

When is the deadline date for returning completed forms?

To avoid penalties, please return the completed form by February 29, 2008:

Fax:

(204) 954-4900 or
toll free fax 1-866-245-0796
If you fax, please don't mail, but keep your fax transmission confirmation report.

Mail:

210-363 Broadway
Winnipeg, MB R3C 3N9

Drop Off:

210-363 Broadway
Reception Desk
Office Hours are
**8:30 am to 4:30 pm,
Monday to Friday**
(Phone service will be extended from 8:00 am to 5:00 pm on February 25, 26, 27, 28 & 29)

After Hours Drop Off:
Please use the WCB mail-slot at the back of 333 Broadway.

Please keep a copy of these forms for your records.

Employers can advise the WCB about a workplace injury by phoning in their report to **954-4100** or toll free **1-800-362-3340**.



www.wcb.mb.ca

This guide is to help you complete the enclosed 2007 Quarterly Reconciliation form which provides information the WCB needs on an annual basis to manage your account. You will find step by step instructions and examples of the type of information we need.

2007 Quarterly Reconciliation Form

**Maximum assessable earnings per worker
(excludes sole proprietors, partners and directors)**

- 2007 - \$71,000
- 2008 - \$77,000

Special Coverage for sole proprietors, partners and directors only (electives)

Minimum coverage amount available for purchase

- 2007 - \$18,301
- 2008 - \$18,934

There is no maximum coverage amount.

GENERAL INFORMATION

The Quarterly Reconciliation form will help you calculate your total 2007 assessable workers' earnings. This will allow you to determine if your firm correctly reported workers' earnings when you completed your quarterly remittances for 2007. The form, with the assistance of this guide, steps you through the calculation.

Filing Date

Your completed 2007 Quarterly Reconciliation form is due at the WCB by **February 29, 2008**.

Adjustments to your Account

After we have reviewed your 2007 Quarterly Reconciliation form, account adjustments, if necessary, will appear on your next account statement as a **2007 3rd quarter adjustment**.

Payment of Premium or Credits due to Reconciliation Adjustments

Unless you have received a statement indicating you have a current balance owing, it is not necessary to send payment at this time.

After the WCB receives your 2007 Quarterly Reconciliation form, an account statement will be mailed to you if your account is adjusted. That account statement will detail any new amounts owing along with the payment due date, or will reflect any credits which will be applied against your next amount due.

Please note that if an adjustment is not processed and/or your account balance is \$0 (zero), your next account statement will be mailed to you on March 31, 2008. At that time, you will be required to complete your 2008 1st quarter remittance and submit payment.

Why You Need To Complete A Quarterly Reconciliation Form

You may need to:

- Adjust your reported workers' earnings to account for items not known when your quarterly reports were due or were reported in error – for example:
 - ✓ Include year-end bonuses or taxable benefits calculated at year-end
 - ✓ Include assessable casual or contract labour
 - ✓ **Include earnings of family members. Coverage for family members paid by the firm became mandatory as of January 1, 2006.**
 - ✓ Remove earnings of uncovered individuals (electives) – i.e. directors, sole proprietors or partners
 - ✓ Remove the portion of earnings that exceed the maximum assessable earnings level per worker
 - ✓ Remove earnings that you report to other provinces
 - ✓ Adjust the allocation of indirect workers earnings. This applies to firms with more than one industry code only.
- Apply for new or renew special coverage for electives, including directors, sole proprietors and partners
- Advise of a change to your business operations such as ownership or type of business.

GETTING STARTED

Information to have on hand to complete the 2007 Quarterly Reconciliation Form:

- 2007 financial records, T-4s and T-4A summaries
- records of any amounts paid to contract, regular or casual labour in 2007
- this completion guide.

WHERE TO FIND IT

- | | |
|---|------------|
| • Completion Instructions | Page 2 & 3 |
| • Reporting Earnings for Multiple Classifications | Page 2 |
| • Sample Reconciliation Form | Page 4 |
| • Examples | Page 5 |

The following information was included with the WCB 2007 Quarterly Remittance Completion Guide sent in April 2007:

Reporting Guidelines

- Who is a worker for WCB purposes?
- Who is not a worker for WCB purposes?
- What are assessable earnings for WCB purposes?
- Are contract individuals/firms considered workers by the WCB?

