



## ASSESSABLE PAYROLL

Each year, employers report payroll to the Workers Compensation Board of Manitoba (WCB) which is used to calculate how much the employer is required to pay in premiums for their workers compensation insurance coverage.

Payroll includes workers' earnings, casual labour earnings and the labour portion of contract workers' payments. (For more information specific to contract workers, see the FAQ Assessment Schedule for Contract Labour on the WCB website.) Employers are asked to report both their gross payroll and their assessable payroll. For most businesses, these amounts are the same.

### What is the difference between payroll and earnings?

For the purposes of the WCB, earnings refer to what each individual worker is paid for their work. Payroll refers to the total earnings of all covered workers combined (not including individuals with Personal Coverage) and may include earnings for individuals who are not issued a T4 slip by the business.

### What is the difference between gross payroll and assessable payroll?

The amount that employers report per worker is subject to a cap or maximum assessable earnings level. In 2024, the maximum level of assessable earnings is \$160,510. For 2025, the maximum level of assessable earnings is \$167,050. Employers are not charged a premium on the portion of a worker's earnings that exceeds the maximum assessable earnings.

For example, if all of your workers earn less than the maximum assessable earnings of \$160,510 for 2024, then the gross and assessable payroll are the same amount.

If any individual worker earns in excess of the maximum assessable earnings for 2024, the employer should report that individual's assessable earnings as the maximum assessable of \$160,510. The total amount is considered the gross payroll, and the capped earnings are considered the assessable payroll.

### Example of how to apply the maximum assessable earnings level:

A business has two workers in 2024. One worker earned \$170,000, and the other worker earned \$135,000. The 2024 maximum assessable earnings per worker is \$160,510.

The employer's gross payroll for 2024 is \$305,000 ( $\$170,000 + \$135,000 = \$305,000$ ).

The employer's assessable payroll for 2024 is \$295,510 ( $\$160,510 + \$135,000 = \$295,510$ ). \$295,510 is the amount the WCB will use to determine the employer's 2024 premium.



For 2025, the business anticipates that one worker will earn \$178,000, and the other will earn \$142,000. The 2025 maximum assessable earnings per worker is \$167,050

The employer's estimated assessable payroll for 2025 will be \$309,050 ( $\$167,050 + \$142,000 = \$309,050$ ). The gross payroll only applies to the prior year(s) and is not required for the current year.

\$309,050 is the amount the WCB will use to determine the employer's 2025 premium.

### **Does the maximum assessable earnings level apply to all types of coverage?**

The maximum assessable earnings level applies to all coverage types, including Personal Coverage available for purchase by sole proprietors, partners or directors - these individuals are also subject to a Maximum Optional Coverage level which in 2025 is \$167,050

For additional information about Personal Coverage, see the Personal Coverage section on the WCB website.

### **If my premium is based on the maximum, are workers' benefits also limited to the maximum?**

Wage loss benefits payable to injured workers are also limited by the maximum assessable earnings level of \$167,050 for 2025. Individuals with Personal Coverage will have their wage loss benefits limited to the amount of coverage purchased (up to the Maximum Optional Coverage level of \$167,050 for 2025).

### **Is there a minimum level of assessable earnings for workers?**

No, there is no minimum level of assessable earnings for workers; however, if an individual would like to purchase Personal Coverage (available to sole proprietors, partners and directors), they must purchase at least the annual minimum, which in 2025 is \$30,140.

### **What earnings are considered assessable versus not assessable?**

Assessable payroll includes workers' earnings, casual labour earnings and the labour portion of contract workers' earnings. In general, if the earnings are taxable by the Canada Revenue Agency (CRA) and reported on the worker's T4, the earnings should be included in the amounts you report to the WCB. If you do not have to report the earnings to CRA, they are generally not considered assessable and do not need to be included in your payroll calculations for the WCB.



Appendix A provides examples of both assessable and non-assessable earnings.

Note: The examples of assessable and non-assessable payroll may change at any point if the CRA changes its policies around what earnings are considered taxable or the WCB determines other remuneration to be subject to assessment.

## Related Fact Sheets and Publications

- [Payroll Penalties and Interest](#) - Penalties can be charged for under-reporting actual payroll in the amount of 15% of the difference in premium between audited and actual payroll up to a maximum of \$5,000.

## Appendix A

### Assessable Earnings

Any T4'd earnings (including T4A) or non-T4'd earnings reported to CRA (Canada Revenue Agency) are assessable. The following items would also be assessable:

- exchange of labour for services
- family members (when earnings are recorded in business records but not to CRA)
- volunteer fire & ambulance workers (premium based on headcount, not earnings)

### Non-Assessable Earnings

- board of director (municipal operations) not T4'd, paid for meetings & inspection duties
- death benefits
- dividends (paid to shareholders on a T5)
- excess earnings (earnings above the yearly maximum assessable earnings level)
- expense allowance paid to a volunteer
- honorariums
- municipal councilors (without Order in Council)
- out-of-province earnings reported to other workers compensation boards
- outworker earnings as defined by *The Workers Compensation Act of Manitoba*
- pension and retirement benefits
- reimbursement of expenses (non-taxable)
- retiring allowances paid at termination/long service/loss of office compensation
- severance/separation



- Shareholder loans repaid
- Sick pay credit paid by the employer
- Earnings of directors of a corporation
- Partners earnings of a registered partnership
- Sole proprietors earnings
- Student awards, honorariums, bursaries, and scholarships provided they are not received as a condition of employment
- WCB benefits

If you have questions regarding assessable payroll, please call Assessment Services at (204) 954-4505 or toll-free in Canada and the United States at 1-855-954-4321, ext. 4505 or email [assessmentservices@wcb.mb.ca](mailto:assessmentservices@wcb.mb.ca).

This publication is provided for general information. It is not intended to be legal advice, and should not be relied on as such. See *The Workers Compensation Act and Regulations* and WCB Policies for more specific information. These documents are available on the WCB website at [wcb.mb.ca](http://wcb.mb.ca).