

# Guide to completing your Employer Payroll and Contract Labour Report

**Tired of paperwork? Report your payroll and pay your premiums in six minutes or less online at [WorkSafeBC.com](http://WorkSafeBC.com) or by calling our automated phone system at 604 244-6181 or 1 888 922-2768.**

## What do I need to complete my report?

Make sure you have:

- Your payroll records.
- If applicable, a record of your payments to contractors and subcontractors, along with their names and addresses (see the worksheet on the back of this guide for information about calculating subcontractors' payments).
- A record of workers and active shareholders who made more than \$62,400, the maximum assessable payroll for 2006 (note: shareholders are considered 'active' if they receive T-4 slips).  
**If you're filing a report for a different year, check the maximum assessable payroll on Line I of your form.**

## Do I need to file a report if my business closed down?

Yes. You must file your report, even if your business was sold or permanently closed down during the reporting period. Please contact the Employer Service Centre to cancel your account or include a letter with your report.

## Do I need to return this form to WorkSafeBC?

Each year, all employers in B.C. are required to report their payroll to WorkSafeBC. **You must return this form to WorkSafeBC, unless:**

- You report your payroll or reconcile your account online at [WorkSafeBC.com](http://WorkSafeBC.com).
- You report your payroll or reconcile your account using our automated phone system by calling 604 244-6181 or 1 888 922-2768.

## What will happen if I don't report my payroll or make my payment, or if I under-report?

If you don't report your payroll by the due date, WorkSafeBC will estimate your annual payroll and charge you a penalty according to the schedule below. The minimum penalty is \$50. Outstanding balances are also subject to a one-percent monthly fee. What's more, you will not receive any future discounts for which you may qualify, nor will you be eligible for a clearance letter of good standing. And, if we audit your company and you have under-reported your company's assessable payroll and thus under-remitted, you will be charged an eight-percent penalty on the additional assessment.

## Penalty schedule for not filing your payroll report by the due date

	Tier 1	Tier 2	Tier 3	Tier 4
Annual assessment	\$0 - \$5,999.99	\$6,000 - \$19,999.99	\$20,000 - \$199,999.99	\$200,000+
Penalty amount	\$50	\$150	\$500	\$1,000

## Completing your report the right way can save you time and money

- If there is an error on your form, attach a note to your report or contact the Employer Service Centre before the due date displayed in the top right hand corner on your form.
- To avoid penalties, return your completed report by the due date, even if your amount due is zero.
- Enter your payroll information in the top section of your report. Return the entire form, including the payment stub at the bottom of the form, along with your cheque (if a payment is owing), to WorkSafeBC in the enclosed self-addressed envelope. If you pay at your financial institution, cut off the payment stub and present it with your payment at your bank, but be sure to mail the top section

of the form to WorkSafeBC. You can also pay your premiums online at [WorkSafeBC.com](http://WorkSafeBC.com) or over the telephone by calling our automated phone system at 604 244-6181 or 1 888 922-2768.

- Your records are subject to examination by WorkSafeBC at any time, so please keep copies of these records and of your reports and worksheets.
- If your address is incorrect or your business operations have changed, complete the detachable section of the blue return envelope and return it with your report. You can also submit your change of address online at [WorkSafeBC.com](http://WorkSafeBC.com).

# Employer Payroll and Contract Labour Report

**Line A** If your business permanently closed down during the reporting period, provide the date operations ceased and complete your report for the period during which your business was in operation. For example, if you operated a retail store and your business was open from January to September 2006, complete your report for that period. In your calculation, include assessable payroll paid while you were closing your business. For example, if you had a bookkeeper on your staff that stayed on to complete your financial records, include the earnings of this person in your calculation.

**Line B** If your business was sold during the reporting period, provide the name and telephone number of the purchaser. Then, complete your report for the period up to the time you sold your business.

**Line C** Please do not alter the pre-printed information in this section. This is the 15-digit Business Number assigned by the Canada Revenue Agency (CRA) to WorkSafeBC accounts that have payroll. If no number appears here, it may be because your firm hasn't been assigned one. If your firm has a current nine-digit CRA Business Number and it is not shown in this space, please provide it. Also, include the names and WorkSafeBC account numbers of companies in B.C. which are affiliated with the one for which you are completing this report.

