



Policy Amendment Proposal EA-12 Security Deposits

This policy amendment proposal relating to security deposits 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 Security Deposits 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 outline when security deposits are collected and released.

Relevant sections of the Act

The following sections of the Act are relevant:

- 140 security for payment of assessment

Proposed minor changes to this policy are highlighted in yellow

- changes to section references, language and definitions

Board Orders/Regulations

N/A

Current policy

[EA-12 Security Deposits](#)



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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 closes on **April 30, 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 April 30, 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 May a summary of all feedback on this policy amendment proposal will be published on our website at www.wcb.yk.ca



Policy Amendment Proposal

EA-12 Security Deposits

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 outlines when security deposits are collected and released.

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

security deposit means a monetary amount that is provided by an employer in addition to the assessment premiums owed

Policy Statement

1. General

The payment of employer assessments is a critical component of the safety and compensation system. Security deposits assist in the protection and integrity of the compensation fund from employers at a high risk of defaulting on their assessments.

2. Provisions of Security (new title)

The board may require an employer to provide security, in an amount and form that **the board** considers appropriate, for the payment of assessments that are or might be made against the employer.

If at any time **the board** considers that the security provided is no longer sufficient, **the board** may require any further security that it considers appropriate. The employer must provide the security within 15 days after they receive a notice to provide it, and if the security is not provided when required, **the board** may charge interest on the amount of the security.



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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 must be in the form of:

- a. a promissory note guaranteed by a bank in Canada and payable to **the board**;
- b. a certified cheque drawn on a bank in Canada and payable to **the board**;
- c. a security bond acceptable to **the board**;
- 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 board** 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 board** may order the employer to cease employing workers until the default is remedied to **the board's** satisfaction.

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

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