

WCB Policy 35.05.10, Reporting and Verifying Payroll Administrative Guidelines

Please include the Board-Approved policy when referencing guidelines as they are intended to provide clarity and direction to ensure consistent administrative application of the policy.

The employers who must, or opt to, have coverage with the Workers Compensation Board of Manitoba ("WCB") need to register or reactivate their Assessment Account, report payroll and business information as required and pay premiums. The WCB uses the payroll and business information provided by the employer in the calculation of their premiums. As such, the WCB must verify that this information is accurate.

These guidelines outline the obligations and timelines employers are required to meet when registering/reactivating their account, reporting payroll and providing business information to the WCB. They also detail the penalties and interest that apply to Assessment Accounts that do not meet these obligations and timeframes.

(For more information on the billing process and the options provided for paying Assessment Account premiums, refer to *WCB Policy 35.05.20, Paying and Refunding Premiums* and administrative guidelines).

Assessment Account Overview

Types of Coverage

- Any business which begins employing workers in Manitoba should contact the WCB to determine their requirements. Most employers are required to register and pay premiums; others can opt to have coverage. This depends on the industry(s) the employer is involved in.
 - Businesses engaged in activities not listed as excluded industries in Regulation 196/2005 of *The Workers Compensation Act* (the "Act") and who employ workers in Manitoba are required to cover those workers. This is referred to as **Mandatory** coverage.
 - Businesses engaged in industries that are listed in Regulation 196/2005 of the Act are not required to cover their workers. However, they can choose to cover them by purchasing **Optional** coverage. (For more information about purchasing Optional coverage, refer to *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*.)
- Business owners (sole proprietors, partners and directors of corporations) are not considered workers under the Act. However, these individuals can opt to be included as workers by purchasing **Personal** coverage. (For more information about purchasing Personal coverage, refer to *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*.)

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Assessment Account Prerequisites

- Businesses are assigned a unique "BN" number by Canada Revenue Agency. This number will be connected with one Assessment Account for that business. This Assessment Account will include coverage for any workers engaged and/or coverage for the business owners.
- All Assessment Accounts, where the workers' payroll is less than the legislated minimum assessable earnings amount, or where there are no workers but the business owner(s) want Personal coverage, must pass the Independent Business Test in order to register, reactivate or maintain an Assessment Account. (Please refer to *WCB Policy 35.10.50, Status of Workers, Independent Contractors and Employers* and its administrative guidelines).

Calculating Premiums

- Premiums for coverage are calculated based on:
 - Payroll amounts (for worker coverage), or
 - Coverage amounts (for business owners), or
 - Number of workers (for volunteer codes)¹,multiplied by the premium rate(s) associated with the industry classification(s) assigned to the Assessment Account.
- Assessment Accounts are subject to a minimum charge of \$100 per calendar year.
- When reactivating an Assessment Account, any prior balance deemed unrecoverable from the former registration may be reinstated if:
 - The outstanding amount was \$5.00 or more, and
 - The credit balance has been confirmed by an audit, if required.
- Assessment Account statements requesting payment of premiums are generated as outlined in *WCB Policy 35.05.20, Paying and Refunding Premiums* and its administrative guidelines.

Closing Assessment Accounts

- An Assessment Account will be closed when:
 - the business ceases operations (i.e., business is sold, discontinued or insolvent),
 - the business is continuing but no longer employs workers,
 - the business no longer desires coverage (Optional and/or Personal coverage only),
 - the business does not comply with WCB requirements (Optional and/or Personal coverage only).

¹ The industry codes that report the number of workers (volunteers) are generally reporting the number of individuals in those positions. However, there are employers that report based on the number of full-time equivalent workers (volunteers), and these decisions are made on a case-by-case basis.

Mandatory Coverage for Workers

For employers in industries not listed in Regulation 196/2005 of the Act, coverage is required and as such is referred to as "Mandatory" coverage. Coverage for the workers in these industries is in effect, regardless of the status of the employer's Assessment Account.

