



Policy Amendment Proposal

EA-01 Reporting Payroll and Payment of Assessment Premiums

This policy amendment proposal relating to reporting payroll and payment of assessment premiums will reflect the issues consulted on during the engagement for the *Workers' Safety and Compensation Act* (the 'Act') and will align the amendments made in the new legislation.

The new Act comes into force July 1, 2022. The intended effective date of the proposed policy amendments will be July 1, 2022.

The proposed new Reporting Payroll and Payment of Assessment Premiums policy will ensure consistency with the provisions of the Act and will provide clarification with respect to board practices and processes relating to the provision of payroll information and the payment of assessment premiums by employers to the board.

The purpose of the policy is to establish the process for employers to provide timely and accurate payroll information and assessment premium payments to the board.

Relevant sections of the Act

The following sections of the Act are relevant:

- 130-150 assessments

Proposed changes to this policy

- minor changes to section references, language and definitions
- change of name to reflect current content of reporting and payment obligations
- simplification of language to succinctly describe the process for employers to report payroll information and make assessment premium payments to the board
- sets out the minimum assessment premium (same as amount set out in current Board Order 2006/003 Minimum Assessment)
- sets out administrative fees if an employer fails to comply with payroll reporting and payment (same penalties charged set out in current Board Order 2009/01)
- sets out interest rate charged by the board for late payments (same rate charged set out in current Board Order 2009/01 Establishes Interest Rate and Penalties)



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Board Orders/Regulations

The following board orders/regulations will be revoked as content has been incorporated into the policy amendment proposal.

- [Board Order 2009/01](#) Establishes Interest Rate and Penalties
- [Board Order 2006/003](#) Minimum Assessment

Current policy

[EA-01 Payment of Assessments](#)

The Board of Directors is providing this policy amendment proposal to stakeholders seeking their input, comments, questions and suggestions.

Some questions for consideration:

1. Are there any general comments about this policy proposal?
2. Are there any gaps in this policy proposal?
3. Additional comments?

The views of our stakeholders are important to us. All feedback will be considered prior to the Board of Directors approving any amendments.

Engagement on this policy proposal is **extended to February 28, 2022**. Please provide your feedback by:

1. Downloading a [fillable form](#) on our website and sending it as an attachment to Policy.Feedback@wcb.yk.ca
2. Emailing comments directly to Policy.Feedback@wcb.yk.ca
3. Receipt in our building **extended to February 28, 2022**, by mail or drop off at
Yukon Workers' Compensation Health and Safety Board
401 Strickland Street
Whitehorse, Yukon Y1A 5N8

A summary of all feedback on this policy amendment proposal will be published on our website at www.wcb.yk.ca (**extended to March 2022**).



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Preventing work-related injuries is the most important job in any workplace. The *Workers' Safety and Compensation Act* establishes the responsibilities of all workplace parties to work together to ensure the physical and psychological health and safety of workers. When injuries do occur, workers and employers must continue to work together to facilitate an injured worker's early and safe return to health and work.

Purpose

This policy establishes the process for employers to report annual payroll information and pay assessment premiums to the board.

Definitions

assessment premium means the amount determined by the board that an employer is required to pay to the board each year

board means the Workers' Safety and Compensation Board

employer means every association, corporation, individual, partnership, person, society or unincorporated organization or other body having in their service one or more workers in an industry and as further defined in section 77 of the Act

industry classification means the class of industry to which an employer is assigned by the board (e.g. Resources and Transportation, Construction, Services, Government)

maximum annual earnings means the amount that is determined annually under section 77 of the Act

payroll means the total amount of all wages and salaries that an employer paid to its workers during a calendar year, including: commissions, tips, remuneration for overtime, piece work, and contract work, bonuses and allowances, the cash equivalent of board and lodging, store certificates, directors fees, indemnities, allowances paid to members of the Legislative Assembly or elected officials of a municipality, and any substitute for money

worker means a person who performs work or services for an employer under a contract of service or apprenticeship, written or oral, express or implied and as further defined in section 77 of the Act



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Policy statement

1. General

Employers are required to register with the board and report annual payroll information to the board each calendar year, which the board uses to calculate the employer's assessment premium for that year.

Calculation of assessment premiums

The assessment premium payable by an employer each year is calculated by the board based on the employer's assessment rate and the employer's annual payroll. The employer's assessment rate is determined by the industry class or sub-class that the board has assigned the employer upon registration.

*For example, \$10,000 (payroll)
x \$1.67/100 (rate) (*charged per \$100 of payroll)
\$167.00 (assessment premium)*

The minimum assessment premium is \$150.

Maximum annual earnings

The total gross payroll paid to all workers must be reported to the board although employers do not pay assessment premiums on amounts that exceed the maximum annual earnings for each worker.

For example, if the maximum annual earnings for a given year is \$90,000 and an employee earns \$100,000 that year, the employer will only pay premiums based on \$90,000 for that employee.

2. Reporting payroll

Employers are required to report their annual payroll and other required information to the board each year, using the required form, on or before the last day of February of that year.

A newly registered employer is required to report their annual payroll and pay their assessment premiums to the board at the time of registration unless the board approves an alternate plan.



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Employers that cease operations before December 31 in a year are required to report their actual payroll and pay any outstanding assessment premium to the board within 10 days after ceasing operations.

