

Client Services Procedure Manual

Procedure: 401.00
Subject: Assessment Reporting

401.01 Introduction

This procedure outlines the common assessment reporting requirements for employers under the Workplace Health, Safety and Compensation Act (the Act) and the Workplace Health, Safety and Compensation Regulations (the Regulations).

401.02 Annual Reporting

Annual reporting assists WorkplaceNL in maintaining accurate information and assessments for each employer. Employers are required under the Act to complete the Annual Employer Statements, which consist of the following three statements:

1. Employer Payroll Statement

This statement is used to:

- report actual, assessable earnings for the previous year;
- provide an estimate of assessable earnings for the current year;
- identify whether or not the firm hired contractors and/or will hire contractors;
- determine eligibility for PRIME refunds; and
- identify changes in business information.

2. Employer Contractor Statement

This statement is used to report, for each contractor, its:

- name;
- mailing address and telephone number;
- type of work performed; and
- the total contract value, with the labour portion specified.

3. Occupational Health and Safety Statement(s)

This statement is used to:

- identify information about the firm's work sites;
- monitor compliance with occupational health and safety legislative requirements in Newfoundland and Labrador; and
- verify the firm's entitlement to PRIME refunds.

In order to avoid late reporting penalties and be considered for PRIME refunds, if eligible, all statements must be returned to WorkplaceNL or submitted online by February 28 each year. Additional information regarding PRIME can be found in Policy PR-01, PRIME Overview.

Fishing and Forestry Industries

For firms in the Fishing and Forestry industries, reporting requirements vary, as quarterly reports are required from fish buyers and timber harvesters. Please refer to procedures 404.00, The Fishing Industry and 405.00, The Logging Industry for additional information regarding coverage and reporting requirements for employers engaged in Forestry and Fishing. Section 404.04 below addresses late reporting penalties for employers that report quarterly.

401.03 Payroll Estimates

Employers are required to provide a payroll estimate on the Employer Payroll Statement, which accurately reflects business activity for the entire year. Periodic updating of payroll as incurred is not permitted and the estimate must be reasonable.

Reasonable Estimates

A reasonable estimate is defined as being at least equal to the prior year's actual payroll reported, or the average of the three years prior. If the estimate differs from these requirements, the firm may be required to demonstrate to WorkplaceNL's satisfaction why the estimate is lower, before qualifying for a deferred payment arrangement or clearance.

Additional information regarding deferred payment arrangements and clearance can be found in Policy ES-04, Deferred Payment of Assessments and Procedure 601.00, Payment of Account.

Revisions to Estimates

For various reasons, payroll estimates may change during the year. Examples of these situations may include: the hiring of additional workers, the layoff of workers or an extension to the duration of the workers' employment, etc.

If the payroll estimate changes during the year for any reason, the employer is required to adjust the estimate as necessary by contacting WorkplaceNL in writing within 10 days of the change. A reduction in an estimate may require an explanation in order to continue with a deferred interest-free payment plan. An underestimating penalty is charged on accounts where the actual payroll, when reported, is 125 per cent greater than the estimate. The underestimating penalty is explained below in Section 404.04.

Provisional Payroll Estimate

If an employer does not submit an Employer Payroll Statement by the date required, WorkplaceNL will levy an estimated assessment for the current assessment year (i.e., a provisional payroll estimate).

The provisional payroll estimate for the current assessment year is calculated at 150 per cent of prior year payroll on file.

This provisional payroll assessment will be invoiced to the employer and is payable in the same manner as assessments based on payroll estimates provided by the employer. The transaction will appear on the employer's account as "Estimated by WorkplaceNL".

The provisional payroll estimate will only be revised once the employer contacts WorkplaceNL and submits a completed Employer Payroll Statement. However if the account is in the stages of legal action, an audit may be required to revise the provisional estimate for accuracy of assessment.

401.04 Registration and Reporting Penalties

All employers are required under the Act and the Regulations to not only register with WorkplaceNL and pay assessments in a timely manner, but to also adhere to the above reporting requirements. Failure to register and report both a reasonable estimate of payroll for the current year and actual payroll for the prior year will result in various penalties, which may be compounded and retroactive (for as many as six years).

In addition to any interest applicable to overdue accounts, employers may be subject to one or more of the following registration and reporting penalties, described below:

- late registration penalty;
- delay in reporting penalty (applicable to employers required to report annually);
- late reporting penalty (applicable to those employers in the Fish Buying and Timber Harvesting Industries, required to report quarterly); and
- underestimating penalty.

Late Registration Penalty

All employers are required by law to register with WorkplaceNL and pay assessments based on workers’ earnings. Failure to register will result in a penalty that can range from a minimum of \$50 to a maximum of \$2,000, per assessment year, depending on the assessment amount for each year, as outlined in the table below. An employer will also be required to pay assessments for the years the business operated but was not registered.