Registration/Reactivation of Mandatory Coverage

A business engaged in a mandatory industry should advise the WCB before they begin employing workers, but must advise the WCB within 6 months of employing workers. Their WCB registration/reactivation is effective the date they begin employing workers, and where applicable, will include retroactive registrations/reactivations of up to five (5) calendar years, plus the current year. In cases of employer misrepresentation, the WCB has the discretion to extend this period of retroactivity.

In order to register or reactivate their Assessment Account, the employer must provide the WCB with all the necessary payroll and business information.

- The payroll is the basis for the calculation of the employer's premiums.
- The business information helps the WCB determine the appropriate industry code(s) the Assessment Account will be assigned (as per *WCB Policy 35.20.10, Placement of Employers into Industry Classifications* and its administrative guidelines).
- The industry classification will dictate the employer's premium rate(s) as per *WCB Policy 31.05.05, Rate Setting Class E Employers*.
- The premium rate(s) multiplied by the employer's payroll is the calculation of the employer's annual premium.

Late Registration/Reactivation: Mandatory Coverage

- Businesses employing workers for more than six (6) months prior to contacting the WCB will be subject to a 5% late reporting/filing penalty in each calendar year they employed workers and did not advise the WCB. The 5% penalty is based on the premiums charged. This includes a penalty in the current year unless the registration/renewal occurs between January 1 and the 2nd working day in March - then no late-reporting/filing penalty will be applied for the current year.
- If the WCB has requested information from a business in order to register/re-activate their Assessment Account and no response is provided after ten (10) business days, the WCB will notify the business that their payroll value(s) may be imposed by the WCB if a response is not provided. If the information remains outstanding after another ten (10) business days, the WCB will impose the employer's payroll in each calendar year they are believed to have employed workers. A 10% non-reporting penalty will also be applied on those premiums.
- If, as a result of a workplace injury the WCB has reason to believe there is an unregistered employer in a mandatory industry, the registration or reactivation will be set up immediately.
 - If the information required to set up the registration/reactivation cannot be obtained from the employer, the WCB will register/renew the Assessment Account by imposing the firm's payroll and industry code.
 - A 10% non-reporting penalty will be applied on these premiums.

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- When the WCB imposes payroll amounts for an Assessment Account registration/renewal:
 - The values used will attempt to reflect the probable amount of payroll and the employer's activities based on the information on hand at the time. Due to the fact this is a registration or renewal, prior payroll information may not be available to base those amounts on, and so other sources may be used to establish these values.
 - When payroll is WCB-imposed between January and May 1:
 - If the employer does not provide their actual payroll figures before the second working day of March in the following year, the WCB's-imposed payroll values become actual payroll figures.
 - Actual payroll amounts provided after this date will only be adjusted if they are higher than the imposed values.
 - When payroll is WCB-imposed between May 2 and December 31:
 - If the employer does not provide their actual payroll figures before the second working day of March in the year after the following year, the WCB's imposed payroll values become actual payroll figures.
 - Actual payroll amounts provided after this day will only be adjusted if they are higher than the imposed values.
 - If the employer can provide payroll figures and business information within six months of the registration/renewal and the firm has been employing for less than six months, the 10% non-reporting penalty will be reversed.
 - The employer's account will be considered in default until the actual payroll information is received.
 - The minimum late-reporting/filing penalty the WCB will charge (if applicable) is \$5.00 per calendar year. The minimum non-reporting penalty the WCB will charge (if applicable) is \$10.00 per calendar year. The maximum amount of late/non reporting/filing penalties the WCB will charge is \$5,000 per calendar year.

Late/non reporting/filing penalties will not be adjusted once charged, regardless of changes made to the employer's payroll amount(s) after their initial assessment, and despite the fact that their payroll has been imposed or estimated by the WCB.

