

Client Services Policy Manual

Policy Number: ES-04
Subject: Deferred Payment of Assessment
Chapter: Employer Services

Definitions

Payroll Statements: Employer annual report to WorkplaceNL regarding prior year payroll, current year estimate, contractor and occupational health and safety information.

Prior Year Adjustments: Any assessments or adjustments that relate to a year prior to the current year, regardless of the type of transaction. Examples include payroll, audit and PRIME adjustments, interest and penalties.

Current Year Assessment: Payroll assessment and levy transactions related to the current year estimate and estimate updates.

Optional Personal Coverage: A type of coverage that can be purchased by individuals who do not have mandatory coverage. See Policy ES-01 Optional Coverage for more information.

Clearance: An employer is in good standing and has met the reporting and payment requirements of the Workplace Health, Safety and Compensation Act, 2022.

Policy Statement

Deferred payment arrangements may be set up as interest-free or interest-bearing for employers to pay their current year assessment account depending on the account and balance due.

1. Deferred Interest-Free Payment Arrangement

Employers may be permitted to pay their current year assessment on a deferred, interest-free payment arrangement. To be eligible to pay by a deferred, interest-free payment arrangement, employers must have:

- Submitted payroll statements with the required information for all years;
- Had an annual assessment of \$50 or more;
- Provided a reasonable estimate of payroll for the current year;
- Paid all prior year adjustments in full within 30 days of the invoice date; and
- Payments made by pre-authorized debit.

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Reasonable Estimate

A reasonable estimate of payroll must be provided for the full year in order to qualify for a deferred, interest-free payment arrangement. A reasonable estimate is defined as being at least equal to the prior year's actual payroll reported or the average of the three previous years. The employer may be required to demonstrate to WorkplaceNL's satisfaction why the payroll has changed if the estimate differs from these requirements.

Payroll Adjustments

Employers must advise WorkplaceNL of a change in circumstances and update their payroll estimate accordingly. A recalculation of payments will be made where the payroll estimate is revised throughout the year, and the amounts for the remaining payments will be adjusted accordingly.

Payment Frequencies

For all employers who meet the requirements listed above, deferred payments may be made from April 1 to December 31 as:

- Quarterly – four equal payments in April, June, September and December;
- Monthly – every month on the same date;
- Semi-monthly – twice monthly on the same dates each month, with the first payment between April 1 and April 15;
- Bi-weekly – every two weeks on the same day, with the first payment between April 1 and April 14; or
- Weekly – every week on the same day, with the first payment between April 1 and April 7.

Deferred interest-free payments for current year assessments are required to start by April; however, an employer can request to start their payments earlier in the calendar year. In this case, equal payments may be made from January to December.

No interest will be charged from April 1 to December 31 if the employer avails of and complies with the agreed upon payment schedule.

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Employers who default on any payment in this schedule will be charged interest monthly. The interest will be on the full outstanding balance until such time as any missed payments, interest and Non-Sufficient Funds (NSF) fees have been paid, and the account is again on track with the payment schedule.

WorkplaceNL may start collection action if an employer fails to meet the payment schedule.

Optional Personal Coverage

Individuals, who purchase Optional Personal Coverage according to Policy ES-01 Optional Coverage, have the option to pay using a deferred, interest-free payment arrangement via preauthorized debit. This payment arrangement will take the first payment on the day after the coverage is in place and each month thereafter, provided there is coverage for the month. Otherwise, payment is due in full at the time of the coverage.

Optional Personal Coverage accounts that default on any payments will have the coverage cancelled as of the start of the coverage period of the failed payment.

Clearance

Accounts paying using a deferred, interest-free payment arrangement can obtain clearance for ongoing work.

Clearance will not be issued for the sale of a business or assets with a deferred, interest-free payment arrangement, as payment is required up front to ensure there is no lien on the assets being sold. Clearance may be issued for financing transactions if a deferred, interest-free payment arrangement is in place.

2. Deferred Interest-Bearing Payment Arrangements

Employers may pay their accounts using a deferred, interest-bearing payment arrangement if they are unable to comply with the requirements of an interest-free payment arrangement.

Accounts with an interest-bearing payment arrangement do not qualify for clearance and will have interest charges monthly on the outstanding balance. These arrangements are set up as a part of the collection process. Legal action

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may still be taken to secure WorkplaceNL's lien. See Procedure 602.00 Collection and Legal Process.

Reference:

Workplace Health, Safety and Compensation Act, 2022, sections 120, 121, 139 and 147(1)(b)

Workplace Health, Safety and Compensation Regulations, 2023, sections 14 and 15

Policy ES-16 Clearance

Policy ES-01 Optional Coverage

Procedure 601.00 Payment of Account

Procedure 602.00 Collection and Legal Process

Amendment History

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