



**YUKON WORKERS'
COMPENSATION
HEALTH AND
SAFETY BOARD**

SUBJECT: FINANCE POLICY NO.: FN - 10
BOARD APPROVAL: [Signature]
APPROVAL DATE: Oct 15/96
BOARD ORDER NO.: _____
EFFECTIVE DATE: Oct 15/96

REVOKED

MAR 08 2005

POLICY STATEMENT

SECTION
REFERENCE:

46, 86 Workers' Compensation Act

POLICY:

RETENTION OF MONEY BY DEDUCTION OR SET-OFF

GENERAL INFORMATION

The Yukon Workers' Compensation Health and Safety Board purchases goods and services from vendors, service providers or other entities. On occasion, goods or services are purchased from a vendor, service provider or other entity and that vendor, service provider or entity owes the board an amount as a debt or obligation due to the Compensation Fund. The Board may by application of this policy retain, as a deduction or set-off, the entire amount, or a portion of the amount, owed to the board.

This policy does not apply to the recovery of overpaid compensation which is addressed by the Policy Statement, **CL-43, Recovery of Overpaid Compensation**.

POLICY

A. DEFINITIONS

(a) **DEBT**

Debt means a fixed and certain amount of money, owing and payable either in the present or in the future. A debt may be a sum of separate debts.

(b) **DEDUCTION**

Deduction means the act of setting aside the entire amount of the debt or obligation as payment against a debt or obligation owed to the board.

(c) **OBLIGATION**

Obligation means a formal and binding agreement or acknowledgment of a liability to pay a certain amount of money or to do a certain thing.

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(d) **SET-OFF**

Set-off means the act of setting aside a portion of the debt or obligation as payment against a debt or obligation owed to the board.

B. RETENTION CRITERIA

The retention of money as a deduction or set-off against a debt or obligation shall not take place until it is certain that:

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

C. RETENTION

When all the criteria of Section B., **RETENTION CRITERIA**, have been met, the board may retain by way of a deduction or set-off an amount, or a portion of the amount, from the sum that is owed by the board to the debtor.

Where money has been retained by way of a deduction or set-off pursuant to this policy, the board shall advise the debtor in writing that the deduction or set-off has been made.

D. EXCLUSION

This policy does not apply:

- (a) when the debtor has agreed to the deduction or set-off; or
- (b) to money due or payable as or related to a compensation benefit under the Workers Compensation Act without the prior approval of the Board.

REFERENCES

Yukon Workers' Compensation Health and Safety Board:
Recovery of Overpaid Compensation Policy Statement

Financial Administration Act

HISTORY

1. **Worker's Compensation Act, Chapter 16**, in force January 1, 1993.
2. Policy, Retention of Money by Deduction or Set-off Policy Statement, effective October 15, 1996.