Annual Payroll Reporting Requirements for Mandatory Coverage

Annual Payroll Forms ("APF"s) are sent to registered employers in January of each year. The employer must provide their prior year actual assessable payroll and an estimate of payroll for the current year. Based on the information provided, the WCB calculates the employer's current year annual premium and any difference in premium for the prior year (i.e., actual vs. estimate).

Premiums in certain industry codes are calculated by using the number of workers (volunteers) (as defined by the WCB²) in those positions during a calendar year and are multiplied by a flat

² The industry codes that report the number of workers (volunteers) are generally reporting the number of individuals in those positions. However, there are employers that report based on the number of full-time equivalent workers (volunteers), and these decisions are made on a case-by-case basis.

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rate (not a percentage). The affected industry codes are 802-02, Emergency Firefighters, 802-03, Emergency Ambulance or 924-02, Non-Profit Volunteers. These "head-count" numbers are to be reported on these Assessment Accounts in the same manner and in the same time frame as employers are required to provide payroll.

Employers are required to complete the APF form and return it to the WCB by the last calendar day in February.

Late or Missed Reporting Deadlines: Mandatory Coverage

- Generally, the date the WCB receives the APF is the date used to determine if penalties apply. The dates the forms were mailed or submitted through a financial institution are not considered
- If the WCB has not received the APF by the end of the 2nd business day in March, a late reporting/filing penalty will be applied to the Assessment Account provided the information is received before May 1. The 5% penalty is based on the current year's premiums.
- If the WCB has not received the APF by the end of the first working day in May, the WCB will impose values as the employer's payroll as follows:
 1. The prior year actual will be imposed as the prior year estimate plus 20%.
 2. The current year estimate will be the prior year actual (as calculated in (1)) plus 20%.
 - If coverage was only in effect for a portion of the prior year, the amount will be annualized.
 - A 10% non-reporting penalty will also be calculated based on the imposed current year premium.
 3. The employer is still required to provide their actual payroll for the prior year and for the period coverage was in effect in the current year.
 - If the employer submits their actual payroll amounts before March 1 of the following calendar year, the assessable payroll will be adjusted accordingly.
 - If the employer submits actual payroll amounts on or after March 1 of the following calendar year, the payroll will only be adjusted if the actual figures are more than the WCB-imposed figures.
 - If the employer advises they had not employed workers in the year the WCB imposed the payroll, the imposed values will be reversed but the minimum charge will apply in both years. This is for imposed payroll on current and the prior year - ARB Lock payroll will only be adjusted if the actual provided is greater than the imposed values.
 - Non-reporting penalties will not be recalculated based on the adjusted payroll figures.
 - The employer's account will be considered in default until the actual payroll information is received.

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Optional Coverage for Workers

For employers in industries that are listed in Regulation 196/2005 of the Workers Compensation Act ("Act"), coverage is not required and as such is referred to as "Optional" coverage. Coverage for the workers in these industries is only in place if the employer has elected to take out the coverage and has complied with the requirements of the WCB.

- Employers in Optional industries are required to cover any workers they engage in the specific "artisans and mechanics" occupations that are listed under Schedule B of Regulation 196/2005 of the Act.

Registration/Re-Activation of Optional Coverage

An employer engaged in an optional industry can choose to cover their workers at any time. If approved, the employer's WCB registration/reactivation is effective the date they request the coverage, and it cannot be applied retroactively.

In order to register or reactivate their Assessment Account, the employer must provide the WCB with all the necessary payroll and business information.

- The payroll is the basis for the calculation of the employer's premiums.
- The business information helps the WCB determine the appropriate industry code(s) the Assessment Account will be assigned (as per *WCB Policy 35.20.10, costPlacement of Employers into Industry Classifications* and its administrative guidelines).
- The industry classification will dictate the employer's premium rate(s) as per *WCB Policy 31.05.05, Rate Setting for the Class E Employers*.
- The premium rate(s) multiplied by the employer's payroll is the calculation of the employer's annual premium.

