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## **WCB Policy 35.05.20, Paying and Refunding Premiums Administrative Guidelines**

*Please include the Board-Approved policy when referencing guidelines as they are intended to provide clarity and direction to ensure consistent administrative application of the policy.*

The employers who must, or who opt to, have coverage with the Workers Compensation Board of Manitoba ("WCB") are required to pay premiums to the WCB. Primarily these premiums are calculated by taking into consideration the employer's payroll amounts and business activities. (Please refer to *WCB Policy 35.05.10, Reporting and Verifying Payroll*).

These guidelines outline the WCB's process of billing premiums, and the options employers have to pay those premiums using different payment options and methods. They also detail the interest charges and potential coverage cancellations that apply to Assessment Accounts that do not pay their premiums when due. (For more information on the WCB's collection of unpaid accounts, please refer to *WCB Policy 31.10.50, Collections*).

### Account Statements

Assessment Accounts are charged premiums for their coverage (as outlined in *WCB Policy 35.05.10, Reporting and Verifying Payroll* and its administrative guidelines). Penalties and/or interest may also be applied. Employers' premiums, penalties, interest, payments and account balance are reflected on WCB Account Statements.

Account Statements are produced on the 5th working day of each month when there is an outstanding balance of \$5.00 or more and/or a financial transaction (including a payment) has been applied to the Assessment Account since the last Account Statement was produced.

### Payment Installment Options

With respect to paying premiums, there are several installment options an employer can choose from depending on the amount of their annual premiums and the type of coverage they have with the WCB (i.e., coverage for workers or coverage for the business owners only).

- Once a payment schedule is selected, it is expected the employer will maintain that schedule for the current calendar year. Employer requests to have their payment schedule recalculated mid-year based on the selection of a revised payment schedule will be forwarded to the Finance department for consideration.
- Retroactive adjustments (i.e., applicable to years prior to the current year) applied to the Assessment Account will be reflected on the next Account Statement. Any amounts owing will be payable by the due date reflected on that Account Statement.

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**Options for Assessment Accounts with Coverage for Workers**

Employers who have coverage for workers (i.e. Mandatory and/or Optional) have several payment schedules to choose from (based on their total annual premium amount). Please see **Appendix A - Payment Schedules/Methods for Assessment Accounts with Workers** which outlines the various payment schedules and methods of payment available to accounts with mandatory and/or optional coverage for workers. These Assessment Accounts may also have Personal coverage for their business owners. However, if there is only Personal coverage on an Assessment Account, the payment installment options are in **Appendix B - Payment Schedules/Methods for Assessment Accounts with Personal Coverage Only**.

- New or reactivated Assessment Accounts will be permitted to select their payment schedule, however, their installment payments will be calculated using the remaining due dates in the calendar year. If there are no further due dates, the employer will be billed their entire premium on the next Account Statement date.
- Employers who fail to report their payroll to the WCB where the WCB imposes the employer's payroll values (as outlined in *WCB Policy 35.05.10, Reporting and Verifying Payroll* and its administrative guidelines) will not be eligible to pay their balance using their selected installment plan. The premium on their WCB-imposed payroll will be reflected on the Account Statement generated on the 5th working day of May and the entire balance will be due May 30.
  - ♦ Once the employer provides the necessary payroll information and has paid, or has made arrangements to pay, their outstanding balance, any new charges/credits applied to the account will be placed in the employer's selected installment option.

**Options for Assessment Accounts with Personal Coverage Only**

Payment schedule options for Assessment Accounts with Personal Coverage Only ("PCO") differ from other Assessment Accounts. A table of the payment schedules and methods of payment available to PCO accounts can be found in **Appendix B - Payment Schedules/Methods for Assessment Accounts with Personal Coverage Only**.

- New or reactivated PCO Assessment Accounts are required to make their first payment immediately.
  - ♦ If paying with four (4) pre-authorized installments, the first payment is due within ten calendar (10) days of coverage approval. If the next pre-authorized payment date (January 31, March 31, June 30, and September 30) happens to be scheduled for withdrawal with the 10 days of coverage approval, then it will meet that requirement.

However, if the first pre-authorized payment will not meet the 10 day requirement, the first payment will need to be made by other means (cash, cheque, debit or credit, if eligible) and the future pre-authorized payments will be withdrawn as scheduled.
  - ♦ The number of pre-authorized installments will depend on the time of the year the coverage is taken and the pre-authorized payment dates for PCO accounts. The premiums will be split evenly between the remaining installment dates.