If you no longer have a copy, you can access the guide online through our website at www.wcb.mb.ca under Publications.

COMPLETION INSTRUCTIONS

Calculating your 2007 Total Assessable Earnings

- A Total Gross T-4's and T-4A's** – Include the total gross employment income on all T-4 and T-4A summaries. **Please note that WCB coverage for family members that work for your firm is mandatory and you must report their earnings to the WCB.**
- B Casual Labour** – Include the gross earnings of any individuals you hired on a casual basis who were not issued a T-4 or T-4A.
- C Contract Workers** – Include only the labour portion of the total contract value. Normally, take the total contract value (excluding the GST) and multiply this figure by the appropriate labour percentage. You can find the schedule of labour percentages in the policy manual located on our website – www.wcb.mb.ca. Please refer to Policy 35.10.50 Independent Contractors and click on Schedule A in the attachments. If the contract earnings are already included in a T-4A reported on **LINE A**, do not include them on **LINE C**. If you are not sure if you are responsible to report on behalf of your contract labour, contact us at (204) 954-4988 or toll free within Canada at 1-800-362-3340.

Throughout the year, you can obtain a letter of clearance to verify that the subcontractors you use are registered and in good standing with the WCB through any of the following methods:

- Visit the [Online Directory](http://www.wcb.mb.ca) at www.wcb.mb.ca

- Use the **Automated Phone and Fax Back Service** (requires firm numbers) by calling 954-4988 in Winnipeg, or toll-free at 1-800-362-3340
- Register your own **Interactive Online List** by calling 954-4803 in Winnipeg, or 1-866-751-9245 toll-free.

- D 2007 Total Gross Earnings** – Add the amounts from **LINE A** to **C** and enter the total here.
- E Earnings of Electives** – Electives include directors, partners and sole proprietors. If included in the amount you reported on **LINE D**, report the earnings for these individuals on **LINE E**. Please note that effective 2006, coverage for family members that work for your firm is mandatory. Their earnings must be included in the assessable earnings you report to the WCB.

If you purchased Special Coverage for one or more of these electives in 2007, please refer to the section "Special Coverage Information" on page 3 of the guide.

- F Out of Province Workers' Earnings** – Report the earnings of workers residing **and** working exclusively outside Manitoba, regardless of registration in those jurisdictions, if you have included them in the amount you reported on **LINE D**. If you are registered with other Canadian WCBs, deduct the earnings reported to the other WCBs here. If you are not registered with other Canadian WCBs, make no deduction for out-of province earnings, unless you employ workers exclusively residing and working outside Manitoba.

- G Total** – Add the amounts from **LINE E** and **F** and enter the total here.
- H 2007 Total Gross Manitoba Earnings** – Subtract the amount in **LINE G** from **LINE D** and enter the difference here.
- I Excess Workers' Earnings** – Report earnings over the maximum 2007 assessable earnings of \$71,000 per worker. For example, report \$4,000 on **LINE I** for a worker who earned \$75,000 in 2007 (\$75,000 - 71,000 = 4,000). Excess earnings do not apply to contract labour unless the contractor can prove that they do not employ workers of their own.
- J 2007 Total Assessable Earnings** – Subtract the amount in **LINE I** from the amount in **LINE H** and enter the difference here. This amount should also be entered in **BOX 3** in the **Workers' Earnings Information** section below.

For firms with multiple industry codes (classifications), you may need to do an additional calculation to allocate "indirect workers' earnings" between your different industry codes. Workers' earnings are considered direct or indirect. Direct workers' earnings include the activities related to a specific industry code and are reported under that industry code. Indirect workers' earnings include the earnings of individuals not related to a specific industry code such as office staff, same sales, delivery, etc. Indirect earnings are pro-rated between the industry codes based on the percentage of direct earnings of each industry code. For additional information, see [Reporting Earnings for Multiple Classifications](#) below.

REPORTING EARNINGS FOR MULTIPLE CLASSIFICATIONS

If you have workers involved in more than one of your firm's industry codes, the following example shows you how to prorate their earnings.

A highway truck stop has both a restaurant and a garage that performs vehicle repairs. The mechanic's earnings of \$40,000 are reported under "Garage Service Station." The cook and serving personnel's earnings of \$60,000 are reported under "Restaurant, Catering." To report the \$20,000 earnings of a cashier/bookkeeper who is involved in both the garage and restaurant operations, follow these steps:

Step 1: Calculate percentage of direct earnings for each type of industry.

