

REGISTER YOUR COMPANY WITH THE WCB

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1.1 Why do we have a WCB anyway?

An historic compromise – The Meredith Principles

Prior to 1911, injured workers could only be compensated for a work injury by suing the employer. The only way that an employer was protected from the cost of a work injury was to win the lawsuit.

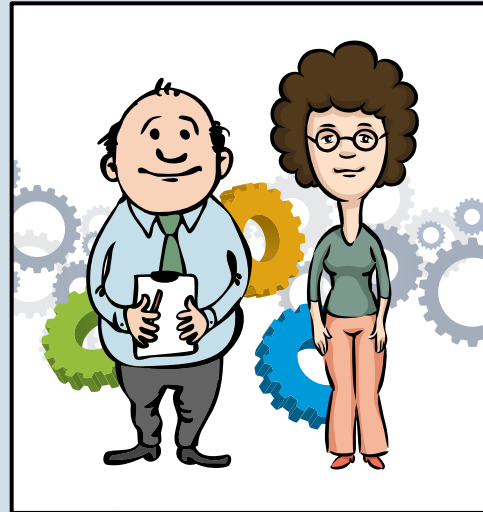
Workers were unprotected and employers risked losing their businesses if a worker was injured and was successful in a lawsuit. There were cases where entire small communities were devastated when lawsuits over work injuries bankrupted the town's one large employer.

After 1911, many places in Canada adopted a set of principles developed after an inquiry in Ontario. The chair of the inquiry was Sir William Meredith, thus the principles are still known as the Meredith Principles. These govern the Saskatchewan WCB today:

- **A no-fault system.** Every work-related injury is covered regardless of who is to blame – the employee, employer or co-worker.
- **All employers contribute to the system based on industry groupings.** This provides a ready fund to care for injured workers and removes the risk of bankruptcy for employers.
- **The system is fully funded.** There is always enough money to meet the current and future costs of work injuries.
- **The Board has exclusive jurisdiction.** Each claim is considered on its individual merits so benefits can be provided promptly without the need to sue for damages.
- **An independent board.** The system has an independent board to fairly serve and respond to the needs of workers and employers.

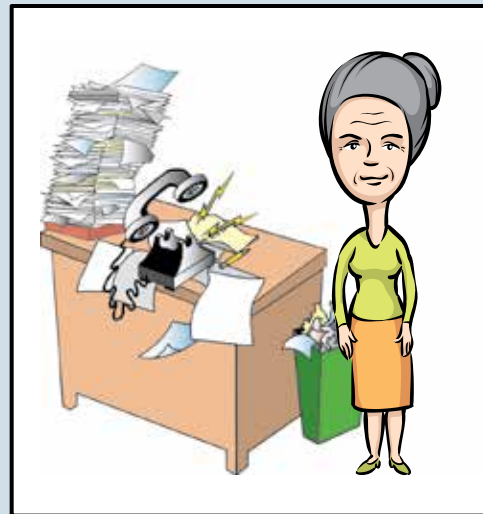
These principles are sometimes called the *historic compromise* between workers and employers: workers waive their right to sue in exchange for guaranteed and reasonable benefits; employers assume all costs for the system in exchange for protection from legal action.

When Gil first started Gil's Gears, he and his wife, Nora, managed the small business together. Gil worked as a welder and machinist, and continued to hire staff as the business grew. Nora managed the daily office tasks, payroll and bookkeeping (including paying taxes, insurance and WCB premiums on time). Their two sons, Mike and Rick, worked on weekends and after school when the shop needed extra hands.



Gil and Nora knew that Saskatchewan businesses have to register with the WCB and pay annual premiums. They didn't know about the Meredith Principles, but they did understand it was important to protect themselves and their employees by paying the WCB premiums.

As Gil's Gears grew over the years, more manufacturing as well as shipping and receiving staff were hired. The company also hired an accountant, Marian. Marian has been with Gil's Gears for 31 years and will be retiring soon.



1.2 How to register your business

Under *The Workers' Compensation Act, 2013* (the Act), most firms doing business in Saskatchewan are required to register with the WCB.

Do you have to register with the WCB?