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- ♦ If an Account Statement reflecting the first or only payment due is required for new PCO Assessment Accounts, it will need to be produced manually (i.e. will not be produced automatically).
- PCO Assessment Accounts whose first payment is not received within 10 calendar days of approval will have their Personal Coverage voided. The WCB will retroactively cancel the coverage effective the date of approval.
- PCO Assessment Accounts whose first payment is received within 10 calendar days of approval, but the payment does not clear (i.e. cheque returned NSF, withdrawal refused by bank or credit card company, etc.):
  - ♦ If the WCB has been advised of the payment not clearing within 20 calendar days of coverage approval, Personal coverage will be voided. The WCB will retroactively cancel the coverage effective the date of approval.
  - ♦ If the WCB is notified of the payment not clearing more than 20 calendar days after coverage has been approved, coverage will be cancelled effective the date the payment is returned. Premiums for coverage from the date of approval to the date of cancellation will be charged.
- Once a payment schedule is selected, the employer will maintain that schedule for the current calendar year. Employer requests to have their payment schedule recalculated mid-year based on the selection of a revised payment schedule will be forwarded to the Finance department for consideration.

#### Payment Methods

The following methods of payment are available for Assessment Accounts to pay their premiums, provided they are not restricted by their annual premium level:

- Cash
  - ♦ At the WCB's Assessment Services office in Winnipeg, or at the Brandon or Thompson offices of the WCB.
- Cheque
  - ♦ Mailed or dropped off at the WCB's Assessment Services office in Winnipeg, or at the Brandon or Thompson offices of the WCB.
- Financial Institution
  - ♦ In person, online or through telephone banking at most financial institutions.
- Debit Card (Interac)
  - ♦ At the WCB's Assessment Services office in Winnipeg or online at [www.wcb.mb.ca](http://www.wcb.mb.ca).
- Credit Card (Visa or Mastercard)
  - ♦ At the WCB's Assessment Services office in Winnipeg, over the telephone or online at [www.wcb.mb.ca](http://www.wcb.mb.ca).

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- ♦ Only available to Assessment Accounts with annual premiums of less than \$10,000<sup>1</sup>. If the annual premium of Assessment Accounts which has opted to pay with a credit card increases over \$10,000, this option will no longer be available for future payments.
- Pre-authorized Debit
  - ♦ Withdrawals from a bank account.
  - ♦ Withdrawals will occur on the due date.
- Pre-authorized Credit
  - ♦ Withdrawals from Visa and Mastercard only.
  - ♦ Withdrawals will occur on the due date.
  - ♦ Only available to Assessment Accounts with annual premiums of less than \$10,000<sup>1</sup>. If the annual premium of Assessment Accounts which has opted to pay with a credit card increases over \$10,000, this option will no longer be available for future payments.

#### Late or Missed Payments

- Assessment Accounts whose account balance remains unpaid when Account Statements are generated are subject to late payment interest on the balance.
  - ♦ The interest rate is based on RBC Royal Bank's prime lending rate plus 5% per Penalties & Interest Regulation of the Act. It is reviewed twice a year in January and July.
  - ♦ Inactive Assessment Accounts do not incur late payment interest charges on outstanding balances.
  - ♦ Late payment interest of less than \$2.00 per month is not applied.
- Generally, the date the WCB receives payments is the date used to determine whether interest applies. Dates payments were mailed or submitted through a financial institution are not considered.
- If an installment payment is missed, the Assessment Account is immediately referred to the Collections Department, who will attempt to resolve the issue as outlined in *WCB Policy 31.10.50, Collections* and its administrative guidelines.
- Dishonored payments will be considered the same as missed payments. (For more information on charges related to dishonored payments, refer to *WCB Policy 31.10.50, Collections* and its administrative guidelines).

#### ***Assessment Accounts with Optional and/or Personal Coverage***

- For Assessment Accounts with Optional coverage, if a payment is late or missed and the outstanding amount is \$50.00 or more, coverage will be cancelled effective the due date. Premiums will be calculated up to the date of cancellation.

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<sup>1</sup> 1 The WCB has restricted the use of credit card payments to those accounts whose annual premium is \$10,000 or less in order to limit administrative processing costs yet still provide this option to the majority of employers.

- For Assessment Accounts with Personal coverage, if a payment is late or missed and the outstanding amount:
  - ♦ is \$50.00 or more, Personal coverage will automatically be cancelled effective the due date.
  - ♦ is \$25.00 or more but less than \$50.00, the account will be reviewed and Personal coverage will be cancelled effective the due date, provided the amount outstanding is made up primarily of premiums. If the outstanding amount is primarily "other" charges (i.e., penalties and/or interest), the coverage will not be cancelled.
  - ♦ was due on January 31, Personal coverage will be voided. The WCB will retroactively cancel the coverage effective December 31 of the prior year.

Where the WCB cancels coverage for non-payment, the cancellation itself is usually takes place (i.e., is processed) after the cancellation effective date. For example:

- ♦ Coverage cancellations processed on the 5<sup>th</sup> working day of the month is retroactively cancelled on the last day of the preceding month.
- ♦ Coverage cancellations processed on the 5<sup>th</sup> working day of February is retroactively cancelled effective December 31 of the preceding year.