Percentage of direct workers' earnings associated with Garage, Service Station operations:

$$\frac{\$40,000}{\$100,000} = 40\%$$

Percentage of direct earnings associated with Restaurant, Catering operations:

$$\frac{\$60,000}{\$100,000} = 60\%$$

604-02	Garage Service Station	\$ 40,000	
701-06	Restaurant, Catering	60,000	
		\$100,000	= Total direct workers' earnings
	Cashier/Bookkeeper	\$ 20,000	= Indirect earnings
		\$120,000	= Total of all workers' earnings

Step 2: Multiply Indirect Earnings by the percentage of direct payroll for each industry.

$$\text{Garage, Service Station} \\ \$20,000 \times 40\% = \$8,000$$

$$\text{Restaurant, Catering} \\ \$20,000 \times 60\% = \$12,000$$

Step 3: Add that portion of Indirect Earnings to the corresponding direct payroll. Report the sum in **SECTION 3** on the 2007 Quarterly Reconciliation Form.

$$\text{Earnings to be reported under 604-02} = \\ \$40,000 + \$8,000 = \$48,000$$

$$\text{Earnings to be reported under 701-06} = \\ \$60,000 + \$12,000 = \$72,000$$

$$\text{Total of all workers earnings} = \$120,000$$

Summary: In this example, 40% of the cashier/bookkeeper salary is reported under Garage Service Station and 60% is reported under Restaurant Catering.

WORKERS' EARNINGS INFORMATION

3 Indicate the 2007 Total Assessable Earnings for each industry code listed. If your firm only has one industry code, the number entered in **BOX 3** should match the number entered on **LINE J**.

4 Report the difference, if any, between the 2007 Total Reported Earnings shown in **BOX 2** and the 2007 Total Assessable Earnings you have entered in **BOX 3**. If a difference exists, we will make the appropriate adjustments to balance your account.

5 Indicate the number of hours worked in 2007. Hours worked are the total number of hours your workers have been exposed to workplace risks during 2007. This information is used to calculate injury frequency and severity rates.

For workers paid on an hourly basis, this amount is the number of hours actually worked by your employees. If workers receive overtime pay, the WCB needs to know the hours worked, not the hours paid. For example, a worker with two hours of overtime may be paid the equivalent of three hours, at a rate of time and one-half. In this case, two hours are used in reporting the hours worked to the WCB.

Stand-by hours should only be included if the employee actually works, and only the hours worked. Some employers agree to pay a minimum of 4 hours for a "callout" while the actual time worked plus travel time is 2.5 hours. In this case, 2.5 hours should be reported, not the 4 hours paid.

Workers whose hours are not defined include salaried employees, commissioned sales personnel, piece-workers, roofers and flooring installers paid by the square metre; window washers paid by contract; or drivers who are paid by distance. In these scenarios, you need to report the actual number of hours required to actually accomplish the work.

Hours worked should **not include vacation, severance or sick days paid; nor should you include time loss days paid by the WCB or Manitoba Public Insurance in the figure you report. Only the number of hours actually worked should be reported.**

SPECIAL COVERAGE INFORMATION

Special Coverage is optional insurance for individuals not covered by *The Workers Compensation Act*. These "electives" include sole proprietors, partners and corporate directors. Complete this section if you had Special Coverage in 2007 or are applying for Special Coverage in 2008.

Purchasing Special Coverage means that the insured will be eligible for WCB benefits and services in the event of a workplace injury or occupational disease.

Please note that *The Workers Compensation Act* automatically protects corporate directors, sole proprietors and partners from legal action brought by a covered worker in relation to a compensable incident that occurs in Manitoba. It is not necessary to purchase Special Coverage to obtain this protection.

6, 7 and **8** Record of individuals with Special Coverage in 2007. For any new Special Coverage application in 2008, indicate the full legal name of the individual.

9 Record of the type of Special Coverage purchased. For new Special Coverage applications, indicate whether the individual applying for coverage is a sole proprietor (SLP), partner (PAR) or director listed in the firm's corporate articles (DIR).

10 Indicate the 2007 actual earnings for each individual listed in **BOXES 6 to 9**. Do not complete this section for new applications for Special Coverage.