**Line D** Please do not alter the pre-printed information in this section. Your business is assigned to one or more classification units, based on your main industrial activity. If the classification description(s) on your report does not reflect your main operations, describe your operations on a separate sheet and attach it to your report, or contact the Employer Service Centre before the due date displayed on your form. It is your responsibility to inform WorkSafeBC if the classification assigned to your firm no longer reflects your firm's main operations. For more information about classifications, visit [WorkSafeBC.com](http://WorkSafeBC.com).

**Line E** For each classification listed on Line D, enter the wages and salaries of workers, as well as active shareholders' earnings in all of your B.C. operations.

Be sure your calculation includes the earnings of all workers, office staff, casual labour, administrative and management personnel, and active shareholders (note: shareholders are considered 'active' if they receive T-4 slips). Wages and salaries include gross payroll earnings, commissions, holiday pay, sick leave pay, leave of absence pay, management fees, bonuses, other remuneration before deductions, and any other means by which you pay a worker for services (e.g. piecework). Do not include non-cash taxable benefits.

**How to report shareholders' earnings:** The actual dividends (known as "after-tax earnings") declared to the Canada Revenue Agency (CRA) should be included in your calculation on Line E if the amount represents more than 50 percent of an active shareholder's earnings. Here's an example: An active shareholder receives a T-4 for \$15,000 and no other non-dividend earnings, such as management fees or stock options. The shareholder also receives a dividend of \$35,000. Therefore, the total earnings for this shareholder are \$50,000. In this example, the non-dividend earnings represent 30 percent of the total earnings, while the dividend earnings represent 70 percent. Since the dividend earnings are more than 50 percent of total earnings, they are assessable and should be included in the calculation of assessable payroll, up to the annual maximum. For 2006, the maximum assessable payroll is \$62,400.

**If you operate in more than one industry:** Pro-rate administrative earnings based on each classification's portion of these wages, salaries and shareholder earnings. For example, if you operate a bookstore and a coffee shop, and one person does the bookkeeping for both, determine the ratio of assessable payroll. If the bookstore has assessable payroll of \$300,000 and the coffee shop has assessable payroll of \$200,000, you would allocate 60 percent of the bookkeeper's earnings to the bookstore, and 40 percent to the coffee shop.

**For proprietorships:** Include the total amount paid to all workers. Report a spouse's gross earnings only if he/she is active in the business and has voluntary spousal coverage. **Do not include wages paid to the proprietor.**

**For partnerships:** Include the total amount paid to all workers. **Do not include wages paid to the partners.**

**For fishing:** Report assessable payroll as follows:

- a) The wages and salaries of fishermen when they are on salary.
- b) The gross labour component of fish settlements – when fishermen are paid by settlement and the labour component is clearly identified. A settlement is the division of proceeds from fish sales among the people who catch and land the fish.
- c) Sixty percent of the gross purchase price of the fish when fishermen are not paid by method a or b.

**Line F** If you don't hire people on a contract basis, skip this line. If you do and you are responsible for paying their premiums, calculate your payments to them and enter this amount on Line F. Please note: you are responsible to confirm with WorkSafeBC whether the subcontractors you hire are independent or whether you are responsible for paying their premiums. For details, along with instructions on how to calculate payments to subcontractors, refer to the work-sheet on the back of the guide.

# 1810 Form

**Line G** This section does not apply to limited or incorporated companies. If you have Personal Optional Protection, the pre-printed figure in this section will show the coverage for your firm's proprietors and partners. **Please do not change the pre-printed dollar amount in this section.** If a proprietor's spouse is a paid employee and spousal coverage has been obtained for that person, include the spouse's earnings in Section E. Note: If voluntary spousal coverage has not been obtained, the proprietor's spouse does not have insurance coverage. Personal Optional Protection coverage continues until it is cancelled by you or by WorkSafeBC. If there is an error on your form or if you would like to change the amount of your coverage, attach a note to your report or contact the Employer Service Centre in writing. Changes to your coverage, once accepted, take effect on the date WorkSafeBC receives your request.

**Line H** To calculate total payroll, add the amounts from Lines E, F and G, and enter the total on Line H for each classification listed on Line D.

