

Section Title: Board and Corporate Administration - Legal
Subject: Waiver of Collection of Interest Charges
Effective Date: January 1, 1992 - December 31, 2013

GENERAL INFORMATION

The Workers Compensation Act provides that employers are liable to pay interest on the shortfall between estimated and actual amounts of assessable payroll. The Board of Directors has established, by regulation, interest rates to be applied in those circumstances.

The Board has also determined that relatively minor variances between estimated and actual assessable payrolls do not warrant application of interest charges on the outstanding balances of assessments payable to the WCB.

Effective January 1, 1993, the Board has further determined that under specific circumstances, the Board may not pursue collection of the interest if there are valid business reasons which an employer could not foresee, which caused the firm to legitimately under estimate its probable amount of payroll.

A. POLICY

1. When an employer's actual assessable payroll reported at year end is greater than the estimated assessable payroll as previously reported and an under-assessment interest charge is generated, the Board may waive collecting the interest charge if:

- a) the difference between monthly estimated payroll and monthly actual payroll is less than 5%, or if the annual interest charge would be less than \$50.00, unless, in the opinion of the WCB, the employer has deliberately or repeatedly underestimated the assessable payroll amount; or

effective January 1, 1993

b) all of the following criteria are met:

- i) The firm has valid business reasons for not being able to accurately estimate payroll early in the year, but the firm submits a revised estimate of payroll later in the year which is relatively close to its actual payroll, and,
- ii) The revision to payroll was made within a reasonable length of time, and,
- iii) For the last three calendar years, the firm, in the opinion of the Board, does not have a history of significantly under estimating its assessable payroll (i.e., neglecting to provide a revised estimate in a responsible and timely manner).

2. Requests to waive payment in whole or in part of the under-assessment charge will only be considered for the current year. Prior-year interest charges will not be considered.

C. REFERENCES

The Workers Compensation Act, section 80(6.1)

Regulation 15/2015, *Interest, Penalties and Financial Matters Regulation*

History:

1. Policy 22.70.20, *Waiver of Collection of Interest Charges*, approved by Board Order 35/91, effective January 1, 1992. No previous policy.
2. Policy 22.70.20 amended by Board Order 9/93, effective January 1, 1993, to recognize that there may be valid business reasons which an employer could not foresee which could cause a legitimate underestimation of payroll.
3. August 1996 - references section updated and history included. No change to the policy.
4. Minor formatting changes were made to the policy and the reference section was updated, June 27, 2012.
5. Policy rescinded by Board Order 09/13 on April 30, 2013 effective December 31, 2013.
6. Reference section updated to reflect Manitoba Regulation 15/2015, August 24, 2016.