

Employer by Application (EBA)

Policy # 12-01-02

Introduction

The Policy, Employer by Application (EBA) #12-01-02 outlines the policy and guidelines for determining coverage for employers who are not compulsorily covered under the Act but want to apply for coverage under Schedule 1.

The EBA Policy # 12-01-02 is effective:

- ▶ for all coverage decisions on or after April 1, 2001
- and
- ▶ for all decisions on canceling coverage on or after January 1, 2001.

Who can apply for Schedule 1 coverage?

- Employers whose operations are:
- ▶ not listed (non – compulsory) under Schedule 1 or Schedule 2
 - and
 - ▶ listed under Schedule 2 and wish to transfer to Schedule 1.

Examples of Non Compulsory Industries Eligible for coverage

- banks, insurance companies, and trust companies
- barbers and hair salons
- membership organizations (such as labour organizations,
- professional associations, political organizations, etc.)
- Production and Theatre companies
- photographers
- radio and television broadcasters
- touring and travel agencies

Not eligible for coverage

- The WSIB does not extend coverage by application, under any circumstances, to;
- teams or individuals competing in sports
 - circuses
 - individuals who do stunts, including any actors or performers who do their own stunts

Notice: This document is intended to assist WSIB decision-makers in reaching consistent decisions in similar fact situations and to supplement applicable WSIB policies and guidelines as set out in the Operational Policy Manual (OPM). This document is **not a policy** and in the event of a conflict between this document and an OPM policy or guideline, the decision-maker will rely on the latter.

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B Key Changes

- ▶ Entertainment Industry
 - include/exclude all Actors & Performers
- ▶ Canceling EBA coverage
 - any time; processed by end of the month of received departure fee
- ▶ Flexibility in Schedule 1-2 Transfers
 - any time; calculated within 10 days of received departure fee

Applying for by Application coverage?

Applicants must complete and submit an Employer by Application (EBA) form (90C). This includes requests for coverage by EBA sole proprietorships / executive officers for Optional Insurance only accounts.

CHANGE

April 1, 2001

For EBA in the Entertainment Industry an Entertainment Industry (95C) form must be completed

Exceptions to Coverage

Entertainment Industry

Prior to 1995, the WSIB did not insure actors and other performers under any circumstances. In 1995, changes were made to the policy to extend insurance coverage to these individuals (except stunt performers).

CHANGE

April 1, 2001

While production and theatre companies are eligible for coverage by application, now they can exclude all of their actors and performers from Schedule 1 coverage

How this affects my role as.....

- Account Manager & Customer Service Representative

Review the returned EBA form 95C for completion and add a note to RESET under the notes category REG "coverage for actors" indicate whether all their actors or performers are included or excluded

- Adjudicator

In cases of injury verify coverage by checking RESET Notes under the Notes category REG "coverage for actors" or ask the AM / CSR to verify if coverage was in effect. If in effect contact the employer to verify whether the person did his or her own stunts.

NOTE: For instruction on how to access RESET Notes see Case Study # 3.

Covering part of an operation

While most employers' request by application coverage for the entire operation, they can cover part of an operation under Schedule 1 when:

- the business activity entering Schedule 1 is distinct from the rest of the operation
- the operation is situated at a different location from the rest of the operation
- each worker covered engages exclusively in that one business activity
- the business activity entering Schedule 1 is distinct from the rest of the operation
- the operation is situated at a different location from the rest of the operation
- each worker covered engages exclusively in that one business activity

Canceling Coverage

Previously, Employers by Application (EBA) were required to wait until December 31 for coverage to be cancelled and payment of a Departure Fee was not required prior to canceling coverage.

CHANGE

Jan. 1, 2001

Now, Employers by Application can meet the conditions for canceling Schedule 1

coverage at any time by;

- *sending in a written request,*
- *coverage will be cancelled the last day of the month in which a certified cheque for full payment of the Departure Fee is received.*

Departure Fees represent an employer's share of the unfunded liability.

There is no Departure Fee when:

- An employer elects and cancels coverage within the same calendar year.
- The EBA account contains Optional Insurance only.
- Employer's EBA account/CU is closed due to: bankruptcy, business discontinued, business sold, ceased employing, in receivership

Canceling Optional Insurance for Employers by Application

Optional Insurance coverage will cease the same date the Schedule 1 by application cancellation of coverage is met or if EBA coverage is continuing, the date the signed written request is received by the WSIB.

How this affects my role as....

► Account Analyst

- Calculate the Departure Fee for Industry Sector & Small Business employers
- Send a letter to the Industry Sector employers with the departure fee calculation
- Close and adjust the account/CU upon receipt of certified cheque
- Transfer the departure fee to the applicable General Ledger account

► Account Manager

- Contact the employer to emphasize the benefits of WSIB coverage
- Confirm employers eligibility to de-elect coverage

► Customer Service Representative

- Contact the employer to emphasize the benefits of WSIB coverage
- Confirm employers eligibility to de-elect coverage
- Send a letter to the employer with the departure fee calculation
- Close and adjust the account/CU upon receipt of certified cheque.
- Transfer the departure fee to the applicable General Ledger account

Benefit of changes for.....

► Adjudicators

Eliminates the need for claim transfers

► Account Managers and Customer Service Representatives

Eliminates the need for retroactive premium adjustments

Schedule 1-2 Flexibility

Schedule 2 employers can request a transfer to Schedule 1 (no Departure Fee). When an employer requested a transfer back to Schedule 2 we required them to wait until December 31 of that year in order to calculate the Departure Fee.