**Line I** For 2006, WorkSafeBC insures payroll to a maximum of \$62,400 per worker. If any of your workers exceeded this amount in 2006, calculate the difference and enter the amount on Line I. For your convenience, you will find a worksheet on the back of this guide to help you calculate excess payroll for all your workers. Keep in mind that WorkSafeBC may ask to review your worksheet if your company is audited, so please keep it for your records. If you're filing a report for a different year, check the maximum assessable payroll on your form for that year. (Note: excess payroll cannot be included for subcontractors).

**Line J** To calculate your assessable payroll, subtract the figure on Line I from the figure on Line H. Enter the total on Line J. Assessable payroll includes your total wages, salaries and shareholder earnings, payments to subcontractors, and Personal Optional Protection (if applicable), minus excess payroll for the reporting year.

**Line K** Your net rate is expressed as a percentage of your assessable payroll. This number includes your industry base rate and your experience rating discount or surcharge, if applicable. **Please do not change this figure.**

**Line L** To calculate your premium for each classification, multiply the amount on Line J by the percentage on Line K. For example, if your assessable payroll on Line J is \$50,000 and your net rate on Line K is 3.5%, your premium would be \$1,750. You would enter this amount on Line L.



**Line M** Re-enter the amount from Line L on Line M. If you have more than one classification, remember to add all the figures from Line L before entering your premium on Line M.

**Line N** The pre-printed amount in this section includes credits to your premium for the year, such as your quarterly payments or Personal Optional Protection premium payments. **Please do not alter this pre-printed information.**

**Line O** To calculate your subtotal, subtract the amount on Line N from the amount on Line M. Enter this amount on Line O.

**Line P** The pre-printed amount in this section includes any additional credits applied to your account as a result of a reclassification, account adjustment or subclass surplus. This figure is valid as of the date your form is printed. Adjustments made to your account after that date may change the amount in this section. **Please do not alter this pre-printed information.**

**Line Q** To determine the amount due, subtract the amount on Line P from the amount on Line O. Enter this amount on Line Q and in the "Payment" box on the payment stub. If a credit is due, enter "zero" in the "Payment" box. The credit will be applied to your account. Remember to return the top portion of the form to WorkSafeBC in the enclosed self-addressed envelope, even if no money is owed.

**Declaration** The report must be signed by the employer or a person who is authorized to sign on the employer's behalf. Please print your name and title, date, and telephone/fax numbers in this section.

# 1810 Form



WORKING TO MAKE A DIFFERENCE

# EMPLOYER PAYROLL and CONTRACT LABOUR REPORT For Year 2006

PAYROLL REPORT ID

Account number

➔ Due date [REDACTED]

**Avoid late charges.** If you do not report your payroll by the due date shown above, you will be charged a penalty. The minimum penalty is \$50. For details, see the penalty schedule on the reverse and refer to the enclosed guide.

**Have you moved? Is your address incorrect?**  
Please update your contact details at [WorkSafeBC.com](http://WorkSafeBC.com) or complete the detachable section of the enclosed envelope and return it to WorkSafeBC.

Line A

Line B

Line C

Line D

Line E

Line F

Line G

Line H

Line I

Line J

Line K

Line L

Line M

Line N

Line O

Line P

Line Q

Declaration

### To report online or through the automated phone system

Report your payroll and pay your premiums online at [WorkSafeBC.com](http://WorkSafeBC.com) or by calling our automated phone system at 604 244-6181 or toll-free at 1 888 922-2768.

### To report using this form

Mail the top portion of this report in the enclosed envelope or fax it to 604 244-6490. Present the lower stub portion to your financial institution or any WorkSafeBC office for payment.

<b>A</b>	If this business has permanently ceased, please provide the date the operations stopped (yyyyymmdd).		
<b>B</b>	If this company was sold, please provide the purchaser's name and telephone number.	Area code	Telephone number
<b>C</b>	<b>Canada Revenue Agency Business Number</b>		
	Names and WorkSafeBC account numbers of associated companies operating in B.C. Attach separate list if required.		