Applications for Optional coverage will only be approved if the Assessment Account has complied with all WCB requirements, which means:

- All required payroll information has been reported, and
- No outstanding balance exceeding \$5.00 exists.

Before approving an application for Optional coverage, the WCB will also consider whether the coverage being requested is in the best interest of the WCB and the employers of Manitoba.

For workers with Optional coverage, there is a maximum benefit amount they are entitled to receive, which is set out in *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*.

Annual Payroll Reporting Requirements for Optional Coverage

Annual Payroll Forms ("APF"s) are sent to registered employers in January of each year. The employer must provide their prior year actual assessable payroll (for the period coverage was in effect, if applicable) and an estimate of payroll for the current year. Based on the information provided, the WCB calculates the employer's current year annual premium and any difference in premium for the prior year (i.e., actual vs. estimate).

Employers are required to complete the APF form and return it to the WCB by the last calendar day in February.

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Late or Missed Reporting Deadlines: Optional Coverage

- Generally, the date the WCB receives the APF is the date used to determine if penalties apply. The dates the forms were mailed or submitted through a financial institution are not considered
- If the WCB has not received the form by the end of the 2nd business day after the deadline, late reporting/filing penalties of 5% will be calculated based on the employer's current year's premiums, provided the information is received before May 1.
- If the WCB has not received the APF by the end of the first working day in May, Optional coverage will be cancelled on that day. The WCB will impose values as the employer's payroll as follows:
 1. The prior year actual will be imposed as the prior year estimate plus 20%.
 2. The current year estimate will be the prior year actual (as calculated in (1)) plus 20%.
 - If coverage was only in effect for a portion of the prior year, the amount will be annualized.
 - This amount will be prorated for the period of time Optional coverage was in effect for the current year (i.e., January 1 to the first working day in May).
 - A 10% non-reporting penalty will also be applied based on the imposed current year premium.
 3. The employer is required to provide their actual payroll for the prior year and for the period coverage was in effect in the current year.
 - If they submit their payroll on or after March 1 of the following calendar year, the payroll will only be adjusted if the actual figures are more than the WCB-imposed figures.
 - If the employer advises they did not employ workers in the current year during the period of time coverage was in effect (i.e., January 1 to the first working day in May), the minimum annual premium will apply in the current year.
 - Non-reporting penalties will not be recalculated based on the adjusted payroll figures.
 - The employer's account will be considered in default until the actual payroll information is received.

Cancellation of Optional Coverage

Employer requests to cancel Optional coverage will usually be effective the date the WCB receives the request, and premiums will be calculated based on the employer's payroll to the date of cancellation.

The WCB will cancel Optional coverage if:

- The employer does not submit the required Annual Payroll Form as noted above.
- The Assessment Account has an outstanding balance (as outlined in *WCB Policy 35.05.20, Paying and Refunding Premiums* and its administrative guidelines).
- The employer has not cooperated with requests for a WCB audit.

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- The WCB has not been provided the necessary proof requested to substantiate their Independent Business Test, if applicable (as outlined in *WCB Policy 35.10.50, Status of Workers, Independent Contractors and Employers* and its administrative guidelines).

Coverage for workers in optional industries is not in effect after the date of cancellation.

Personal Coverage for Business Owners

The owners of businesses (sole proprietors, partners, directors of corporations and independent contractors) are not included in Mandatory or Optional coverage because they are considered employers under the Act. However, the WCB offers Personal coverage for these individuals.

Registration/Reactivation of Personal Coverage (for Business Owners)

If approved, Personal coverage is effective the date and time it is approved. Personal coverage cannot be approved retroactively.

In order to register or reactivate their Personal coverage, the business owner must provide the WCB with their requested coverage amount and business information.

