



WORKERS' COMPENSATION BOARD

Northwest Territories and Nunavut

EMPLOYERS' HANDBOOK

**INFORMATION FOR
EMPLOYERS**

KEY WORDS

Assessments: Premiums paid to the WCB by employers for coverage of workers, for personal optional coverage and for other charges imposed under the *Workers' Compensation Acts*.

Director: Registered director or executive officer of a corporation who is in a position to guide or control the policies and purposes of the corporation.

Employer: An individual, firm, association, body or corporation that has, or is deemed by the WCB to have, one or more workers in his or her or its service.

Assessable Payroll: The aggregate gross earnings of all workers, up to the Year's Maximum Insurable Remuneration (YMIR) specified by the *Workers' Compensation Acts*.

This includes:

- wages and salaries of all permanent and non-permanent workers;
- overtime and piece work;
- bonuses;
- holiday pay;
- recorded tips and gratuities;
- pay in lieu of notice;
- earnings paid to workers by the employer participating in a WCB Training on the Job program; and
- any other remuneration or allowance which the WCB determines to be subject to assessment.

This does **not** include:

- honoraria and GST;

Personal Optional Coverage: Coverage for individuals not automatically covered by the *Workers' Compensation Acts*. Personal Optional Coverage must be applied for and approved. Coverage will not be granted if an account is not in good standing. An individual with Personal Optional Coverage receives benefits based on the amount of coverage requested and accepted.

Principal: A person or entity that hires a contractor or subcontractor to perform work or services.

Remuneration: Remuneration includes all salaries, wages, commissions, bonuses, allowances, tips, service fees or other earnings including earnings for overtime, piece work and contract work, the cash equivalent of board and lodging, housing, fuel, living allowance, store certificates, credits or any other substitute for money. It does not include clothing, materials or transportation allowances supplied to a worker because of the special nature or location of the employment.

A person who carries on a business in an industry to which the *Workers'*

Self-Employed (Independent Operator): *Compensation Acts* apply and does so solely without being under the control of others. He or she acts and thinks independently, is self directing and does not associate with or rely upon a larger unit or group.

Worker: A person who enters into or works under a contract of service, either written or verbal, expressed or implied, and includes a learner or apprentice. An individual can also be deemed a worker under certain circumstances.

YMIR: "Year's Maximum Insurable Remuneration" establishes a ceiling for calculating a worker's compensation benefits and an employer's assessable payroll.

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INTRODUCTION

Workers' Compensation is a system of legislated insurance defined by the Northwest Territories and Nunavut *Workers' Compensation Acts*. Employers pay assessments which are gathered into a common fund to provide benefits to workers who are injured while on the job.

In return for guaranteed no-fault coverage, workers give up their right to legal action against all employers and workers covered by these *Acts*.

What is the Workers' Compensation Board?

The Workers' Compensation Board (WCB) is a corporation, which administers the Northwest Territories and Nunavut *Workers' Compensation Acts*, the *Mine Health and Safety Acts*, the *Safety Acts*, the *Explosives Use Acts* and their regulations. It has exclusive jurisdiction in all matters affecting compensation for injured workers and ensuring compliance with various safety legislation.

The WCB is not a government department. Revenue is provided from employer assessments and WCB investments.

In the Northwest Territories and Nunavut, the WCB is governed by a Board of seven members representing labour, industry and public interests. The Ministers Responsible for the Workers' Compensation Board appoint the Board members and Chairperson.

COVERAGE

All workers in the Northwest Territories and Nunavut, not including federal government employees, are automatically covered by the *Workers' Compensation Acts*. Included are those who have entered into, or work under, a contract of service or apprenticeship, written or oral, expressed or implied.

You are not considered to be a worker under the *Workers' Compensation Acts* if you are:

- an executive officer in a position to guide or control the policies and purposes of a corporation;
- in business or partnership practicing as a member of the legal, medical, accounting, actuarial, dental, pharmaceutical, architectural, engineering or similar profession;
- an employer or independent operator; or
- a family member who is employed by and living with any person mentioned above.

Can I obtain coverage even if I'm not considered a worker?

Yes, by applying to the WCB for Personal Optional Coverage. This coverage can be purchased for a minimum of one month and, once approved, is effective the day your application is received in our office. Your benefits will be based on the amount of coverage requested and accepted. Coverage must be renewed annually.

On approval of your application, you will be entitled to the protection of the Acts and all their benefits.

Note: Proof of earnings may be required prior to receiving benefits.

FUNDING

All employers operating in the Northwest Territories or Nunavut are required to pay premiums in the form of WCB assessments.

Employer assessments are paid into the WCB's Accident Fund. From this fund, the Board must pay the future costs of its existing claims.

