

Client Services Procedure Manual

Procedure: 301.00
Subject: Employer Classification

301.01 Introduction

This procedure is the administrative guideline supporting Policy ES-03, Classification of Employer's Operations, which outlines the Newfoundland Industrial Classification (NIC) Code Classification System used by WorkplaceNL. WorkplaceNL annually publishes the Classification of Industries and Assessment Rates manual, which can be found on WorkplaceNL's website at workplaceni.ca

301.02 Classifying an Employer's Business

Employers are classified by the industry or industries in which they are operating, represented by NIC codes. This classification encompasses all work incidental to the production of goods and services provided. Incidental is where an operation, regardless of whether separated by location or payroll, exists to service the primary industry of the employer. Separate NIC codes are not permitted if the operation or activity is a supportive, inescapable or an ancillary part of the employer's main industry.

When assigning a NIC code, WorkplaceNL may consider, among other factors:

- the type of service or product provided;
- processes and equipment used; and
- industry competitors.

Employers should provide as much information as possible when providing an industry description, to ensure a fair and accurate classification. Occupations of individual workers may be reviewed when assigning the classification, but only as an indicator of the type of industry. An employer can contract out parts of an industry and still be classified within that industry. Correct classification of an employer's account is vital to maintain the credibility of the classification system.

When an employer undertakes a special project or an additional undertaking that is not part of its normal business activities, it must inform WorkplaceNL. If the current assessment rate does not provide adequate coverage for the workers, a multi-classification may be assigned. Additional information regarding multi-classification can be found in Policy ES-03.

301.03 Changes in Classification

Annually, WorkplaceNL provides notification to employers of their business description, NIC code and assessment rate through an Assessment Rate Notification letter and an Annual Employer Statements package. Employers are responsible for notifying WorkplaceNL of any changes, additions, or discontinued business activities for classification review purposes.

There are several sources for a classification review:

- the employer provides information on changes, additions or discontinued business activities;
- a written request from the employer;
- information collected by a WorkplaceNL auditor during the course of an audit;
- WorkplaceNL may identify an employer that appears to be incorrectly classified; or
- WorkplaceNL may change the structure of the classification system.

WorkplaceNL reviews all classification review requests. An audit of the employer's account may be required to collect additional information about an employer's business activities. Once a decision is made regarding a classification change it is communicated to the employer in writing. The effective date of any classification change resulting in an increase or decrease in assessment rate is outlined in Policy ES-03.

If the employer disagrees with a classification decision, the employer may seek a review of the decision, subject to WorkplaceNL's internal review process. The internal review process is outlined in Policy AP-01, Internal Review. Policy AP-01 and the Request for Internal Review form are available on WorkplaceNL's website at workplacnl.ca.

Reference: Workplace Health, Safety and Compensation Act, Sections 19, 94, 95 and 97
Policies: ES-03, Classification of Employer's Operations
ES-08, Rate Setting

Amendment History

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