Generally, you must register if your firm:

- Works in an industry that is defined as mandatory under the Act
- Employs and pays workers on a regular, casual or contract basis
- Has a director that reports employment income on a Canada Revenue Agency T4 income tax slip, or
- Comes from another province or country and meets the requirements under Saskatchewan legislation.

To find out if you are required to register, or are eligible to register, call Employer Services at (306) 787-4370 or toll free 1-800-667-7590.

If you don't register

It is against the law to avoid registering with the WCB. If you don't register and one of your workers is injured, you could be:

- Fined
- Required to pay the total compensation costs of the injury, and
- Required to pay three-years in retroactive insurance premiums.



How to register a business

Information you will need:

- Complete legal name of your business or, if you are registering under a partnership or proprietorship, the legal names of the partners
- Address and contact information
- Federal business number
- The start date of operations and start date of your first worker
- An estimate of your payroll for workers, and
- List of contractors and subcontractors, including the type of work and contract amounts

Register online. At www.wcbask.com, click Register a Business. Read and accept the disclaimer, then complete and submit the registration form online. The online registration process should only take about 15 minutes.

You can also register by telephone. Call Employer Services at the numbers listed above.

1.3 Online services

It's quick and convenient to set up an account using the WCB's secure Online Services. As a business owner, you may not be looking for information during typical business hours. So, once you have registered your firm with the WCB, open an online account to conduct transactions and view your account information at any time.

With an Online Services account, you can:

- Request letters of good standing.
- Request clearances and use our Automated Clearance Verification (ACV).
- File your Employer Payroll Statement.
- Revise your payroll estimate.
- View claims cost information.
- View the balance of your WCB account.
- Pay your premiums with a credit card.
- Manage your account information, and
- Report an injury.

Visit **www.wcbask.com** for more information.

1.4 Your premiums

Once registered, you are charged annually for your workplace insurance coverage; your premiums are based on each \$100 of your assessable payroll.

Reporting your payroll

Assessable payroll

To determine your premiums, the WCB requires that you report your assessable payroll. Assessable payroll earnings are gross earnings – earnings before income tax, employment insurance, pension and other deductions. These earnings include regular wages and salaries (including directors that are reporting employment income on a Canada Revenue Agency T4 slip), piecework fees, commissions, bonuses, other payments and taxable benefits.

Maximum assessable earnings

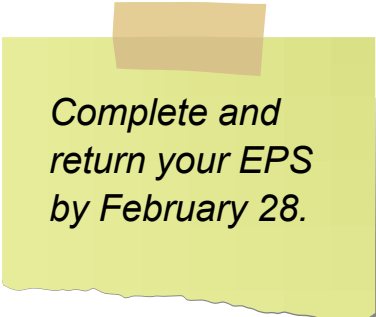
The WCB provides benefits to a maximum insurable wage. Check what this amount is, then report each worker's gross earnings only to the current insurable maximum per year set by WCB legislation. Visit www.wcbsask.com or call Employer Services at (306) 787-4370 or toll free 1-800-667-7590.

Employer's payroll statement

If you've registered with the WCB, you'll receive an **Employer's Payroll Statement (EPS)** to be completed and returned to the WCB by February 28 each year.

On the **EPS** you must:

- Report your actual gross payroll for the previous year. We'll compare the actual payroll with the estimate you provided the year before and make any needed adjustments.
- Give an estimate of your gross payroll for the current year, up to the maximum insurable wage per worker regardless of age. The WCB will use these figures to assess your premiums.
- List all the contractors and subcontractors you hired during the previous year.



*Complete and
return your EPS
by February 28.*

Penalties

If you file your **EPS** after the February 28 deadline, you will be charged a penalty. You can also be charged for costs of all injuries in your workplace until the WCB receives your **EPS**.

If you don't file an **EPS**, the WCB will estimate your payroll and premiums. Our estimate will stand until you provide your actual payroll. If the estimate of your premiums is lower than your actual premiums, you're responsible for the difference. If at any time during the year you decide that your payroll estimate is too low or too high, you can contact the WCB to change that estimate and avoid a penalty.

Stopping operations

If you stop business operations, you must give the WCB your total gross payroll to the date you stopped operations. You must do this right away so the WCB can adjust and close your account.

Your records can be audited.