- The requested coverage amount is the basis for the calculation of the premiums.
- The business information helps the WCB determine the appropriate industry code(s) the Assessment Account will be assigned (as per *WCB Policy 35.20.10, Placement of Employers into Industry Classifications* and its administrative guidelines).
- The industry classification will dictate the premium rate(s) as per *WCB Policy 31.05.05, Rate Setting for Class E Employers*.
- The premium rate(s) multiplied by the requested coverage amount is the calculation of the employer's annual premium.

Applications for Personal coverage will only be approved if the Assessment Account has complied with all WCB requirements, which means:

- All required payroll information has been reported, and
- No outstanding balance exceeding \$5.00 exists, and
- For Assessment Accounts with Personal Coverage Only ("PCO" accounts), the first payment for premiums has been received.
 - There are different payment options available specific to these PCO accounts, which can affect how this initial payment is made. Please refer to *WCB Policy 35.05.20, Paying and Refunding Premiums* and its administrative guidelines for more details.

Before approving an application for Personal coverage, the WCB will also consider whether the coverage being requested is in the best interest of the WCB and the employers of Manitoba.

For business owners with Personal coverage, there are minimum and maximum coverage amounts that need to be adhered to as set out in *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*.

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Reporting Requirements for Personal Coverage

Business owners who request Personal coverage are not required to report their payroll or business earnings to the WCB - their coverage is based on their requested coverage amount(s). However, before the end of each calendar year, the WCB will send a letter to all Assessment Accounts with active Personal coverage, advising that Personal coverage will continue in the following year at the same requested coverage level (providing for changes to the minimum annual coverage level outlined in *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*).

The employer will be asked to request any changes to their Personal coverage for the following calendar year to the WCB before December 31 of the current year. Provided the request is received by January 31 of the following year, requests for changes to the amount of coverage for the following year will be applied effective January 1. Any subsequent requests for changes to coverage amounts will be effective the date the WCB receives and approves the request, and premiums will be calculated accordingly.

Cancellation of Personal Coverage

Business-owner requests to cancel Personal coverage for the current year will be effective the date the WCB receives the request, and premiums will be calculated based on the business owner's last coverage level, prorated to the date of cancellation. The only exception is at year-end:

- Before the end of each calendar year, the WCB will send a letter to all Assessment Accounts with active Personal coverage, advising that Personal coverage will continue in the following year at the same requested coverage level (providing for changes to the minimum annual coverage level outlined in *WCB Policy 35.10.120, Terms and Conditions of Optional and Personal Coverage*).
- If the business owner wants to cancel their coverage for the following year, they will be asked to advise the WCB by December 31 of the current year. Provided the WCB receives the request by January 31 of the following year, the Personal coverage will be cancelled effective the preceding December 31.

Notwithstanding the above, if a claim for an injury to the business owner occurred between December 31 and the date the WCB received the cancellation advice, the date of cancellation will be the date the WCB received the cancellation advice.

Premiums will be calculated up to the date of cancellation.

The WCB will cancel Personal coverage if:

- The employer does not submit the required Annual Payroll Form ("APF") for any workers with Mandatory or Optional coverage.
 - APF's are due the last calendar day in February. If the APF remains outstanding at the end of the first working day in May, the WCB will cancel Personal coverage effective that day. The Assessment Account will be charged premiums for the Personal coverage up to the date of cancellation.
- The Assessment Account has an outstanding balance of \$50.00 or more (please refer to *WCB Policy 35.05.20, Paying and Refunding Premiums* and its administrative guidelines).
- The employer has not cooperated with requests for a WCB audit.

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- The WCB has not been provided the necessary proof requested to substantiate their Independent Business Test, if applicable (as outlined in *WCB Policy 35.10.50, Status of Workers, Independent Contractors and Employers* and its administrative guidelines).

Accuracy of Reported Payroll

Interest on Inaccurate Payroll Estimates

In addition to reporting payroll information on time, an employer is also obligated to provide reasonably accurate payroll estimates to the WCB.

