

**POLICY NUMBER: POL-123**

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**Chapter:**  
**EMPLOYER SERVICES**

**Subject:**  
**SELF-INSURED EMPLOYER - ADMINISTRATION FEE**

**Effective Date:**  
**June 23, 2005**

**Last Update:**  
**November 2, 2016**

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**PURPOSE STATEMENT:**

The purpose of this policy is to explain how the Workers Compensation Board determines fees to administer compensation claims for self-insured employers.

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**REFERENCE:**

*Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1.*  
*Occupational Health and Safety Act R.S.P.E.I.1988, Cap. 0-1.01.*  
*Government Employees Compensation Act R.S., 1985, c. G-5.*

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**DEFINITION:**

“Administration costs” means administration, Appeals Tribunal, Worker’s Advisor program, and Employer Advisor program costs as reported in the Workers Compensation Board Annual Report.

“Worker transaction” means each individual benefit payment made to or on behalf of a worker.

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**POLICY:**

1. The Workers Compensation Board will charge a self-insured administration fee on each
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worker transaction processed on behalf of a self-insured employer.

2. For the purposes of calculating the administration fee for self-insured employers who are subject to the *Occupational Health and Safety Act*, total administration costs as reported in the most recent Workers Compensation Board Annual Report will be used.

For the purposes of calculating the administration fee for self-insured employers who are not subject to the *Occupational Health and Safety Act*, total administration costs as reported in the most recent Workers Compensation Board Annual Report less those costs listed as excluded in the agreement between the Workers Compensation Board and the Government of Canada under the *Government Employees Compensation Act* will be used.

3. Each year a self-insured administration fee review will be conducted and the self-insured employer will be informed in writing no later than November 30<sup>th</sup> of any adjustments to the administration fee which will apply effective January 1<sup>st</sup> of the following year.
4. The self-insured employer will pay the administration fee in addition to the actual costs of workers compensation benefits paid to or on behalf of a worker by the Workers Compensation Board.

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**HISTORY:**

November 2, 2016 - Non-substantive changes. Reviewed by Director and Chief Executive Officer; no other revisions required.

April 28, 2011 - The policy was updated as a result of the 60 month policy review process. Amendments were made to the definition of "administration costs" and to clarify when and how employers will be notified if there are adjustments to the administration fee.

Board of Directors Approval Date: June 23, 2005