

# WCB INSIDER

December 2019

## When Am I Considered an Employer by the WCB?

Workers compensation coverage is mandatory for most employers in Manitoba. When your business activities fall within a mandatory industry and you pay earnings to workers you are required to register to cover your workers. Your workers include any family members that work in your business and are paid out of your business. The only exception to this is family farming operations that can choose to cover family members. If you fall within an optional industry - that is, an industry that isn't legislated to have WCB coverage - you may choose to cover all your workers by purchasing optional coverage.

If you're a business owner in an industry that has traditionally hired contract labour, such as construction, trucking, oil or gas wells and don't pay workers above the annual minimum earnings amount, you may be deemed a worker of any principal that hires you. A principal is an employer who is responsible for paying for the worker's coverage.

For 2020, the annual minimum earnings is \$25,290. This may include out of province payroll, as well as payroll from any other businesses owned by you, and earnings you paid to registered contractors. This excludes directors, partners or sole proprietors; in both mandatory and optional industries, they can choose to cover themselves by purchasing Personal Coverage that is specific for business owners.

As an employer, your legal obligations under the Act are to:

- Submit accurate payroll information and confirm your business activities in a timely manner in order for the WCB to determine premiums;
- Pay premiums in a timely manner and not pass on the cost of coverage to workers;
- Make sure that the contractors or subcontractors your business works with comply with WCB requirements;
- Report workplace injuries to the WCB within five business days of becoming aware of them;
- Allow workers to file an injury claim with the WCB and not take any action to discourage them from doing so;
- Advise the WCB when injured workers return to work following an absence due to a workplace injury; and
- Re-employ workers you have employed for at least twelve continuous months before the date of their injury (this applies only to businesses with 25 or more full-time or regular part-time workers)

### If I don't meet the definition of an Employer, what other obligations might I have?

If you do not employ workers or do not have employee payroll above the WCB's annual minimum, you may be considered one of the following:

- Independent contractors are those individuals who are self-employed and employ no others.



- Independent businesses are those who have a payroll of less than the minimum annual earnings.
- Workers are those individuals who work under a contract of service or apprenticeship.

The WCB will determine if you are considered an independent business or independent contractor and are able to register or if you are considered a worker of principals you may engage with.

Generally, you're considered an independent business if you have your own establishment, or own/lease major equipment and have control over all aspects of your operation.

To learn more, visit [wcb.mb.ca](http://wcb.mb.ca) > Workers Compensation Coverage > Apply for Coverage or contact Assessment Services at 204-954-4505 or 1-855-954-4321, ext. 4505.





## Common Questions about Payroll Reporting

The WCB calculates your annual premium using your annual payroll estimate. Whether you are required to, or choose to, cover your workers, one of your primary obligations under The Workers Compensation Act is to submit accurate payroll information each year before the last day in February.

The most common questions employers have when reporting annual payroll to WCB are:

**1. Do we need to report Director, Sole Proprietor or Partners earnings along with our worker actual earnings and/or estimated payroll?** - Sole proprietors, partners and directors earnings should not be included in your workers actual or estimated payroll.

**2. Can I leave the current year payroll estimate blank if I am unsure if we will have work in Manitoba?** - Provide an estimate of your expected total assessable payroll for all your Manitoba-covered workers. If you do not anticipate having any

payroll to report, enter 0. If you are not employing workers and do not anticipate employing workers, you still need to provide the WCB with your payroll information prior to the last calendar day of February. Failure to do so can result in penalties. Remember, you can always adjust your reported or estimated payroll at a future date.

**3. I am uncertain on reporting net or gross payroll. Can you please explain?** - Gross pay is the entire payroll before anything is taken off such as taxes. The net pay is after all deductions, i.e. federal income tax, provincial income tax, Canada Pension Plan (CPP) and Employment Insurance (EI) premium. Gross payroll should be reported to the WCB. The gross amount that employers report, per worker, is subject to a cap or maximum assessable earnings level. You are not charged a premium on the portion of a worker's earnings that exceeds the maximum assessable earnings level. For 2020, the maximum assessable earnings is \$127,000.

**4. When I sell my business what date should I report as the last date I employed workers?** - If a business is sold, in whole or in part, but continues to employ workers after the date of sale, that payroll must be reported to the WCB. The date a business is sold is not always the same date the business no longer employs workers.

**5. When should I include contract labour payroll?** - Employers who engage contract labour who contribute to the commercial benefit of their business (especially in the construction and trucking industries) may not understand when they are responsible to report and pay premiums for contract labour. The WCB encourages these employers to use the WCB's clearance system to identify contractors who do not carry their own coverage. If a contract labourer doesn't carry coverage, you as the employer, are obligated to include these earnings (labour portion) with your annual reporting.

### Employers to Benefit from Updated WCB Website

We have recently redesigned the Employers section of our website to provide tailored information for

different types of employers. For those of you who do not deal with us very often, we want to make sure that when you do, you can easily find the information you need. With that in mind, we took steps to ensure that our website is set up to do just that!

You will now find a more streamlined employer section on our website that will guide you step-by-step and will take you to the areas that mean the most to you and your business.

Finding the information you need has never been easier.

Check out the newly designed Employers section of our website today at [www.wcb.mb.ca](http://www.wcb.mb.ca).

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