The WCB has a legal right to ask for your employer records for audit purposes. This information is held in the strictest confidence.

You could be fined if:

- You don't keep proper records.
- You give untrue or inaccurate payroll statements, or
- You refuse to let the WCB look at your books and accounts.

Premiums

Industry classification

The WCB divides employers into broad industry classifications. Each industry class is divided into sub-sections called rate codes. The WCB assigns a rate code to all registered firms. Employers in an industry with similar operations, hazards or injury experience are assigned the same rate code.

Gil's Gears is in Class M for manufacturing and processing. It is in rate code M92 – Manufacturing and Processing, and the company's subcode is 01 for Blacksmith and Machine Shops, so Gil's Gears is classified in M9201.

Premium rate

All employers in the same rate code pay the same base industry premium rate – an amount for each \$100 of payroll. Industry premium rates are based on the claims history of all employers in the rate code.

Experience Rating Program (ERP)

You have the opportunity to adjust your premium rate with the ERP. This program adjusts your premiums to reflect your company's claims history.

The ERP also provides incentive to promote safety and injury prevention in the workplace. You may receive a discount for a good claims record or be surcharged for a poor claims record.

You will receive notice of both your premium rate and any discount or surcharge at the same time, so you can see how your claims experience affects your premiums.

This formula determines how much you pay:

$$\begin{array}{|c|} \hline \text{[industry base} \\ \text{premium rate} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{experience rating} \\ \text{(surcharge or discount)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \frac{\text{assessable payroll}}{100} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{premium} \\ \hline \end{array}$$

How to pay your premiums

The WCB sends you a Statement of Account indicating the premium amount and due date(s) for your premiums.

Annual premiums can be paid in two installments: April 1 and on September 1 of the same year. If your payment is late, you'll be charged interest at the Bank of Canada rate as of October 31 of the previous year, plus 6%.

Payment options

You can pay your premiums using one of the following methods:

Online at www.wcbsask.com

Through the Employers tab, or log in with your @WCB Online Services account.

Be ready with your:

- WCB firm number
- WCB firm name
- Payment amount (minimum \$5.00 and maximum \$5,000.00), and
- Credit card number.

Through your financial institution

Via your financial institution's online or telephone banking service.

By phone

Call Employer Services at (306) 787-4370 or toll free 1-800-667-7590 to pay by Visa™, MasterCard™ or American Express®.

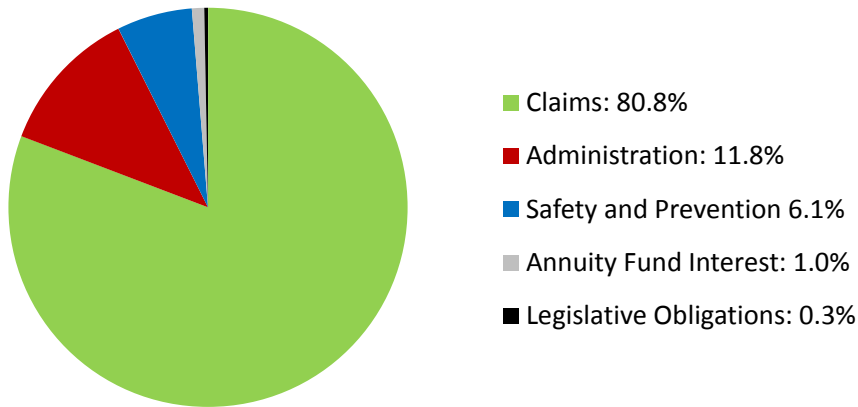
By debit card

Visit our offices in Regina at 200-1881 Scarth Street, or Saskatoon at 115 24th Street East.

By mail

Send a cheque payable to:
Saskatchewan Workers' Compensation Board
Box 4556
Regina, SK S4P 3Y3

Where do your premiums go?



How to reduce your premiums

Prevent injuries

Preventing work injuries is the most effective way to reduce your premium costs. Injury prevention contributes to a better experience rating for your firm and a lower base rate for your industry.

Return injured workers to work

Studies show that injured workers recover quicker and more completely the sooner they are able to return to work safely. Modifying job duties will allow an injured worker to return to work safely while they recover. This also reduces the overall claims costs of that injury.