**NOTE:** Please report payroll in **WHOLE CANADIAN DOLLARS** for the **CALENDAR YEAR** starting January 1,

<b>D</b>	Classification number and description				
<b>E</b>	Wages, salaries & shareholders' earnings		0,0		0,0
<b>F</b>	Subcontractors' payments <small>(see instruction guide)</small>		0,0		0,0
<b>G</b>	Personal Optional Protection		0,0		0,0
<b>H</b>	Total <small>(add E, F and G)</small>		0,0		0,0
<b>I</b>	Excess payroll <small>Amount exceeding the annual maximum of \$ 62,400 per worker</small>		0,0		0,0
<b>J</b>	Assessable payroll <small>(H minus I)</small>		0,0		0,0
<b>K</b>	Net rate		%		%
<b>L</b>	Premium <small>(multiply J and K)</small>				

<b>M</b>	Premium <small>(include cents)</small>				
<b>N</b>	DEDUCT credits applied and amounts invoiced for				
<b>O</b>	Subtotal <small>(M minus N)</small> <small>(include cents)</small>				
<b>P</b>	DEDUCT additional credits accumulated as at				
<b>Q</b>	Amount due <small>(O minus P)</small> <small>(include cents)</small>				

I hereby certify that the information on this report is true, correct and complete in every respect and that I am authorized to sign on behalf of this employer. I understand that this information will be treated as confidential.

Authorized signature \_\_\_\_\_

1810 (R12/06)

Print name \_\_\_\_\_ Position \_\_\_\_\_

Date (yyyyymmdd) \_\_\_\_\_ Area code \_\_\_\_\_ Telephone number \_\_\_\_\_ Area code \_\_\_\_\_ Fax number \_\_\_\_\_

E-mail address for firm: \_\_\_\_\_



WORKING TO MAKE A DIFFERENCE  
WORKERS' COMPENSATION BOARD of BC  
**Mailing address**  
PO Box 9800 Stn Terminal  
Vancouver BC V6B 5J5

- Allow five days for bank processing
- WorkSafeBC offices accept payment by cheque or money order in Canadian funds

Please see first page

### To pay online or through the automated phone system:

- Use the e-banking number on the right to pay by Internet or telephone banking through your financial institution
- Go to [WorkSafeBC.com](http://WorkSafeBC.com) to pay by credit card or direct debit
- Phone 604 244-6181 or 1 888 922-2768 to pay by credit card

### To pay using this form:

- Return this portion to your bank with your payment
- Make your cheque payable to WorkSafeBC
- Write your account number on the front of your cheque

Account number:

Payment due date:

For e-banking:

Payment
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Payment will be applied to oldest outstanding balance

Please do not write below this line



## Calculation of excess payroll (Line I)

### Excess payroll

For 2006, WorkSafeBC insures payroll up to a maximum of \$62,400 per worker or active shareholder. If you're filing a report for a prior year, check the maximum assessable payroll on Line I of your form. If any of your workers exceeded the maximum for the year, calculate the difference and enter the total on Line I. For example, if one of your workers earned \$62,900 in 2006 and another earned \$66,900, your company's excess payroll for 2006 would be \$5,000.

### How do I calculate excess payroll for 2006?

First, enter the names and gross earnings of all workers and active shareholders who made more than \$62,400 in 2006 (note: shareholders are considered 'active' if they receive T-4 slips). Check the maximum assessable payroll on your form if you're filing a report for a different year. Enter the subtotal on Line X of the worksheet below. Then, multiply the number of people on your list by \$62,400. Enter that total on Line Y of the worksheet. Finally, subtract the amount on Line Y from the subtotal on Line X. Record the total on Line Z and on Line I of your report.

