



Policy Amendment Proposal FA-07 Set Off and Write Off of Debts

This policy amendment proposal relating to the set off and write off of debts 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 amended Set Off and Write Off of Debts policy will reflect minor changes to ensure consistency with the provisions of the Act.

A five-year policy review plan will be developed later in 2022. After July 1, 2022, all amended policies to align with the new Act will be prioritized for a more detailed review.

The purpose of this policy is to provide information on how the board sets off money owed from a person or body to the board, and when the board will write off a debt or obligation.

Relevant sections of the Act

The following sections of the Act are relevant:

- 14 compensation fund continued

Proposed minor changes to this policy are highlighted in yellow

- changes to section references, language and definitions
- new title to reflect Acts terminology

Board Orders/Regulations

- N/A

Current policy

[FA-07 Retention of Money by Set off, and Write Off of Debts and Obligations](#)



Policy Amendment Proposal FA-07 Set Off and Write Off of Debts

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 directors approving any amendments.

Engagement on this policy proposal closes on **March 31, 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 by March 31, 2022, by mail or drop off at
*Yukon Workers' Compensation Health and Safety Board
401 Strickland Street
Whitehorse, Yukon Y1A 5N8*

By the end of April a summary of all feedback on this policy amendment proposal will be published on our website at www.wcb.yk.ca



Policy Amendment Proposal

FA-07 Set Off and Write Off of Debts

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 provides information on how the board sets off money owed from a person or body to the board, and when the board will write off a debt or obligation.

Definitions

board means the Workers' Safety and Compensation Board

debt means a fixed and certain amount of money, owing and payable either in the present or in the future

doubtful account means the amount of money owing to the board as a debt or obligation, the recovery of which is considered to be unlikely

obligation means a formal and binding agreement or acknowledgement of a liability to pay a certain amount of money or to do a certain thing

set off means the act of deducting a portion or all of a debt or obligation from any money due or payable by the board to a person

write off means the deletion from the accounts of the board of a debt or obligation (in whole or in part)

Policy Statement

1. General

On occasion, the board purchases goods and services from vendors, service providers, and other entities that owe a debt or obligation to the board. The board may retain, as a set off, the entire amount (or a portion of the entire amount) that would otherwise be paid to a person or body (such as a vendor, service provider or other entity), in satisfaction of the debt or obligation owed to the board.

In cases where the board cannot recover a debt or obligation owed to it, it can write it off. The Act authorizes the board to recover any amount owed to the board by a person or body by way of a debt due or set-off against any amount that is payable by the board to that person or body.



Policy Amendment Proposal FA-07 Set Off and Write Off of Debts

2. Retention of Money by Set Off

Retention Criteria

The retention of money by set off shall not take place under this policy until **the board** is certain that:

- the debt or obligation is valid;
- reasonable attempts have been made to arrange a mutually acceptable schedule with the debtor for the payment of the debt or obligation; and
- the debtor has been notified of the debt or obligation by a demand letter and 30 days have passed since the letter was sent.

Retention of Money

When these three criteria have been met, **the board** may retain, by way of set off, the entire amount or a portion of the amount of a debt or obligation owing to the **board**.

When an amount has been retained by way of set off pursuant to this policy, the **board** must advise the debtor in writing that the set-off has been made.

3. Write Off

If **the board** is satisfied that the recovery of a doubtful account is not cost effective or has been pursued to the full extent of the law without being recovered, the **board** may write off the amount (in whole or in part).

Authorization Limits

The following persons are authorized to write off a doubtful account up to the specified limits:

Director of Assessments	up to \$10,000
Chief Financial Officer	up to \$ 20,000
President	greater than \$20,000

Debt or Obligation Not Extinguished

The write off of all or part of a debt or obligation under this policy does not eliminate **the board's** ability to collect the debt or obligation.

The board must maintain a record detailing the amounts written off and the names of the debtors. All new employer registrations must be compared against this record. If the possibility



Policy Amendment Proposal FA-07 Set Off and Write Off of Debts

of recovering a debt or obligation that has been written off arises, the amount may be reinstated as an account receivable and collected.

Reporting

A debt or obligation written off by the **board** during the year shall be reported to the board of directors in the accounts for that year.