After completing **BOX 10**, the total earnings for all individuals with Special Coverage reported in **BOX 10** should be transferred to **BOX 3** under the Industry Code Description "Special Coverage."

The WCB considers the following as earnings for sole proprietors, partners and directors:

- Payrolled or T-4'd earnings included in financial statements
- Net business income or loss before taxes plus depreciation, amortization and charitable donations. Note: For directors with greater than or equal to 50% of the shares or partners in a business, apply your ownership percentage to this amount and add any T4 earnings for the individual. For directors who are less than 50% shareholders, only the T-4 earnings are considered.

NOTE: For SLP, PAR and DIR Special Coverage only, do not enter an amount that exceeds the 2007 requested coverage level for each individual.

11 Indicate the requested 2008 coverage amount for each individual listed in **BOXES 6 to 9**. The amount applied for cannot be less than the 2008 minimum of \$18,934. There is no maximum coverage amount.

To assist you in determining the coverage level to apply for in 2008 and information about benefit entitlement in the event of work-related injury, you can find the following WCB Fact Sheets on our website at www.wcb.mb.ca or phone to request a copy:

- Special Coverage in Construction, Transportation and Logging Industries

- Special Coverage (Excluding Construction, Transportation and Logging Industries)
- Special Coverage for Farmers

Special Coverage, when approved for the first time, is effective on the day the WCB receives the information. The level of Special Coverage requested will be prorated based on the number of days remaining in the calendar year.

To cancel Special Coverage for an individual listed in **BOXES 6 to 9**, indicate zero (0) in **BOX 11**.

12 and **13** Complete these sections only if you are no longer employing, or are not planning to employ, in 2008.

14 Please indicate your 9-digit Business Number (BN). The WCB collects information in order to administer and manage employer files. The WCB may use collected information in an electronic business information system, which may be shared with other public bodies. Information is collected under the authority of *The Workers Compensation Act*. If you have any questions regarding the collection, use or disclosure of your information, please contact us at **954-4567**.

CONTACT INFORMATION

15 If the information on the 2007 Quarterly Reconciliation form is not clear to us, we need to know who to contact to obtain additional information. The information we have about your firm's contact person has been preprinted on the form. If **BOX 15** is blank, or the contact person has changed, indicate the name and the additional information requested for the current contact person.

16 Once signed, you have certified that all of the information given on the 2007 Quarterly Reconciliation Form you are submitting is true and correct.

1 1.
 ABC COMPANY LTD
 456 BUILDERS RD.
 RIGHHERE, MB R3T 2E2

Firm Number: **123456-7**

**2007 Quarterly Reconciliation
 Due Date: February 29, 2008**

Please calculate your annual 2007 assessable worker's earnings and compare it to the total you reported for the four quarters.

Add:	Total Gross T-4'S (T-4 Summary) and T4A (T-4A Summary)	A	<u>1,783,288</u>
	Casual Labour (without a T4)	B	<u>500</u>
	Contract Workers	C	<u>78,456</u>
	2007 TOTAL GROSS EARNINGS (A plus B plus C):	D	<u><u>1,862,244</u></u>
Deduct the following items if included in (D) above			
Less:	Earnings of "Electives" - refer to Line E in guide ..	E	<u>50,000</u>
	Out-Of-Province Workers' Earnings	F	<u>7,520</u>
	Total (E plus F)	G	<u>57,520 >>></u>
	2007 TOTAL GROSS MANITOBA EARNINGS (D minus G):	H	<u>1,804,724</u>
Less:	Excess Workers' Earnings	I	<u>(8,756)</u>
	2007 TOTAL ASSESSABLE EARNINGS (H minus I):	J	<u>1,795,968 *</u>

* Enter in **BOX 3** below if one industry code.
 If multiple industry codes, see **LINE J** of Completion Guide.