1.5 Coverage

Automatic coverage

Workers' compensation protects both employers and workers from the results of workplace injuries. Regardless of who is responsible for a workplace injury, the worker receives benefits and the employer is protected against lawsuits.

Who is automatically covered by workers' compensation?

- All workers in mandatory industries are covered, no matter how old they are.
- Directors that report employment income on a Canada Revenue Agency T4 income tax slip.

Who is not covered automatically?

- Firms or persons involved in industries listed in *The Workers' Compensation Act Exclusion Regulations* or Section 3 of the Act, and
- Directors not reporting employment income on a T4 slip can choose to purchase personal coverage.
- Owners of a sole proprietorship or partnership and their spouse.

Those who are not covered automatically may be able to apply for coverage. Call Employer Services at (306) 787-4370 or toll free 1-800-667-7590.

Optional personal coverage

As an employer (including proprietor or their spouse, partner or their spouse, a director that does not receive a Canada Revenue Agency T4 income tax slip), you are not personally covered if you're injured at work. However, you can protect yourself by purchasing optional personal coverage.

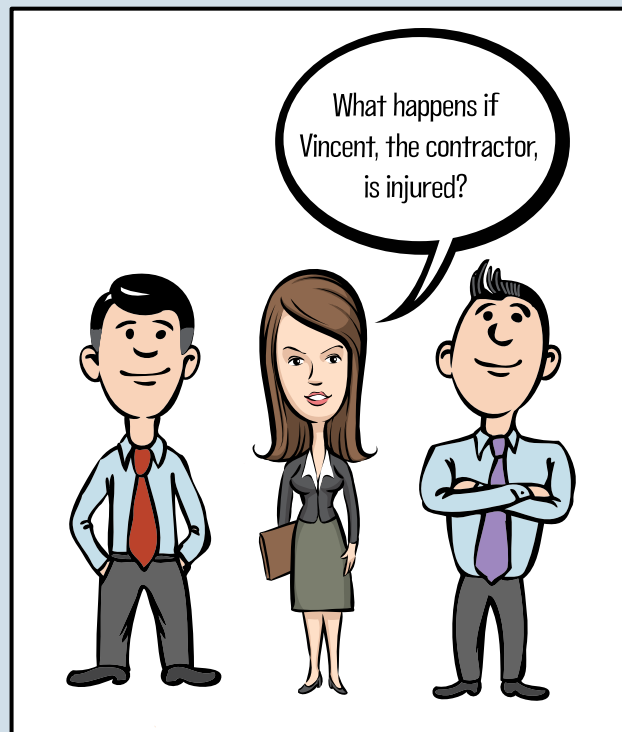
Sole proprietorship or partnership

As a sole proprietor or partner, you and your spouse can apply for optional personal coverage. All other workers are covered automatically, regardless of age, including other family members who are employed by and receive wages from the firm.

Limited company

Optional coverage is available to any director who does not receive a Canada Revenue Agency T4 income tax slip.

Rebecca has been learning the business and office routine from Marian in preparation for Marian's upcoming retirement. Marian had paid the WCB statements at Gil's Gears since she started. Rebecca reviewed their old cost statements and visited the WCB website but she still had many questions for Mike and Rick: "What happens if a student worker is injured? Or Vincent the contractor? Or one of you?"



After she met with them, Mike and Rick had some questions for the WCB. They carried personal life insurance as business owners, but hadn't thought about what could happen to themselves or to Mike's son Chris in case of an injury. They learned that as owners, they were NOT covered by the WCB. They decided to opt for personal coverage from the WCB and also consult their independent insurer for advice.

They also looked into their family members and learned that because they paid the family members as salaried employees and reported them on payroll to the WCB, they received WCB coverage.

Interprovincial coverage

For workers going out-of-province

Saskatchewan WCB insurance coverage generally applies when you send your Saskatchewan workers to other provinces to work. However, you must contact the WCB employer services departments in those provinces to find out if you are required to register with them (See our brochure, *Coverage for Saskatchewan Employers Operating out of Province/Country* at www.wcbsask.com).

For workers coming into Saskatchewan

If you're an employer from another province or country with workers doing work in Saskatchewan, contact Employer Services to find out if you have to register with the Saskatchewan WCB (See our brochure *Coverage for Out-of-Province Employers Operating in Saskatchewan* at www.wcbsask.com).

