

Section	Policy
30	31.10.50

Section Title: Finance, Assessments and Administration - Accounting and Finance
Subject: Collections
Effective Date: January 1, 2022

A. POLICY PURPOSE

Effective financial management of the workers compensation system depends on the WCB's ability to collect money owed to the board in a timely manner.

The Workers Compensation Act (the Act) contains provisions that empower the WCB to collect money from debtors. Debtors include persons who owe money to the WCB directly as well as those liable under the *Act* or other law to repay money owed to the board by others.

This policy:

- explains when the WCB will use formal debt collection processes;
- describes the formal debt collection processes the WCB uses; and
- provides examples of debtors who may not, themselves, owe money to the WCB, but who may nevertheless be liable for a debt owed to the board.

B. POLICY

1. When will the WCB initiate formal debt collection processes?

Prior to initiating formal debt collection processes against a debtor, the WCB will first attempt initial collection efforts. Initial collection efforts may include contacting the debtor in writing to remind them of the debt owing and the deadline for repayment, or attempting to negotiate a payment arrangement.

If initial collection efforts are unsuccessful, the WCB may commence formal debt collection processes.

2. What formal debt collection processes does the WCB use?

When initial collection efforts are unsuccessful, the WCB may refer the account or debt to an external collection agency, or initiate legal actions such as:

- obtaining judgment against the debtor in the Manitoba Court of Queen's Bench;
- seeking an order under *The Garnishment Act* to garnish the earnings and bank accounts the debtor, or money owed to the debtor by a third party;
- registering a lien against the personal and/or real property of the debtor; and
- obtaining a court writ to seize and sell the debtor's personal and business assets.

In cases where the debtor is an employer who has unpaid assessments, the WCB may also apply to the Manitoba Court of Queen's Bench for an order to restrain the employer from doing business until the assessments are paid.

Money that the WCB owes to a debtor with an outstanding balance may be used to reduce the outstanding debt.

Costs associated with WCB collection processes will be charged to the debtor.

3. Who may be liable for a debt owed to the WCB?

The WCB may undertake debt collection against persons who owe money to the WCB directly, as well as against any other liable party, including but not limited to:

- the director of a corporate employer that owes money to the WCB;
- the principal for whom a contractor performed work, where the contractor owes money to the WCB;
- the contractor and subcontractor, where work has been performed under sub-contract;
- the buyer of a business, where the seller owes a debt to the WCB and the buyer has failed to obtain a copy of a certificate issued by the WCB to the seller stating that:
 - the seller does not owe a debt to the WCB; or
 - the seller has made arrangements satisfactory to the WCB to pay that debt.

C. REFERENCES

The Workers Compensation Act, section 81.1

The Workers Compensation Act, sections 85 to 85.2

The Workers Compensation Act, sections 104 to 104.2

The Workers Compensation Act, sections 109.3

The Workers Compensation Act, subsections 89(2) and 89(3)

The Workers Compensation Act, section 90

Manitoba Regulation 71/2021, *Administrative Penalty Regulation*

Manitoba Regulation 123/2021, *Interest and Financial Matters Regulation*

History:

1. WCB Policy 35.00, *Reporting and Remittance of Assessments for the General Body of Employers (Employers in Class E)*, which contained a section on WCB collection actions, was established by Board Order No. 26/08 on June 26, 2008, effective July 1, 2008.
2. The section in policy 35.00 on the WCB's collection actions was removed and made a separate policy by Board Order No. 22/09 on September 29, 2009, effective January 1, 2010.
3. Minor formatting changes were made to the policy, June 27, 2012.
4. Changes to incorporate judgment as a legal method and monies payable by the WCB will be applied to outstanding balances, clarified that more than one legal effort can be used at a time for collection purposes, clarified that collection efforts apply to all outstanding obligations, replaced the term assessments with premiums, and referenced additional sections of the *Act*. Approved by Board Order 09/13 on April 30, 2013 effective January 1, 2014.
5. Reference section updated to reflect Manitoba Regulations 15/2015 and 204/2015, August 24, 2016.
6. Policy amended by Board Order No. 17/20 on June 18, 2020. The amendments align the language of the policy to the new language introduced by Bill 18, *The Workers Compensation Amendment Act*. Changes are effective January 1, 2022.
7. Minor formatting changes were made to the policy in October 2020.
8. The policy was revised to refer to Manitoba Regulations 71/2021, *Administrative Penalty Regulation*, and 123/2021, *Interest and Financial Matters Regulation*.