
POLICY NUMBER: POL-13

Chapter:
EMPLOYER SERVICES

Subject:
EMPLOYER ASSESSMENT BILLING

Effective Date:
November 15, 1994

Last Update:
April 26, 2012

REFERENCE:

Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, Sections 63, 64, 65, 68, 69(1), 73, 78.
Workers Compensation Board Policy, POL-14, Assessable Payroll.
Workers Compensation Board Policy, POL-19, Employer Registration.
Workers Compensation Board Policy, POL-23, Setting Assessment Rates.
Workers Compensation Board Policy, POL-42, Employer Classification.

DEFINITION:

In this policy:

“Assessable payroll” means the portion of an employer’s payroll subject to assessment.

“Service charge” means a penalty levied on employer accounts for a default in payment of assessment.

POLICY:

1. The Workers Compensation Board collects assessments from all employers within the scope of the *Workers Compensation Act* to meet the cost of all compensation claims and the cost of administering the compensation system.
 2. An employer’s assessment is calculated based on the employer’s assessable payroll as
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outlined in Workers Compensation Board policy, POL-14, “Assessable Payroll”, multiplied by the employer’s rate as established in accordance with Workers Compensation Board policy, POL-23, “Setting Assessment Rates”.

3. An employer’s assessment will be based on the calendar year or any period of operation by the employer within the calendar year.
4. An employer will pay an assessment based on estimated assessable payroll unless the employer has qualified to pay the assessment based on actual payroll using the Monthly Assessment Payment Option (MAPO).

Assessment Based On Estimated Assessable Payroll

5. For each calendar year, the initial employer assessment billing will be processed at the time of registration and will include:
 - adjustments, if applicable, to reconcile estimated assessable payroll to actual payroll for the previous calendar year;
 - penalties, if applicable, for underestimating annual payroll as outlined in Workers Compensation Board policy, POL-19, “Employer Registration”;
 - the assessment for the current calendar year based on estimated assessable payroll.
6. Where an employer pays an assessment based on estimated assessable payroll and has an assessment of \$1000 or more, the Workers Compensation Board will divide the employer’s assessment into two (2) equal billings. The first billing will be processed upon filing of the estimated assessable payroll. The second billing will be deferred until August of the current year.
7. An employer may submit a revised estimated assessable payroll to the Workers Compensation Board at any time during the calendar year. The Workers Compensation Board will process an assessment adjustment based on the revised estimated assessable payroll upon receipt.
8. An employer’s assessment is required to be paid in full within 30 days of the statement of account date. An employer’s assessment which is not paid within that time period is subject to a service charge. The service charge is calculated at a rate of 1.5% per month compounded on any overdue portion of the assessment.

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The service charge may be adjusted at the discretion of the Workers Compensation Board.

Refund Of Employer Assessment

9. The Workers Compensation Board will consider a request for a refund of assessment payments from an employer where the employer submits a revised estimate of payroll which results in an adjustment to the employer's assessment.

At the discretion of the Workers Compensation Board a request for a refund may be approved or refused.

10. The Workers Compensation Board will automatically refund assessment payments to an employer in the following circumstances:

- the employer ceases operations, has been closed-out as outlined in Workers Compensation Board policy, POL-19, "Employer Registration", and upon final reconciliation of the employer account, a credit balance results;
- results of an assessment audit initiated by the Workers Compensation Board indicate the employer has overpaid assessments payable;
- the employer submits a duplicate payment or the employer makes an administrative error in the payment of assessment;
- the rate of assessment for an employer changes resulting in a reduction in assessment payable for the employer.

11. The Workers Compensation Board will not refund an assessment credit balance below \$10 unless the employer has been closed out as outlined in Workers Compensation Board policy, POL-19, "Employer Registration", and a final reconciliation has been completed.

The Workers Compensation Board will not refund an assessment balance to an employer unless the employer has met all requirements of employer registration as outlined in Workers Compensation Board policy, POL-19, "Employer Registration."

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Assessment Based On Actual Payroll

12. MAPO refers to a program where an employer pays a monthly assessment based on actual payroll.
13. An employer interested in participating in the MAPO program must apply to the Workers Compensation Board using the **MAPO Application Form** (ES-05).
14. To qualify for the MAPO program an employer must be in good standing with the Workers Compensation Board as outlined in Workers Compensation Board policy, POL-15, "Clearance Certificate".
15. The Workers Compensation Board will assess each MAPO application and communicate a decision to the employer with respect to participation in the MAPO program.
16. An employer who has qualified for the MAPO program will continue to participate in the program each year unless the employer:
 - advises the Workers Compensation Board in writing that it no longer wishes to participate in the program; or
 - is disqualified from the program by the Workers Compensation Board.
17. An employer participating in the MAPO program must submit its actual assessable payroll information and the corresponding assessment payment no later than the 15th of each month. Where the employer has failed to meet its reporting and payment obligations, the employer will be notified in writing by the Workers Compensation Board of the risk of disqualification from the program.
18. An employer who fails to submit its actual assessable payroll information and the corresponding assessment payment on time for three consecutive months may be disqualified from the MAPO program. The Workers Compensation Board will communicate, in writing, any decision to disqualify the employer from the MAPO program.
19. An employer who is disqualified from the MAPO program or who has advised the Workers Compensation Board, in writing, that it no longer wishes to participate in the MAPO program will be required to pay assessments based on estimated assessable payroll.

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Assessment Of Seasonal Employers

20. The Workers Compensation Board considers an employer to be seasonal when the employer:
- neither commences operations, nor has workers employed between January 1st and March 31st of each year; or
 - has only administrative personnel, which are incidental to its primary industry, employed between January 1st and March 31st of each year.
21. An assessment billing for a seasonal employer will be deferred to the 1st day of the month in which the employer's business operations start in that year.
22. A seasonal employer who had its payroll estimated by the Workers Compensation Board for a calendar year, as outlined in Workers Compensation Board policy, POL-19, "Employer Registration", may lose its eligibility for seasonal employer status for that year.

Collections

23. An employer is responsible to pay assessments to the Workers Compensation Board when they become payable.
24. If an employer is a corporation, a director of the corporation at the time the assessment is payable is liable with the corporation to pay to the Workers Compensation Board any assessment owing.
25. Where an employer defaults in the payment of an assessment, the Workers Compensation Board will take the steps necessary to collect all outstanding amounts.
- These steps may include sending the account for collection services and filing a judgment against the employer and its directors, if any, with the Supreme Court of Prince Edward Island.
26. Costs associated with the collection of the assessment, including the amount of any fees paid to a collection service or reasonable costs to register a judgment, will be charged to the employer's account.

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27. An employer assessment is a first lien on all property used or produced by the employer in connection with its business operations, subject to any enactment respecting liens to secure wages of a worker.
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HISTORY:

April 26, 2012 - Amended to incorporate the content from POL-126, "Refund Of Employer Assessment", which was rescinded.

February 29, 2012 - The information from the rescinded policies: POL-17, "Collections"; POL-20, "Credit Terms/Service Charges"; and POL-130, "Monthly Assessment Payment Option" were incorporated into this policy. The name of the policy was changed from "Assessment Billing" to "Employer Assessment Billing".

March 30, 2006 - The policy was updated as a result of the 60 month policy review process. As part of the review the name of the policy was changed from "Assessment Billings" to "Assessment Billing".

May 18, 2000 - Replaced "Board" with "Workers Compensation Board" and amended format.

February 4, 1999 - Reviewed and reaffirmed with the Board of Directors.

Board of Directors Approval Date: November 15, 1994