Assessment premiums are due January 1 each year, and are payable within 30 days after the date of the invoice issued by the board.

There are two methods of reporting annual payroll.

Estimated payroll method

The estimated payroll method is the standard method of reporting payroll by an employer. The employer must provide the board with an annual payroll report on the required form that includes:

- the employer's actual annual payroll for the previous calendar year;
- an estimate of what the employer's annual payroll will be for the current calendar year;
- a list of all contractors engaged by the employer in the previous calendar year, setting out the labour portion of those contracts; and
- any additional information required by the board.

Revision of payroll estimates

Employers can revise their estimated annual payroll at any time during the year, without penalty, by providing the board with an updated estimated annual payroll report.

Payment of assessment premiums by installment

Employers whose total assessment premium for a year is greater than \$500 may request, subject to board approval, to pay their assessment premium by instalments.

Actual payroll method

An employer may apply to the board to be assessed on their actual payroll. To be eligible to do so, the employer's assessment account with the board (or with another Canadian workers' compensation board) must have been in good standing for the preceding two years, and the employer must have an annual payroll of more than \$500,000.



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If an employer receives approval from the board to report its actual annual payroll, the employer must submit its actual payroll for the month to the board using the required form by the 15th day of each month and pay its assessment premium monthly.

In addition, the employer must provide the board with an annual payroll report, on the required form, that includes:

- the employer's actual annual payroll for the previous calendar year;
- a list of all contractors engaged by the employer in the previous calendar year; and
- any additional information required by the board.

The board may require an employer to use the 'estimated reporting method' if an employer fails to provide their monthly reporting or fails to pay their premium on time.

Provisional assessment

If an employer fails to submit its annual payroll report to the board within the required timeline, the board will determine the employer's annual payroll as follows. First, the employer's annual payroll for the previous year will be deemed to be the estimated annual payroll the employer provided to the board for the preceding year. The board will then assign an estimate of the employer's annual payroll for the current year, and the employer's assessment premium will be calculated accordingly.

The employer is required to pay assessment premiums on the amount determined by the board. The employer's assessment premiums may be adjusted if the employer submits their annual payroll report.

3. Optional coverage

Persons who purchase optional coverage from the board must pay their assessment premium in full at the time their request for optional coverage is approved by the board. If payment is not received by the date specified by the board, the optional coverage is not in force.

4. Clearance certificates

The board provides 'clearance certificates' that indicate whether a person or employer has a registered assessment account with the board, and if so whether that account is in good standing.

Employers should request up-to-date clearance certificates from the board when making payments to or entering into contracts with contractors or sub-contractors as evidence that



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those contractors and sub-contractors remain in good standing with the board. Employers entering into contracts with contractors with unpaid assessment premiums to the board could be held liable under the Act for those unpaid assessment premiums.

5. Security deposits

An employer may be required to provide a security deposit to the board. Requirements for security deposits are set out in policy [EA-12, Security Deposits](#).

6. Ceasing Operations

Employers ceasing operations before December 31 are required to report their actual payroll and pay any outstanding assessment premiums within 10 days after ceasing operations.

7. Interest, administrative fees and other charges

The board may charge interest and other administrative fees if an employer fails to pay their assessment premium within the required timeframe, fails to provide any required information within the required timeline, fails to register with the board, or under-estimates their annual payroll.

Interest rate

The board charges interest on unpaid assessment premiums as follows:

- the interest rate used equals 5% per year above the prime lending rate set on December 31 of the previous year by the financial institution used by the board; and
- interest starts being charged 30 days after the date that the payment was due, and is calculated monthly on an employer's outstanding balance (including interest and administrative fees).

Late Payment of assessment premiums

The board charges an administrative fee if an employer fails to pay their assessment premium (or instalment) within the required timeline. The fee can range from a minimum of \$50 to a maximum of \$5,000, and is calculated by multiplying the amount of the assessment premium that is outstanding for the current year by a rate of 10%.

Late or incomplete filings of payroll reports

The board charges an administrative fee when an employer fails to provide the board with its payroll report within the required timeline or submits an incomplete report. The fee can range



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from a minimum of \$50 to a maximum of \$5,000, and is calculated by multiplying the amount of the employer's prior year assessment premium by a rate of 10%.

Underestimating payroll

The board charges an administrative fee if an employer's actual annual payroll is more than 125% of its estimated annual payroll. The fee can range from a minimum of \$50 to a maximum of \$5,000, and is 10% of the assessment premium due on the amount of the employer's actual annual payroll that exceeds 125% of its estimated annual payroll.

Late registration of the employer

An employer that fails to register with the board within the required 10 calendar days after commencing or recommencing a business may be subject to an administrative fee of 10% of the assessment premiums that would have been required at the time of registration.

NSF cheques and credit card failure

The board will charge an additional fee when a cheque issued by an employer is returned because of insufficient funds, or when credit card payments or other forms of electronic payments are rejected because of insufficient funds.

Reversal of administrative fees and interest charges

The board may reverse administrative fees and interest charges in exceptional circumstances if, as determined by the board, the employer provides justifiable reasons for failing to comply with assessment requirements.

Related Policies

[EA-12 Security Deposits](#)
