

A man with glasses and a beard, wearing a light blue checkered shirt, is looking down at a document he is holding. He is in a control room or office with several computer monitors and control panels in the background. The scene is lit with warm, indoor lighting.

Calculating Your Premium

Find out how premiums are fairly assessed for your business and how to pay them.

What and How You Pay

WHSCC premiums are calculated by determining an assessment rate. That rate is then charged to your business based on the assessable earnings of all your employees. A comprehensive explanation of premium calculations begins on page 18 in *Workers' Compensation: A Guide for New Brunswick Employers*.

The Assessment Rate

Assessment rates are influenced by several factors, including:

- Current and future compensation claims for the year
- Accident and injury trends
- Health care costs
- Safety and prevention program costs

The Process

Standard Industrial Classification: Based on your primary business activity, your company is assigned to one of approximately 90 different groups of industries. Special classification considerations exist for specific circumstances. Details of these considerations can be found at www.whscc.nb.ca or by calling: 1 800 222-9645.

Rate Group: Based on your company's risk of accident or hazard, it is assigned to one of approximately 32 rate groups. Each group has a basic assessment rate. You pay the rate on every \$100 of assessable employee earnings.

Assessable Employee Earnings

Assessable earnings are all payroll and payroll-related monies up to an annual limit for the reporting year.

Limited and incorporated companies and associations must report all individuals receiving a salary. You must also report all subcontractors who worked for the company during the year.

Proprietorships and partnerships do not include amounts paid to proprietors, partners, spouses, and children under the age of 16 living with the employer. You must report all subcontractors who worked for the business during the year.

Assessable Earnings Include:

- Wages
- Salaries
- Commissions
- Bonuses
- Vacation pay
- Overtime pay
- Sick pay
- Honorariums
- Directors' fees
- Shift premiums
- T4 and T4A reported distribution of profits
- T4 reported tips and gratuities
- Call in and call back pay
- Labour value of contract workers
- Cash in lieu of notice
- Amounts received for profit sharing
- Employer's RRSP contribution if available to employee before age 65
- T4 and T4A reported allowances for municipal councillors
- Any other financial remuneration reported as income by the employer

Non-Assessable Earnings Include:

- Taxable allowances for travel, tools, clothing, dry cleaning, use of vehicle
- T5 reported dividends
- Retirement allowances
- Any other non-monetary taxable benefits
- Employer's RRSP contribution if locked in to age 65
- Earnings of proprietors, partners, spouses, and children under the age of 16 living with the employer
- Amounts in excess of maximum assessable earnings (equal to 1.5 times the New Brunswick Industrial Aggregate Earnings)

Reporting Assessable Earnings on a Form 100

To report assessable earnings you must complete and return a *Form 100—Employer's Payroll Report*. You will receive the form in early January. You must return it by fax (506 632-2819) or by mail on or before February 28. Complete instructions regarding the *Form 100* are found on page 25 in *Workers' Compensation: A Guide for New Brunswick Employers*.

Financial penalties are enforced for missing the February 28 *Form 100* submission deadline.

Premium Payments Simplified

You can simplify reporting earning assessments by joining our Monthly Assessments on Actual Payroll (MAAP) Program. All you have to do is make monthly reports of actual payroll on-line or by fax. Your monthly premium payment is then deducted from the bank account of your choice.

You can start in the New Year or right away if you have just registered for compensation insurance. Refer to page 26 in *Workers' Compensation: A Guide for New Brunswick Employers*, or contact your regional WHSCC office.

Annual Premium Payment

You will receive an Assessment Notice of the premium due, and the date it is due, once your *Form 100* has been processed. You can pay in cash or by cheque at any WHSCC office, or by mail with a money order.

Option A: paid in full within 30 days of due date or by March 31, whichever is later.

Option B (two instalments):

1. 100% of last year's outstanding bill and 50% of this year's assessed premium paid within 30 days of due date or by March 31, whichever is later.
2. Remaining 50% of this year's premium, plus interest, due no later than August 31.

Payroll Audits: The WHSCC has the authority to audit your payroll to ensure accuracy of the information submitted. You must keep five years of payroll and contractor information on file.