

The Workers Compensation Board of Manitoba (WCB) maintains a reserve fund to protect employers and workers while ensuring a stable workers compensation system. This reserve fund is currently higher than the target set in our funding policy. As a result, in May of 2020, we are distributing surplus funds to employers, whose premiums fund the workers compensation system.

Why is there a surplus?

The surplus is due to a number of factors:

- Initiatives to improve prevention, Return to Work and system efficiency have reduced the cost of injuries by decreasing the number of injuries, improving recovery times and reducing administrative costs.
- Our investments have had higher than expected returns for the last number of years.



Who is eligible to receive the surplus?

Employers who fulfilled their payroll reporting responsibilities for 2019 and owed a WCB premium for 2019 are eligible to receive a share of the surplus distribution.

Who will not receive the surplus?

Employers who did not report their payroll for 2019 or who did not owe WCB premiums for 2019 are not eligible. However, if an employer subsequently submits their 2019 payroll the WCB will process the surplus distribution which will be applied to their account.

How much will each employer receive?

Each eligible employer will receive a credit to their account of 20% of their 2019 actual premium.



What method will be used to determine how much each employer gets?

The 20% surplus distribution will be calculated against an employer's 2019 premium; the premium is determined by multiplying the WCB rate by every \$100 of payroll.

$$\frac{\text{Rate} \times \text{Payroll} \times 20\%}{\$100} = \text{Surplus Distribution}$$

Employers aligned to an Industry-Based Safety Program do not have their safety levies included in the 2019 premium used for the surplus distribution calculation.

When is the surplus being distributed?

Eligible employers will receive a credit to their account which has been applied against their 2020 premium. These credits are reflected in the May WCB Account Statements.

How often will there be a surplus distribution?

Future surplus distributions will depend on the WCB's funded position. The Board of Directors reviews the WCB's funded position annually and determines if a surplus distribution is warranted.

Is the surplus distribution taxable?

Yes, the surplus distribution is taxable since it is a return of a 2020 tax deductible expense.

For more information about surplus distribution contact Assessment Services:

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