In addition, a portion of the Accident Fund is held in a Catastrophe Reserve and an Operating Reserve. These reserves allow the WCB to provide for disasters, increased claim costs and periods of low investment revenue, without increasing employer assessment rates.

Note: The WCB's funding principles acknowledge that the WCB can neither refuse coverage for workers, nor be selective in the risks it insures.

REGISTRATION

All employers who carry on business in the Northwest Territories or Nunavut, even temporarily, must register with the WCB within 10 days of commencing operation.

If I do not employ workers, do I still have to register with the WCB?

Yes, you will need a certificate of compliance from the WCB in order to obtain a business licence.

What if my business is based outside of the Northwest Territories and Nunavut?

If you employ workers or carry on business in the Northwest Territories or Nunavut you must register with the WCB regardless of your home jurisdiction.

Are my workers covered if they work outside of the Northwest Territories and Nunavut?

For coverage to be extended to a worker outside of the Northwest Territories or Nunavut, the following criteria must be met:

- your worker must be a resident, or regularly work in the Northwest Territories or Nunavut;
- the nature of the employment must require that it be performed in and out of the Northwest Territories and Nunavut and continue on the worker's return;
- your worker cannot be hired solely for the job outside of the Northwest Territories and Nunavut; and
- employment outside of the Northwest Territories and Nunavut cannot exceed six months.

For coverage to continue beyond the initial six months, you must apply to the WCB and be granted an extension for each subsequent six-month period.

Note: Registration requirements may vary between jurisdictions. If your workers work outside the Northwest Territories and Nunavut, for even a short period, you should contact the WCB of that jurisdiction to ensure you are in compliance with their Acts. You should also contact the WCB of the Northwest Territories and Nunavut to discuss any changes to your payroll reporting requirements.

Are any industries exempt from WCB requirements?

No.

What information will the WCB need to register me as an employer?

You will need to provide details of your business operation, together with an estimate of your assessable payroll for the upcoming calendar year. With this information, the WCB will establish an account and you will be issued a notice of assessment.

PAYMENT OF ASSESSMENTS

All employers operating in the Northwest Territories and Nunavut are required to pay assessments to the WCB.

These assessments provide for the payment of compensation to injured workers or their dependents, as well as the payment of pensions, medical aid, rehabilitation and the administration costs of the WCB.

Note: The Northwest Territories and Nunavut Health Care Plans do not pay doctor, hospital or medical bills incurred in a work-related accident. Such costs are paid by the WCB.

What is my assessment based on?

Your assessment is based on an estimate of your payroll, which you must provide to the Board upon registering.

Note: As a registered employer, you are subject to payroll audits and are required to keep a complete and accurate account of all wages and earnings of your workers. Records of amounts paid to contractors, subcontractors and independent operators must also be maintained.

How is my assessment rate determined?

The WCB's Revenue Unit assigns an industry code to each employer and groups the industry codes into different classifications. Employers with similar operations and hazards are placed in the same class or subclass.

Your assessment rate is set by the WCB and reflects the accident experience of your subclass. Each class and subclass is reviewed annually to determine if the assigned rates are meeting the claims costs of the class.

Note: The WCB's funding policy protects an individual subclass rate from increases or decreases of more than 25 per cent in any year.

Why can't I be assessed on the basis of my individual safety record?

The WCB provides a form of collective liability insurance. By grouping employers into classes, the WCB actually protects you against a high fluctuation in your assessment rate if you experience an extraordinary increase in your claims costs.

When is my assessment due?

Payments are due within 30 days of your invoice date. Assessments which are not paid prior to this date are subject to penalties on the entire account balance. To assist you, a payment schedule can be established by the WCB. Late instalment payments are also subject to penalties and interest charges.

Can I ask my workers to contribute to my assessment?

It is against the law for you to deduct, directly or indirectly, any part of your WCB assessment from your workers' wages.

What is an Employer's Payroll Statement (EPS)?

An Employer's Payroll Statement is a form that the WCB will mail to you in December of each year. On it, you must provide your assessable payroll for the year ended and an estimate of assessable payroll for the coming year. If you perform work in both Nunavut and the Northwest Territories, you may need to provide assessable payroll statements for both, based on the worker's usual place of continuous employment.

Note: Any difference between the estimated payroll and the actual payroll for the past year will be applied to your account for the upcoming year.

Can I revise my payroll estimate?

Yes, in fact, a revised estimate should be provided to the WCB whenever it becomes apparent that your assessable payroll may differ significantly from your estimate.

What if I change my operation or become involved in a new venture?

You must advise the WCB immediately to allow necessary changes to be made to your rate and/or classification.