When employers submit their payroll information each year, the WCB processes the information and then compares the employer's payroll estimate to the actual payroll amount they report for the same time frame. If the estimate has been understated or overstated by more than 25%, interest on inaccurate prior estimated payroll may be applied. These comparisons are made twice per year: on June 30 and December 31.

Interest on inaccurate payroll estimates is calculated by taking the difference in premiums (actual vs. estimate) and applying an interest rate that is outlined in Regulation 67/92 of the Act. The interest calculated on the difference in premium in June is factored by 35%, which reflects the approximate portion of the employer's total annual premium payable on an Assessment Account at that point in the year. Similarly, the December interest is factored by 65%. The two interest calculations (June and December) added together represent the annual interest charge/credit.

Where interest on inaccurate payroll estimates amounts to:

- a charge of less than \$50.00 for the year, it will not be charged, or
- a credit of less than \$10.00, it will not be applied.

Where a retroactive adjustment to actual payroll is processed, the interest will be recalculated if the original interest was applied in the prior year (i.e. for payroll reported the year before that). Interest will not be recalculated for payroll adjustments where the original interest was applied before the prior year.

Interest on inaccurate payroll estimates will not be adjusted as a result of WCB audit adjustments.

Verifying Payroll - WCB Payroll Audits

The WCB conducts audits to confirm payroll amounts have been reported correctly and that the Assessment Account has been assigned the correct industry classification(s).

- A payroll audit will initially cover two (2) calendar years prior to the current year, or if the employer has been in business less time, to the date workers were first employed.
- If the employer has not reported correctly in those two calendar years and:
 - the audited payroll amount is different from the reported payroll in both years (higher or lower) by 30% or more, or
 - the premium on the difference in payroll is \$2,500 or more in both years,

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the audit period will be expanded. A third year will be reviewed, and if that year meets the same variances as above, a fourth year will be audited, etc. The audit period will normally only be extended to a total of five calendar years (excluding the current year). However, if the WCB suspects the employer has intentionally made a material misrepresentation in the reporting of their payroll, the audit period may be expanded further than five years.

If an employer has only exceeded the above thresholds in one of the two years initially audited, the WCB will use its discretion to determine if the audit period will be expanded.

- If an employer fails to comply with requests to provide all the necessary information required to complete a payroll audit, the WCB may:
 - Cancel any Personal or Optional coverage on the Assessment Account.
 - Place the employer in default.
 - Seize the employer's records (as outlined under Subsection 100(2) of the Workers Compensation Act).

Penalties for Under-Reporting Actual Payroll

If an employer has been found through a WCB audit to have under-reported their actual payroll in any given calendar year by more than 15%, they may be eligible for a penalty for under-reporting actual payroll.

- If an Assessment Account has more than one industry classification, the calculations will compare the total audited payroll vs. the total actual payroll reported in each calendar year in all industry classifications (Personal coverage industry codes excluded).
- If the total audited payroll is more than 15% greater than the total actual payroll reported, a penalty will be calculated by taking the difference in total premiums (audited less actual) multiplied by 15%.
- The penalty will not be charged if it is less than \$100 per year. The maximum penalty amount is \$5,000 per calendar year.
- A penalty will not be calculated if the employer's actual payroll value was imposed or estimated by the WCB.

Employer-Initiated Amendments to Reported Payroll

If an employer advises the WCB they reported their payroll incorrectly in prior year(s), the WCB may adjust the employer's payroll up to five calendar years, excluding the current year. However, the WCB will conduct a payroll audit to verify any payroll adjustments that will result in a net credit of \$2,500 or more in premiums. Discretion will be used to determine if requests outside this threshold will need to be verified by audit.

Requests to change WCB-imposed payroll amounts will only be considered if they are provided before March 1 of the following year or are more than the imposed payroll values.

Verifying Business Activities

Each Assessment Account has been assigned industry classifications based on their activities. Over time, a business' activities can change, which may result in a change to their industry Classification. This can impact the employer's premium rate(s).

