

 Yukon Workers' Compensation Health and Safety Board	<b>Part:</b>	<b>Employer Assessments</b>		
	<b>Board Approval:</b>	Original signed by Chair	<b>Effective Date:</b>	<b>Jan. 1, 2010</b>
	<b>Number:</b>	<b>EA-12</b>	<b>Last Revised:</b>	
	<b>Board Order:</b>		<b>Review Date:</b>	

## **SECURITY DEPOSITS**

### **GENERAL INFORMATION**

The payment of employer assessments is a critical component of the workers' compensation system. This is recognized under the *Workers' Compensation Act* S.Y. 2008 (the "Act"), which provides Yukon Workers' Compensation Health and Safety Board (YWCHSB) with the ability to collect security deposits from employers, where appropriate, to ensure that sufficient funds are available to meet the employer's assessment obligations.

### **PURPOSE**

This policy clarifies the means YWCHSB will use, when necessary, to collect and release security deposits. Security deposits assist in the protection and integrity of the Compensation Fund from employers at a high risk of defaulting on their assessments.

### **DEFINITION**

1. **Security deposit:** is a monetary amount that is deposited into a general revenue account, in addition to assessments owing.

### **POLICY STATEMENT**

Employers at a high risk of default include an employer that:

- a) has historically not paid its assessment premiums on time;
- b) is in its first year of Yukon operation;
- c) has no assets which could be attached for the payment of assessments; or
- d) indicates an inability or unwillingness to pay their required assessments.

A security deposit shall be in the form of:

- a) a promissory note guaranteed by a bank in Canada and payable to the YWCHSB;
- b) a certified cheque drawn on a bank in Canada and payable to the YWCHSB;
- c) a security bond acceptable to the YWCHSB;
- d) an irrevocable letter of credit from a bank in Canada; or
- e) cash.

A security deposit is due within 15 days after being served with a notice.

In determining the amount of the security deposit the Director of Assessments will consider the following factors:

- a) the employer's actual payroll for the previous year;
- b) the duration of the employer's operation;
- c) the number of workers employed; and
- d) the employer's estimated payroll for the current year.

If an employer defaults in providing the required security the YWCHSB may order the employer to cease employing workers until the default is remedied to the YWCHSB's satisfaction.

A security deposit is held until the YWCHSB is satisfied that the employer is able to meet their obligations or is no longer considered a high risk.

A security deposit shall not be refunded to an employer until a payroll audit has been completed and all required assessments are paid.

## **APPLICATION**

This policy applies to employers that are subject to assessments under Part 11 and 12 of the *Act*, the Board of Directors, President/CEO and staff of YWCHSB.

## **EXCEPTIONAL CIRCUMSTANCES**

In situations where the individual circumstances of a case are such that the provisions of this policy cannot be applied or to do so would result in unfair or unintended result, the YWCHSB will decide the case in accordance with YWCHSB policy, "Merits and Justice of the Case." Such a decision will be considered for that specific case only and will not be precedent setting.

\_\_\_\_\_  
Chair

## APPEALS

Decisions made by the YWCHSB under this policy can be appealed directly in writing to the Board of Directors of the YWCHSB in accordance with subsection 85(1) of the *Act*. Notice of the appeal must be filed within 180 days of the date of the decision by the YWCHSB, in accordance with subsection 85(2).

## ACT REFERENCES

Sections 66-69, 75-76, 78-80, 82, 85, 88-89

## HISTORY

- EA-01, "Payment of Assessments", effective January 1, 2009 amended January 1, 2010
- EA-01, "Payment of Assessments", effective July 1, 2008 amended January 1, 2009
- AS-20, "Payment of Assessments", effective May 9, 2005, revoked July 1, 2008.
- AS-20, "Assessment Penalties", effective January 2, 1993, amended May 9, 2005.
- AS-21, "Security for Payment of Assessments", effective November 10, 1993, revoked May 9, 2005.
- AS-22, "Enforcement of Assessment Payments", effective November 10, 1993, revoked May 9, 2005.