

Section Title: Finance, Assessments and Administration – Assessments
Subject: Paying and Refunding Premiums
Effective Date: January 1, 2014

POLICY PURPOSE

Under the workers compensation system, employers are required to report their payroll information to the Workers Compensation Board (WCB) for the calculation of premiums for coverage for workplace injuries and illnesses, and to pay the premiums that are due. The sound financial management of the workers compensation system depends on employers paying premiums in a timely manner.

The WCB will establish an assessment account for any employer, business or independent contractor who is required to have mandatory coverage, or requests to have optional or personal coverage, or any combination of these coverage types. Employers submit payroll information to the WCB annually as outlined in Policy 35.05.10, *Reporting and Verifying Payroll*. For employers in Class E (the General Body of Employers), an employer's premium is calculated using the workers' payroll figures multiplied by an assessment rate, as established by Policy 31.05.05, *Rate Setting Model for Class E Employers*. Once an employer's premium is calculated, the WCB sends a notice of the premium due.

The purpose of this policy is to describe the process for paying premiums and the consequences of late payment or failure to pay.

POLICY

Worker Coverage: Payment Responsibilities for Employers

Under *The Workers Compensation Act* (the *Act*) employers in mandatory industries are responsible to pay premiums for coverage. Employers in optional industries who elect to obtain WCB coverage for their workers must also pay premiums for coverage.

Mandatory Coverage

After an employer in a mandatory industry submits required payroll information and the WCB calculates the premium, the WCB sends the employer a notice of the amount owing and the date payment is due. The WCB offers flexible payment options and varied methods, including instalment plans, depending on the employer's premium amount. Payment options and methods may be changed, provided the employer meets the criteria.

If the employer does not remit payment by the due date, the WCB will apply interest and may employ appropriate collection practices as identified in Policy 31.10.50, *Collections*.

Optional Coverage

After an employer in an optional industry elects to obtain coverage and submits required payroll information, the WCB calculates the premium. The WCB then sends the employer a notice of the amount owing and the date payment is due. The WCB offers flexible payment options and varied methods, including instalment plans, depending on the employer's premium amount. Payment options and methods may be changed, provided the employer meets the criteria.

If the employer does not remit payment on their account by the due date, optional coverage will expire as of the due date. An employer may also cancel optional coverage by notifying the WCB. Premiums will be calculated up to the date of expiration/cancellation.

The WCB will employ appropriate collection practices as identified in Policy 31.10.50, *Collections* to collect premiums owed up to the date of cancellation.

Personal Coverage for Business Owners: Payment Responsibilities

After a business owner elects personal coverage and provides the required information, the WCB calculates the premium and sends the firm a notice of the amount owing and the date payment is due. The WCB offers flexible payment options and varied methods, including instalment plans, depending on the firm's premium amount. Payment options and methods may be changed, provided the firm meets the criteria.

If the employer does not remit payment on their account by the due date, personal coverage will expire as of the due date. The business owner or the employer may also cancel personal coverage by notifying the WCB. Premiums will be calculated up to the date of expiration/cancellation.

The WCB will employ appropriate collection practices as identified in Policy 31.10.50, *Collections* to collect premiums owed up to the date of cancellation.

Late Payment Interest Charges

Employers are required to pay premiums based on the timeframes set by the WCB. A late payment interest charge will be applied when employers do not pay premiums within the required time. The interest charge is based on a percentage of the outstanding balance that is past due and is prescribed by Regulation. The charge will be added to the employer's account.

Premium Credits and Refunds

When an employer has a credit balance and has complied with the requirements of the WCB, the amount of the credit will either be applied to future instalments or refunded at the employer's request. The WCB may conduct a review of the employer's payroll and business information prior to issuing a credit or refund.

REFERENCES:

The Workers Compensation Act, sections 80(1) to 86(1), 99(2) and (3), 100(4), 101(1), 109.7(1)
Regulation 15/2015, Interest, Penalties and Financial Matters Regulation
Regulation 1/2018, Adjustment in Compensation Regulation

WCB Policy 31.05.05, *Rate Setting Model for Class E Employers*

WCB Policy 31.10.50, *Collections*

WCB Policy 35.10.50, *Status of Workers, Independent Contractors and Employers*

WCB Policy 35.10.120, *Terms and Conditions of Optional and Personal Coverage*

WCB Policy 35.20.10, *Placement of Employers into Industry Classifications*

WCB Policy 35.20.15, *Associated Employers*

WCB Policy 35.05.10, *Reporting and Verifying Payroll*

History:

1. Policy 35.00 was established by Board Order No. 26/08 on June 26, 2008, effective July 1, 2008.
2. Policy 35.00 was amended by Board Order No. 22/09 on September 29, 2009, effective January 1, 2010.
3. Policy 35.00 was amended by Board Order No. 08/11 on April 28, 2011, effective June 1, 2011.
4. Minor formatting and wording changes were made to the policy and the title was clarified, June 27, 2012.
5. Policy 35.00 was split into two new policies, *Paying and Refunding Premiums* and *Reporting and Verifying Payroll*. Policy 35.05.20, *Paying and Refunding Premiums* was established by Board Order No. 09/13 on April 30, 2013, effective January 1, 2014.
6. Reference section revised to reflect the updated Manitoba Regulations 15/2015 and 204/2015, August 24, 2016.
7. Reference section of the policy was updated effective January 1, 2018 to reflect new names for Policy 31.05.05 and Policy 35.20.10.