An employer's industry classification(s) can change as a result of:

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- A WCB-initiated industry investigation. As part of its audit program, the WCB will gather information about a business' processes, revenues, competitors, and any other information the WCB believes is required to render a decision about which industry classification(s) best reflect the business' activities. (Please refer to *WCB Policy 35.20.10, Placement of Employers into Industry classifications* and its administrative guidelines).
 - Modifications to WCB industry code descriptions. This can affect some or all of the Assessment Accounts registered in the affected industry code(s).
 - A request from the employer. A business may ask that the WCB review their industry classification if they believe they are in the wrong industry classification(s) or if their activities have evolved or changed over time.

Any change to an Assessment Account's industry classifications will normally be effective January 1 of the year in which the WCB has discovered, or has been advised of, the change.

The WCB may consider a retroactive reclassification when:

- The employer can supply the WCB with satisfactory proof of the nature of their operations in prior years. Examples can include copies of back-dated invoices to the business' customers for the type of work in question, copies of invoices from suppliers providing goods or services consistent with contributing to the work in question, etc.
- There is evidence of a WCB oversight.
- The WCB believes the employer misrepresented their business activities to the WCB.

If there is sufficient evidence to support a retroactive decision, the WCB will reclassify Assessment Accounts up to five (5) calendar years, excluding the current year. However, in cases of employer misrepresentation, the WCB has the discretion to extend this period of retroactivity.

Relief of Reporting Penalties and Interest

Employers who receive a penalty and/or interest charges can request relief from the penalty and/or interest by submitting a written request. The request for relief should include the reasons for the late or inaccurate payroll reporting and explain why the WCB should consider adjusting the penalty. For information about submitting a request, refer to *WCB Policy 20.10, Reconsiderations*.

Relief of Late/Non Reporting/Filing Penalties

New or reactivated Assessment Accounts will only be eligible for relief if the WCB made an administrative error that was the direct result of them not having registered within the prescribed timeline.

For existing Assessment Accounts, the WCB will reverse 50% of the employer's late/non reporting/filing penalty if the employer meets all three of the following criteria:

1. The employer submitted their payroll information within 60 calendar days of the due date.
2. The employer does not have a prior history of default.
 - Assessment Accounts with any late/non reporting/filing penalty or late payment interest charged to their Assessment Account in the two prior calendar years are considered to

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have a history of default. If any of these penalties or interest were reversed entirely, they should not be considered part of the history of default.

3. The employer has cooperated fully with the WCB.
 - The Assessment Account is in good standing with the WCB at the time of the request for reconsideration.
 - If this is the only criteria the Assessment Account has failed to meet to obtain 50% relief of their late/non reporting/filing penalty, the employer may have their request for reconsideration reviewed once their Assessment Account is in good standing.

If 50% relief is provided and the remaining late/non reporting/filing penalty is less than \$5.00, the entire penalty will be reversed.

For existing Assessment Accounts, the WCB will waive 100% of the employer's late/non reporting/filing penalty if the employer meets both of the following criteria:

1. The employer submitted their payroll information within 60 calendar days of the due date.
2. The cause or reason for the delay was beyond the control of the employer. This would include:
 - The death or serious illness of an employee, an owner, or a family member of the owner(s) of the business.
 - A natural disaster (e.g., flood or fire), where the employer has been directly impacted.
 - A technical problem encountered when submitting the APF, provided the employer can provide proof (e.g., fax confirmation, copy of email, etc.) that their submission was made on or before the deadline.

Relief of Interest on Inaccurate Payroll Estimates and/or Penalties for Under-Reporting Actual Payroll

Employers charged interest on inaccurate payroll estimates or penalties for under-reporting actual payroll may be eligible for relief of all or part of the interest or penalty if, at the discretion of the WCB, they can substantiate a legitimate reason for not providing accurate payroll values as required.