Workers' Earnings Information:

Industry Code	Industry Code Description	2007 Rate	2 2. 2007 Total Reported Earnings	3 3. 2007 Total Assessable Earnings *	4 4. Difference (Box 3 minus Box 2)	5 5. 2007 Hours Worked
401-01	Special Coverage	5.19	50,000	50,000	0	
401-02	Bldg. Construction	5.19	1,801,988	1,795,968	(6,020)	124,680

Special Coverage Information: (Voluntary Coverage, attach separate list, if insufficient space)

Industry Code	6 6. Surname	7 7. First Name	8 8. Initial	9 9. Coverage Type	10 10. 2007 Actual Earnings	11 11. 2008 Requested Coverage
401-01	Doe	Steve	R	DIR	50,000	75,000

12 Date Sold/Discontinued Employing: _____ (Leave blank if seasonal)

13 Name and Address of Purchaser: _____

14 Business Number (BN): 987654321

15 Contact Information: (Indicate any changes, if applicable)

Name: Allyson Smith Phone: 123-4567 Fax: 765-4321

Cell: 333-3333 Email: asmith abc.ca

16 I hereby certify the information on this report is true and correct:

Date	Authorized Signature	Print Name	Position
Feb 23/08	<i>Allyson Smith</i>	Allyson Smith	Controller

EXAMPLES REGARDING 2007 QUARTERLY RECONCILIATION

LINES A through J

- A** ABC Company Ltd's T4 Summary showed total employment income of \$1,783,288. The firm only had one summary and did not issue any T-4A's.
- B** The firm occasionally hired some neighbourhood teenagers to clean up their shop and yard area. According to their Casual Labour General Ledger Account, these earnings totalled \$500.
- C** The firm used various contractors on projects last year. Based on their clearance requests, they know who they are responsible to cover for WCB purposes. The firm takes the total contract price for these workers from their Contract Labour Expense Account. Because this account does not include GST, the firm multiplied the contract labour amount by the applicable labour percentage. This percentage varied depending on the type of work and materials supplied. These calculations resulted in the assessable contract labour amount of \$78,456.
- D** ABC Company Ltd's 2007 total gross earnings from **LINES A** to **C** totalled \$1,862,244.
- E** Steve Doe is a director of ABC Company Ltd and received a T4 totalling \$50,000. Therefore, his earnings were included in the amounts reported on LINE A. We want to remove the earnings of Steve Doe because, even though he received a T4, his earnings should be removed from earnings of the regular workers.
- Note that Steve Doe had purchased Special Coverage in 2007. Steve Doe's earnings will be accounted for in the Special Coverage Information section in **BOXES 10 & 11**.
- F** The firm worked in Saskatchewan and was registered with the WCB in that province. Therefore, deduct the amount reported to the Saskatchewan WCB. According to Job Cost Reports, this labour totalled \$7,520.
- G** ABC Company Ltd's deductions from **LINES E** and **F** total \$57,520.
- H** The firm's 2007 Total Gross Manitoba Earnings amounted to \$1,804,724 (\$1,862,244 - \$57,520).
- I** There were five salaried people who earned more than the Manitoba maximum of \$71,000 in 2007. Their combined earnings were \$363,756. Therefore, the excess earnings are \$8,756 = \$363,756 - (5 X \$71,000).
- J** ABC Company Ltd's 2007 Total Assessable Earnings amount to \$1,795,968 (\$1,804,724 - \$8,756).

WORKERS' EARNINGS INFORMATION

BOXES 3 & 4

As **BOX 2, 2007 Total Reported Earnings** and **BOX 3, 2007 Total Assessable Earnings** are different, complete **BOX 4, Difference**. In our example, the firm reported earnings for the director, Steve Doe, accurately under the Special Coverage industry code 401-01. However, they had not deducted the out-of-province earnings under the Building Construction industry code, 401-02.

BOX 5

2007 Hours Worked - This was taken from the year-end payroll summary records (hours paid), plus the year-end contract workers' accounts payable worksheet (assuming a 40 hour work week), less hours worked by the individual with Special Coverage (already reported.) This calculation resulted in a total of 124,680, regardless of the 2007 earnings.

SPECIAL COVERAGE INFORMATION

SECTIONS 10 & 11

- Steve Doe is a director of ABC Company Ltd and also owns 25% of the shares in the company. Because he owns less than 50% of the company, he only needs to report his T4 income in this section and not his share of the net business income or loss. Therefore, the firm should report \$50,000 in T4 income in **BOX 10** for Steve Doe. This amount is also recorded in **BOX 4** of the **WORKERS EARNINGS INFORMATION** section under the Special Coverage industry code 401-01. In 2008, Steve can apply for Special Coverage on any amount including or above the 2008 minimum of \$18,934.

Questions?

Call (204) 954-4567 or toll free 1-800-362-3340, Ext. 4567 between 8:30 am and 4:30 pm and our staff will be pleased to help.