Notwithstanding the above, if a claim for an injury to the business owner occurred between December 31 and the date the WCB received the cancellation advice, the date of cancellation will be the date the WCB received the cancellation advice.

Premiums will be calculated up to the date of cancellation.

#### Relief of Late Payment Interest

Employers who receive late payment interest charges can request relief from the interest charge by submitting a written request. The request for relief should include the reason(s) for the late payment and why the WCB should consider adjusting the interest. For information about submitting a request, refer to WCB Policy 20.10, *Reconsiderations*.

The WCB will consider providing relief of late payment interest when:

1. The employer's payroll information has been received, and
2. The employer does not have a prior history of default, and
  - ♦ Assessment accounts with any late or non-reporting payroll penalties or late payment interest charged to their Assessment Account in the prior 24 months are considered to have a history of default. If any of these penalties or interest were reversed entirely, they should not be considered part of the history of default.
3. The employer has cooperated fully with the WCB, and
  - ♦ The Assessment Account is in good standing with the WCB.
  - ♦ If this is the only criteria the Assessment Account has failed to meet to obtain relief of their late payment interest, the employer may request reconsideration again once their Assessment Account is in good standing.
4. If the late payment interest is more than \$25.00, the cause or reason for the delay was beyond the control of the employer. This would include:

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- ♦ The death or serious illness of an employee, an owner, or a family member of the owner(s) of the business.
- ♦ A natural disaster (e.g., flood or fire), where the employer has been directly impacted.

#### Credit Balances and Refunds

When an Assessment Account has a net credit balance, the credit balance will remain on the account and will be applied toward future charges. Credit adjustments of more than \$2,500 are subject to approval by the appropriate authority. Alternatively, an employer can request a refund of the credit balance.

For refund requests from employers with active Assessment Accounts, or requests from employers of closed Assessment Accounts with more than a \$2,500 credit balance, the WCB may perform an audit to verify the payroll reported prior to processing the refund.

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Payment Options	% of Premium	Due Date(s)	Eligible Annual Premium	Eligible Payment Methods
One payment	100%	May 30	All premium levels	<ul style="list-style-type: none"><li>• Cash, Cheque, Financial Institution</li><li>• Debit Card</li><li>• Credit Card (if &lt;\$10,000) (Visa or Mastercard accepted)</li><li>• Pre-Authorized Debit</li><li>• Pre-Authorized Credit (if &lt;\$10,000) (Visa or Mastercard accepted)</li></ul>
Two payments	50%	June 30	Between \$500 and \$10,000	
	50%	September 30		
Three payments	40%	March 31	Over \$500	
	30%	August 30		
	30%	October 30		
Four equal payments	25%	March 31	All premium levels (If less than \$500, must Pre-Authorize)	
	25%	June 30		
	25%	September 30		
	25%	December 30		
Four payments	10%	March 31	Over \$500	
	30%	June 30		
	30%	September 30		
	30%	December 30		
Ten Payments (Pre-Authorized Payments Only)	10%	March 31	Over \$500	<ul style="list-style-type: none"><li>• Pre-Authorized Debit</li><li>• Pre-Authorized Credit (if &lt;\$10,000) (Visa or Mastercard accepted)</li></ul>
	10%	April 30		
	10%	May 30		
	10%	June 30		
	10%	July 30		
	10%	August 30		
	10%	September 30		
	10%	October 30		
	10%	November 30		
	10%	December 30		

**Options for Existing Personal Coverage Only Assessment Accounts**

<b>Payment Options</b>	<b>% of Premium</b>	<b>Due Date(s)</b>	<b>Eligible Annual Premium</b>	<b>Eligible Payment Methods</b>
One payment	100%	January 31	All premium levels	<ul style="list-style-type: none"><li>• Cash, Cheque, Financial Institution</li><li>• Debit Card</li><li>• Credit Card* (if &lt;\$10,000)</li></ul>
Four equal payments	25%	January 31	Less than \$500	<ul style="list-style-type: none"><li>• Pre-Authorized Debit</li><li>• Pre-Authorized Credit*</li></ul>
	25%	March 31	Over \$500	<ul style="list-style-type: none"><li>• Cash, Cheque, Financial Institution</li><li>• Debit Card</li><li>• Credit Card* (if &lt;\$10,000)</li><li>• Pre-Authorized Debit</li><li>• Pre-Authorized Credit* (if &lt;\$10,000)</li></ul>
	25%	June 30		
	25%	September 30		

\*Visa or Mastercard accepted.

**Options for New/Reactivated Personal Coverage Only Assessment Accounts**

- New/Reactivated Assessment Accounts without worker coverage (i.e., with Personal Coverage Only ("PCO")) will pay their first installment immediately.
- If the "four equal payment" option is selected, the remaining payments will be spread evenly over the remaining payment dates.
  - ♦ For example, if a new PCO account is activated in May, the first payment will be 1/3 of the annual premium and due immediately. The remainder of the premiums will be due in June and September, each at 1/3 of the total annual premium.