

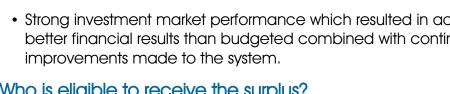
2022 Surplus Distribution FAQ

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 2022, we are distributing the surplus funds to employers, whose premiums fund the workers compensation system.



The surplus is mainly due to:

 Strong investment market performance which resulted in achieving better financial results than budgeted combined with continuous improvements made to the system.



Who is eligible to receive the surplus?

Employers who fulfilled their payroll reporting responsibilities for 2021 and owed a WCB premium for 2021 are eligible to receive a share of the surplus distribution.

Who will not receive the surplus?

Employers who did not report their payroll for 2021 or who did not owe WCB premiums for 2021 are not eligible. However, if an employer subsequently submits their 2021 payroll, the WCB will process the surplus distribution which will be applied to their account.

How much will each employer receive?

The WCB is returning \$95 million in surplus funds. Each eligible employer will receive a credit to their account of 50 per cent of their 2021 actual premium.

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

The 50 per cent surplus distribution will be calculated against an employer's 2021 premium; the premium is determined by multiplying the WCB rate by every \$100 of payroll.

Employers aligned to an industry-based safety program do not have their safety levies included in the 2021 premium used for the surplus distribution calculation.

When is the surplus being distributed?

Eligible employers will receive a credit to their account, applied against their 2022 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 2022 tax deductible expense.