Coverage for contract work

An injured worker can get benefits even if their employer hasn't registered with the WCB or has overdue premiums. Because the WCB accepts this liability, steps are taken to ensure that all employer accounts are current, especially in contract situations.

Contract situations involve:

A principal – the owner of the project, or the person or business that hires the contractor.

A contractor or subcontractor – the person or firm doing the work, or the person or business that gets the contract.

Anyone under contract to a principal is either a worker of that principal or an employer themselves if they also have workers. Anyone not registered as an employer with the WCB is considered a worker and the principal must report the cost of the whole contract, less deductions for non-labour items.

If you hire a contractor or subcontractor, make sure that they've paid their WCB premiums before making any payments for their work.

What is a letter of good standing?

The principal may request a letter of good standing from the WCB before work begins. This letter will tell the principal if the contractor or subcontractor has a WCB account and paid their premiums to that date. The WCB issues a letter of good standing only at the start of a job.

What is a clearance?

A clearance is a letter from the WCB stating that a contractor or subcontractor is registered with the WCB and that their premiums are paid. The principal must ask for a clearance before making any payment to the contractor. If the contractor or subcontractor owes WCB premiums, the principal can pay the premiums to the WCB and subtract that amount from the contract. If there is payment to a contractor or subcontractor with overdue WCB premiums, the principal could become responsible for those premiums.

To request a letter of good standing or a clearance

- Visit **www.wcbsask.com** and click Secure Login to open an online account that will give you 24/7 access to the clearance process.
- Call Employer Services at (306) 787-4370 or toll free 1-800-667-7590.
- Fax your request to (306) 787-4205 or 1-877-220-1671.

Automatic clearance verification

You can also register for Automatic Clearance Verification (ACV). This system provides automatic email notification of any changes in the clearance status of any contractors and subcontractors you list.



1.6 Employer responsibilities

Duty to report workplace injuries

You are required by law to report workplace injuries within five days of being made aware of them.

Failure to do so may result in fines or prosecution, or both. Filing an **Employer's Initial Report of Injury (E1)** is quick and easy online or by the WCB *Telefile* service.

Late reporting slows down the claims' process. Prompt reporting helps your worker get the benefits they are entitled to and helps them get them back to work faster.

Duty to accommodate

You must make every reasonable attempt to help an injured worker return to the workplace. This may require changes to the job, workstation or, in some cases, finding other temporary duties. You cannot dismiss or treat an employee differently because of an injury or illness.

Accommodating injured workers helps them remain a part of the team. It can allow value-added work to get done and it lowers your overall costs. If your injured worker is still at home or in hospital, you have a duty to keep in contact with him or her.



Provide a safe workplace

Provide a safe and healthy workplace. Set up safety and injury prevention programs.

1.7 WCB responsibilities and services

The WCB is responsible to provide you and your injured workers with the following services:

- Provide registered employers with workplace insurance coverage.
- Assess fair premiums.
- Educate employers and workers about injury prevention through *WorkSafe Saskatchewan* and the WCB's Prevention department.
- Help employers develop and implement safety and prevention programs.
- Determine and provide WCB benefits to injured workers.
- Provide case management services to facilitate health care and monitor workers' recovery and return to work.
- Help employers and workers develop and implement workplace return-to-work programs and individual return-to-work plans to accommodate injured workers, as required by law.
- Support research to prevent and reduce injuries and occupational diseases.

When a workplace injury happens, *The Workers' Compensation Act, 2013*, protects both the injured worker and the employer.

1.8 Confidentiality

The WCB guards the confidentiality of information. WCB employees cannot give out any information, unless authorized to do so. You can give permission to have information about your account released to a third party. The third party must agree to use the information only in the way you intend it to be used, to keep information secure and not to release the information to anyone.

The WCB shares information with the provincial government's Occupational Health and Safety division and with industry safety associations only to help improve workplace safety and injury prevention. This information includes:

- Number of injuries
- Types of injuries
- How often specific injuries happen
- Length of injury claims, and
- Trends in industry and individual employer claims.

By law, information about your individual firm's injury rate and claims cost must remain confidential.