Name	Gross Earnings	Name	Gross Earnings
1.		13.	
2.		14.	
3.		15.	
4.		16.	
5.		17.	
6.		18.	
7.		19.	
8.		20.	
9.			
10.		<b>Subtotal</b>	<b>(X)</b>
11.		Multiply the number of people listed on your worksheet by the maximum assessable payroll. For example, if you are reporting for 2006 and there are 10 workers on your list, enter \$624,000.	<b>(Y)</b>
12.		Subtract Line Y from Line X. Record this total on Line Z and in Line I of your report.	<b>(Z)</b>

Assessment Department  
Employer Service Centre  
1 888 922-2768 or 604 244-6181  
Fax: 604 244-6490

PO Box 5350  
Stn Terminal  
Vancouver BC V6B 5L5  
**WorkSafeBC.com**

*This guide explains how to complete the Employer Payroll and Contract Labour Report. It is subordinate to the Workers Compensation Act, published policy of the Board of Directors, and the decisions and interpretations of the Assessment Department and WorkSafeBC – the Workers' Compensation Board of B.C.*

Your WorkSafeBC account number:
Reporting year:

# WORKSHEET

## Calculation of subcontractors' payments (Line F)

### Do I include payments made to all subcontractors?

Not necessarily. You are only required to report payments to subcontractors if you are responsible for paying their premiums. In other words, if a subcontractor is independent and you are not required to pay premiums on its behalf, you are not required to include payments made to the subcontractor in your calculation. But remember: you are responsible to confirm with WorkSafeBC whether the subcontractors you hire are independent or whether you are responsible for paying their premiums.

### Do I include funds paid to contractors who are registered with WorkSafeBC?

No. But if the business you hire is not registered or not making its payments to WorkSafeBC, you could be liable for insurance premiums owing in connection with the work or service being performed on your behalf. To protect your interests, you should always request a clearance letter before a contractor starts working for you, and again before you make the final payment to the contractor. You can get a clearance letter within minutes from [WorkSafeBC.com](http://WorkSafeBC.com). If you're not sure whether a contractor is required to register with WorkSafeBC, contact the Employer Service Centre or view the registration information on our web site.

### Payments to subcontractors who are not registered with WorkSafeBC

Please use the worksheet below to calculate subcontractors' payments. Keep this worksheet with your records. Do not mail this worksheet to WorkSafeBC unless requested.

### What do I report if the contractor supplied the equipment and operator?

Enter the gross value of the contract in the Amount 1 column. Then, refer to the table below to see if an equipment allowance applies. If it does, deduct the equipment allowance from Amount 1 and record the result in Amount 2. For example, if you paid a falling contractor \$1,000, you would enter this amount in Amount 1. Since we grant a 15 percent equipment allowance for chain saws, you would then enter \$150 in the equipment allowance column. You would then enter the difference, \$850, in Amount 2. If the contractor does not qualify for an equipment allowance, enter the gross value of the contract in Amount 2.

### What do I report if the contractor supplied labour only?

If the contractor supplied only the labour, with or without minor materials, enter the gross contract value in the Amount 2 column. Minor materials are items such as nails, drywall tape or putty. Do not include subcontractors who have supplied labour and all major materials, such as lumber, roof shingles, tile or cement for a building construction contract for a set contract price. These subcontractors are responsible for their own WorkSafeBC registration and coverage. It is advisable to obtain clearance letters on these subcontractors to be sure they have their own coverage and are up to date on their premiums.

Subcontractor's Name	Address	Type of Contract	Amount 1	Equipment Allowance	Amount 2
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

Total: transfer the total from Amount 2 to Line F

### Equipment Allowance

Equipment Type	Examples	Allowance
Chain saw	Chains saws as used in forest industry and line cutting contracts only.	15%
Medium equipment	Single-axle motor vehicles in the trucking/delivery/courier industry*. Motorcycles used in the delivery/courier industry. Single-axle trucks used for construction cleanup. Pilot cars. Light-duty excavating equipment such as backhoes, front-end loaders and bobcats. Mobile welding units. Oil-well servicing equipment such as wireline fracturing, hot-shot service, ambulance/first aid service. Agricultural equipment such as tractors, hay balers, harvesters, combines and hoof trimmers. Horses used as part of a horse logging contract. Boom boats as used in the forest industry. Fishing boats as used in the fishing industry.	40%
Heavy equipment	Skidders, feller bunchers, grapple loaders or similar heavy equipment used in the logging industry. Tracked earth-moving equipment such as bulldozers and excavators. Graders. Dual-axle trucks such as logging trucks, tractor-trailer trucks, dump trucks and oil rig transport trucks. Oil-well drilling equipment. Mobile cranes.	75%

\* No equipment allowances for crew transportation equipment such as pickups and crummies.