CHANGE

April 1, 2001

Now, they can transfer back to Schedule 2 at any time by;

► sending in a written request and

► coverage will be cancelled within 10 days of receiving a certified cheque for full payment of the provisional Departure Fee

The Account Analyst will calculate the final Departure Fee once the financial data for the closure year is received.

Optional Insurance in Schedule 1 to 2 transfers:

A consent form must be completed for continuance

How this affects my role as

► Account Analyst

Calculate a provisional Departure Fee
Transfer the account within 10 days of receiving the certified cheque for the provisional Departure Fee.

Transfer the departure fee to the applicable General Ledger account

Calculate a final departure Fee once the financial data for the closure year is received.

► Account Manager

Send a letter to the employer with the departure fee calculation

Employer responsibility

Premiums are charged up to and including the last date coverage is in effect (including the day WSIB receives full payment of the departure fee) or last day business employs workers
Employers will file a final reconciliation of their Schedule 1 account, when EBA coverage is cancelled and after they have transferred to Schedule 2.

Case Studies

1. Employer by Application Partial Coverage of an Operation

Example

An employer in the health & beauty industry 1) operates a health spa and 2) hair salon for clients. Neither operation is compulsorily covered. The employer wants Schedule 1 coverage for the hair salon operation, and wants to leave the health spa operation uncovered.

The WSIB considers these two operations distinct business activities and classifies them in different CUs (I-9799-00, Other Personal Services, and I-9711-099, Barber and Beauty Shops). The employer's workers for each operation are in different locations and the payroll for the salon is segregated (i.e. the workers in the health spa do not earn money from the hair salon).

Upon application, and receipt of all the necessary documentation, the WSIB allows the entry of the hair salon activity into Schedule 1.

2. Cancelling Employer by Application Coverage

Using the same example as in 1, the hair salon can initiate cancellation of their coverage at any time by sending in a written request. The Account Analyst will calculate the Departure Fee (if cancellation is requested outside of the elected calendar year). The Customer Service Representative will:

- confirm eligibility to de-elect coverage,
- contact the employer to emphasize the benefits of WSIB coverage,
- notify the employer in writing of the departure fee. If the employer chooses to continue with canceling coverage, they must send a certified cheque to the WSIB in the amount of the Departure Fee. The Customer Service Representative will close and adjust the account.

Schedule 1 coverage is effective up until and including the last day of the month the cheque is received in. Where the Departure fee is paid by certified cheque to the WSIB on the 9th of the month coverage would cease on the 31st in the same month.

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| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

3. Actor / Performer coverage in the Entertainment Industry

Example

An employer in the Entertainment industry can apply for Schedule 1 coverage for their actors/performers, however some actors/performers may engage in high-risk activities that require them to perform specially trained stunt work. The WSIB will deny their claim if they are injured.

In cases of injury with actors/performers confirm their coverage on RESET using the companies account or firm number.

NOTE: Where the actor/performer was involved in an activity not normally performed by the average person or people without special training and that if performed incorrectly would most likely result in bodily injury obtain information regarding their employment contract and the details of the accident.

Confirming Actor / performer coverage on RESET:

To access RESET

- On TPX from Main Menu select PRECICS
- Log on

On the RESET Main Menu

- type S beside Employer;
- On the Employer Menu type S beside Notes List,
- On Notes List screen Tab to *Note Category* field and type REG;
- Press F2 key,
- Locate note for the coverage of actors & performers, type S beside it to select and press Enter.

OR

Fastpath method

- On the RESET Main Menu
- On the Command Line type the fastpath code =EM,
- On Employer Menu command line type =NL,
- press Home key enter Employer's account number, press F10 key,
- Tab to Note Category field; type REG, press F2 key;
- Locate note for the coverage of actors & performers; type S to select and press Enter.

4. Changes to Schedule 1-2 Transfers

Example

The Municipality of Black Sandals, Ontario, is a Schedule 2 employer. They apply to transfer their account to Schedule 1 in January 2000. At year-end review they determine that it is not cost effective to have the account under Schedule 1.

Black Sandals contacts their Account Manager in writing on May 11, 2001 to transfer the account back to Schedule 2. The Account Manager sends a memo to the:

- Account Analyst who calculates a Provisional Departure Fee
- Sr. Schedule 2 Specialist to calculate the Working Capital deposit.

The Account Manager upon receiving the above calculations writes to Black Sandals on July 4, 2001 to advise of:

- the Provisional Departure Fee And Working Capital Cost required
- option of reinstating an account or opening a new one and
- includes a Schedule Transfer Request.

Black Sandals, Ontario returns the Scheduled Transfer Request requesting to reinstate their Schedule 2 account and a certified cheque for the required amount to the Account Analyst on July 9, 2001.

The Account Analyst then: closes Black Sandals Schedule 1 account effective July 19, 2001 (within 10 days.), transfers the Provisional Departure Fee to the general ledger account and their Schedule 2 account is reinstated July 20, 2001.

Black Sandals automatically receives a reconciliation for their Schedule 1 account at closure. The Account Analyst will calculate a final Departure Fee once the financial data for the year 2000 is received and the Schedule 2 Account Manger will send a letter with the final Departure Fee calculation to the municipality.

| SUN | MON | TUES | WED | THURS | FRI | SAT |
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