

Assessable Payroll Calculation Worksheet

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This worksheet is intended to assist employers when completing the Employer Registration Renewal Form.

EMPLOYER INFORMATION

Employer Number:	-OR- CRA Business Number:
Company Name:	
Address:	
City:	Province:
Postal Code:	Phone Number:

ASSESSABLE PAYROLL CALCULATION

(See attached instructions/tips for items below)	OPERATION #1	OPERATION #2	OPERATION #3
Gross Payroll <i>(T4 Summary or other supportive documentation)</i>			
Less: Remuneration not considered assessable payroll			
Less: Owners, directors or officers wages <i>(List in Section C on the Employer Registration Renewal Form)</i>			
Less: Earnings in excess of the maximum (2019 - \$55,000 2020 - \$55,300)			
Less: Workers covered in other provinces			
Plus: Labour paid to subcontractors or independent operators not registered with WCB			
Plus (minus): Wages allocated to/from another operation			
ACTUAL ASSESSABLE PAYROLL <i>(Transfer to Section D of the Employer Registration Renewal Form)</i>			

Date

Signature

Information on this form is collected for the purposes of administering and enforcing the *Workers Compensation Act* and is collected under the authority of that Act and section 31 of the *Freedom of Information and Protection of Privacy Act*. If you have any questions about this collection of information, please contact: FOIPP Coordinator, Workers Compensation Board of PEI, 14 Weymouth Street, P.O. Box 757, Charlottetown, PE C1A 7L7, (902) 368-5680 or toll free at 1-800-237-5049.

INSTRUCTIONS/TIPS

USE THESE INSTRUCTIONS/TIPS WHEN COMPLETING THE ASSESSABLE PAYROLL CALCULATION WORKSHEET (FORM ES-12)

➤ **ASSESSABLE (GROSS) PAYROLL**

The following categories of remuneration are included in an employer's assessable payroll and are subject to assessment:

- a) Regular employment wages/salaries (gross payroll) for all workers;
- b) Other taxable remuneration paid to a worker by the employer including commissions, gratuities, holiday pay, vacation pay, sick pay, overtime pay, bonuses, shift differentials and piecework fees;
- c) Taxable benefits and credits paid to a worker for labour under a contract of service including car allowances, employer-supplied accommodations, meal allowances, room and board; and
- d) All other taxable benefits as defined by the Canada Revenue Agency as employment.

➤ **REMUNERATION NOT CONSIDERED ASSESSABLE PAYROLL**

The following categories of remuneration are not included in an employer's assessable payroll and are therefore not subject to assessment:

- a) Award payments (e.g. for an idea or suggestion);
- b) Employer contributions to employment benefits;
- c) Employer contributions to RRSPs;
- d) Gifts in lieu of cash or payments in the form of merchandise;
- e) Long term service awards/severance;
- f) Tuition reimbursements from employer;
- g) Uniforms, and
- h) Profit sharing, royalties, stocks or dividends resulting from employer stock option/purchase plan.

➤ **OWNERS, DIRECTORS OR OFFICERS WAGES**

Owners, directors or officers of the business, are not considered workers, their payroll should not be included in the calculation of assessable payroll. Owners, directors or officers wanting WCB coverage can apply for Personal Coverage separately.

➤ **EARNINGS IN EXCESS OF THE MAXIMUM**

Every year the WCB sets the annual maximum earnings. For 2020 the maximum annual earnings is \$55,300. This means the most you need to pay WCB insurance premiums on is \$ 55,300 per employee. Any earnings paid over and above this amount are not assessable and should be deducted from your calculation.

➤ **WORKERS COVERED IN OTHER PROVINCES**

If your employees work outside of PEI and you register and pay premiums in another province, you can reduce your assessable payroll by the wages assessed in that province. Keep records of your assessments and wages to support your deduction should you be audited.

➤ **LABOUR PAID TO SUBCONTRACTORS AND/OR INDEPENDENT OPERATORS**

Any person or business you hire to perform work or services is considered a subcontractor. There are two options available to employers when it comes to including or excluding subs in their annual assessable payroll calculation.

Option#1 (Include subs) – Include the labour portion of amounts paid to subs, who are not registered with the WCB or who are registered but are not in good standing with the WCB with your assessable payroll and remit your premiums based on this adjusted assessable payroll amount.

Option#2 (Exclude subs) - Require that all subs obtain their own coverage through the WCB's personal or optional coverage programs. Employers can verify whether subs have WCB coverage by requesting a clearance certificate. This is a free service for employers available via our website at www.wcb.pe.ca.

➤ **WAGES ALLOCATED TO/FROM ANOTHER OPERATION**

Where an employer has more than one operation, their wages must be allocated between operations on a reasonable basis. This may be on an employee basis, based on hours or another reasonable factor (i.e. the number of beds in a nursing/community care facility). All administrative wages should be allocated between the operations based on the percent of total wages.

Information about all of the above items can be found in accordance with WCB policy, Assessable Payroll and Assessment Billing (POL – 14) online at:
http://www.wcb.pe.ca/DocumentManagement/Document/pol14_assessablepayroll.pdf