You must also contact the WCB within 10 days of ceasing operations to ensure your account is properly adjusted and closed.

Can I register my business in more than one industrial classification?

Multiple Industry Classification is permitted if an employer has more than one operation and those operations are separate and distinct. With the exception of administration staff, workers must be assigned to one operation only, and separate payroll records must be maintained for each operation.

LETTERS OF CLEARANCE FOR CONTRACTORS AND SUBCONTRACTORS

If you contract out any services or work, you are legally liable for any outstanding WCB assessments of the contractors or subcontractors who perform work for you.

What can I do to protect myself?

The WCB can provide you with a letter of clearance, confirming that your contractor or subcontractor is in good standing with the Board. As the principal, you are entitled to withhold payments until you receive this letter.

How do I request a letter of clearance?

Contact your assessor. He/she will provide you with a Request for Clearance form to complete and return to the Board. The WCB will respond to your request as quickly as possible.

Note: There are three types of clearances provided by the Board: a letter of good standing when a contract is awarded, an interim clearance for interim payments and a final clearance in advance of final payment. As the status of an account can change over time, it is recommended that you ensure that letters of clearance are current.

CLIENT SERVICES

If you require further information on benefits, contact the WCB's Client Services Division at the WCB's office in Yellowknife.

What must I do if a worker is injured?

If you are the employer, you must:

1. Provide first aid.
2. Provide transportation to the closest doctor, hospital or medical centre.
3. Submit an "Employer's Report of Accident" to the WCB.
4. Keep an accurate account of the accident. (This is required even if your worker did not lose time from work.)
5. Provide a copy of the "Employer's Report of Accident" to the injured worker.
6. Provide an "Accident Investigation Report" to the WCB's Prevention Services Division.

How long do I have to report an accident?

Fatalities and mining accidents must be reported immediately. All other accidents, regardless of any injury, must be reported to the WCB's Prevention Services Division within 24 hours. You have three working days from the time you became aware of an accident to file an Employer's Report of Accident.

Note: A WCB representative may be sent to the scene of an accident to interview witnesses, examine the site and verify information.

What types of injuries are covered?

- Injuries* - Workers are covered by Workers' Compensation from the time they arrive on your property until they leave, provided they are there for work-related reasons.
- Industrial Disease* - The WCB will pay benefits for occupational diseases where conditions in the workplace contributed to the disease.
- Pre-existing Injuries* - If a worker's accident affects a pre-existing or underlying condition, the WCB will cover the disability caused by the new injury. If the injury makes the pre-existing or underlying condition worse, additional benefits may be paid.
- Recurrences* - If a worker has a recurrence, or trouble working because of a previous work-related injury, the worker is likely covered but must report the recurrence to his/her doctor and the WCB as soon as possible.
- Stress* - If stress is caused by an acute reaction to a traumatic event at work, the WCB may pay benefits.

What is an injured worker entitled to?

When workers suffer a work-related injury or disease, they may receive one or more of the following:

- compensation for wages lost while recovering;
- medical costs such as prescriptions, prosthetic devices, specialized treatment, etc.;
- permanent disability awards (pensions); and
- vocational rehabilitation.

How much does the WCB pay for lost wages?

The WCB will deduct the equivalent of Employment Insurance, Canada Pension Plan and computed tax payments from the worker's gross earnings (up to the YMIR) and pay 90 per cent of that amount. When a permanent disability results from a compensable accident, the worker will receive a lifetime pension based on the degree of physical disability and the earnings at the time of the accident.

What other costs are paid by the WCB?

If related to your worker's injury, the WCB may pay for hospital expenses, health care costs, prescribed medicine, rehabilitation, dental treatments, independence aids and eye glasses. In addition, the Board can provide clothing, transportation and living allowances as deemed necessary.

What if my worker is unable to return to his or her original occupation?

If a worker is unable to function in his/her former job, the WCB may provide training in a related or different occupation, training on the job opportunities, or educational upgrading.

Can I agree to pay my worker instead of having him/her file a claim with the WCB?

No. Such an agreement is contrary to the provisions of the *Workers' Compensation Acts*.

Note: If you continue to pay full salary to your worker while he/she is unable to work, the WCB will reimburse you the compensation amount directly.

When do workers' benefits begin?

Benefits begin with the first normal working day missed following an accident. Payments are normally issued every two weeks.

Are WCB benefits taxable?

Benefits received by an injured worker are not taxable in Canada and should not be reported on a worker's annual T-4 statement of earnings.

Note: Although benefits are not taxable, they are included in total income for some calculations. The WCB will issue a T-5007 information slip which your worker should include with his/her tax return.

