011, subd. 2).

(2): These relatives are "within the third degree of kindred" of the executive officer of a closely held corporation or the manager of a limited liability company and, if they are employees of the CHC or LLC, are excluded from workers' compensation coverage only if a written election to exclude them is filed with the Department of Labor and Industry.\*

\*The exclusions from coverage in both (1) and (2) apply *only* if:

- the executive officer owns at least 25 percent of the stock in the corporation, which must have 10 or fewer shareholders and less than 22,880 hours of payroll in the previous calendar year; and
- the manager owns at least a 25 percent membership interest in the limited liability company, which must have 10 or fewer members and less than 22,880 hours of payroll in the previous calendar year.