CLAIMS MANAGEMENT

Workplace accidents and injuries are costly in terms of both actual workers' compensation costs and lost productivity in your workplace. The WCB's Claims Management Program identifies the steps you can take toward actively managing the cost of your claims.

How will claims management save me money?

Claims management will assist you in rehabilitating injured workers, retaining skilled workers and reducing the cost of hiring and training replacement workers. This will help minimize productivity loss, lost time and accident costs.

What incentives will the WCB offer me to rehire rehabilitated or injured workers?

The WCB may cover a worker's wages during a job trial or provide partial wages during a training on the job program. The WCB can also pay for workplace modifications.

Note: If you hire a worker with a known pre-existing condition, the WCB will protect you from the cost of any re-injury of that condition.

When a worker returns to work after a compensable accident, the employer is required to inform the WCB by completing an Employer's Subsequent Statement provided by the WCB.

APPEALS

There are two levels to the WCB appeals process – the Review Committee and the Appeals Tribunal.

The Review Committee forms the first level of appeal. If you disagree with a decision affecting you as an employer, you may request a review. You may also request a review on a claims file if you are the employer of record.

The Appeals Tribunal is the second level of the appeals process. It can only hear appeals of decisions reached by the Review Committee.

How can I request a Review?

Write to the Review Committee Registrar and include your account number; the decision with which you disagree; the date of the decision; why you disagree with the decision and what you feel the decision should be.

How can I request an Appeal?

You should get a "Request for Appeal" form from the Appeals Registrar, and complete it. An appeal will be registered when either the completed form or a written request containing all pertinent information is received by the Registrar.

PREVENTION SERVICES

The Prevention Services Division of the WCB is responsible for ensuring compliance with the *Safety Acts*, the *Mine Health and Safety Acts*, the *Explosives Use Acts* and their regulations.

The division also administers safety education programs to assist employers and their workers to reduce accidents and industrial disease on the job site. The WCB can assist employers in lowering the human and financial costs of injuries through safety training and claims management.

All inquiries concerning health and safety or safety education programs should be directed to (867) 920-3841.

All mining accidents must be reported immediately to (867) 873-1924.

All accidents, other than mining accidents, must be reported within 24 hours to (867) 873-1924. Accidents which result in the death of a worker must be reported immediately.

What health and safety laws apply to my workplace?

If you are an employer in the mining industry, your workplace is governed by the *Mine Health and Safety Acts* and Regulations. Employers in any other industry (except those federally regulated), are governed by the *Safety Acts and Regulations*. Explosives on construction sites and at quarries are governed by the *Explosives Use Acts* and Regulations.

Do I have to provide copies of these Acts and Regulations to my workers?

If you manage a mine, you must provide your workers with a copy of the *Mine Health and Safety Acts and Regulations* for your location when they are hired. In any other place of work, you must provide copies of the *Safety Acts and Regulations* for workers to reference. Copies of the Acts and Regulations may be purchased from the contract local printer or, in the case of the NWT legislation, by accessing the Government of the NWT website at www.gov.nt.ca.

What must I do if a worker believes that his/her workplace is unsafe?

When a worker reports to you that his/her condition or situation is unsafe, you must investigate and resolve the situation to the satisfaction of the worker before work can continue.

Note: You can assign the worker to make the workplace safe if he/she is properly trained to do so.

What safety training must I provide to my workers?

If your workers are required to work with or around any controlled products, they must be trained in WHMIS. Outside of this legislated requirement, you must ensure that each worker is trained to perform his/her duties safely and without undue risk.

What protective equipment must I provide to my workers?

You must ensure that protective equipment required under the regulations is worn or used by workers. You may be required to provide workers with job specific protective equipment. Consult the Regulations.

Who do I contact if I need help?

If you have questions about these responsibilities, or require information and assistance in meeting your legal obligations, call WCB Prevention Services in Yellowknife at (867) 920-3841 or 1-800-661-0792; in Rankin Inlet (867) 645-5600 or 1-877-404-8878; in Iqaluit (867) 979-8500 or 1-877-404-4407.

MISSION STATEMENT

*To promote accident prevention
and provide workers
and employers
with quality services*

**Workers' Compensation in the
Northwest Territories
and Nunavut**

This booklet is intended to provide employers with a general understanding of the policies and operations of the WCB. It is an information booklet only, **NOT** a version of the *Acts*. For additional information, please contact:

Workers' Compensation Board

Box 8888, Yellowknife, NT X1A 2R3

Telephone: (867) 920-3888

Toll Free: 1-800-661-0792

OR

Rankin Inlet

Telephone: (867) 645-5600

Toll Free: 1-877-404-8878

OR

Iqaluit

Telephone: (867) 979-8500

Toll Free: 1-877-404-4407