Delay in Reporting Penalty (employers assessed annually)

Annual Employer Statements are due February 28 each year. Delay in reporting penalties, under Section 25 of the Regulations, can range from a minimum of \$50 to a maximum of \$2,000 per year, in accordance with the following table:

Late Registration and Delay in Reporting Penalties	
Annual Assessment Amount	Penalty (per year)
\$50 - \$999	\$50
\$1,000 - \$4,999	\$100
\$5,000 - \$49,999	\$500
\$50,000 - \$99,999	\$1,000
\$100,000 – and over	\$2,000

Failure to complete and submit these forms on time will result in forfeiture of potential PRIME refunds and the firm will be charged a delay in reporting penalty. However, any potential charges for PRIME will still be applied to the employer’s account.

Late Reporting Penalty
(Fish Buying or Timber Harvesting Employers assessed quarterly)

Employers involved in either fish buying or timber harvesting must report quarterly. Failure to meet the quarterly reporting deadlines will result in quarterly late reporting penalties, in accordance with the table below:

Late Reporting Penalties	
Quarterly Assessment Amount	Penalty (per quarter)
\$12.50 - \$249.99	\$12.50
\$250.00 - \$1,249.99	\$25.00
\$1,250.00 - \$12,499.99	\$125.00
\$12,500.000 - \$24,499.99	\$250.00
\$25,000.00 and over	\$500.00

In addition to the above penalties, timber harvesting employers that do not complete and submit these forms on time will forfeit any potential PRIME refunds, and any potential charges for PRIME will still be applied to the employer’s account.

Please refer to procedures 404.00 and 405.00, for additional information regarding coverage and reporting requirements for employers engaged in fish buying and timber harvesting, respectively.

Under Estimating Penalty

An underestimating penalty will be charged if the actual earnings reported for the prior year are 25 per cent more than the estimate. This penalty is calculated by subtracting 125 per cent of estimated earnings from the actual earnings and multiplying by the assessment rate for the assessment year. The penalty will be 10 per cent of that assessment.

Example:

A firm is assigned a rate of \$2.75 per \$100 of assessable payroll. The firm provides a \$100,000 estimate and does not update its estimate throughout the year. When the firm completes the Employer Payroll Statement it reports actual payroll of \$230,000, which is more than 25 per cent greater than the estimate. The penalty is calculated as follows:

$$[(\text{assessment based on employer's actual payroll}) - (\text{assessment based on employer's payroll estimate} \times 125\%)] \times 10\%$$

Assessment based on firm’s actual payroll	$\$230,000 \times \$2.75/\$100 =$	\$6,325.00
Assessment based on payroll estimate + 25%	$\$100,000 \times 125\% \times \$2.75/\$100 =$	\$3,437.50
Actual assessment less estimated assessment		\$2,887.50
Underestimating Penalty	$\$2,887.50 \times 10\% =$	\$288.75

In this example the employer would be charged a \$288.75 underestimating penalty in addition to the assessments due on the amount of payroll over \$100,000.

401.06 Remitting Payment

Firms will receive an invoice when the Employer Payroll Statement is processed, or when adjustments are made to its accounts. Current year assessments are due within thirty days of the invoice date. Employers may contact WorkplaceNL to discuss deferred payment arrangements to pay their current year assessment. More information on paying an account can be found in Procedure 601.00 and Policy ES-04.

401.07 Updating Account Information

It is important for WorkplaceNL to maintain accurate information about each firm in order to calculate fair and accurate assessment rates, and to communicate with employers about issues and opportunities that affect their firm. Firms are required by law to notify WorkplaceNL of any changes, including but not limited to the following:

- payroll adjustments;
- business activities that may affect classification and/or the base rate;
- restructuring: if the business has incorporated, ceased to be incorporated or restructured in any way, it may affect reporting requirements;
- contact information and staff turnover: addresses and telephone numbers and/or staff contacts ensure that WorkplaceNL can keep employers informed about their accounts;

When employees leave the organization, the name of any new contact should be communicated to WorkplaceNL and the former contact removed. Otherwise, former staff can continue to access or obtain information on the firm's account.

Monthly Claim Cost reports are available online to firms that are registered for WorkplaceNL's online web services – **connect**. This is the most convenient and direct means of accessing these reports. If not registered for **connect**, a firm can complete and return a **connect** Application for Employers and an Authorization – Claim Cost Contact form to WorkplaceNL in order to receive these reports online.

Both the **connect** Application for Employers and the Authorization - Claim Cost Contact form are available on WorkplaceNL's website at workplacenl.ca.

- Closing of business and/or change of ownership: if the business has been purchased or transferred to a new owner, or has ceased operations, WorkplaceNL should be notified in order to keep accounts up to date; and
- Director information: accurate mailing addresses, telephone numbers and active or inactive status ensures WorkplaceNL can keep directors informed about their accounts in the case of legal action.

Reference: Workplace Health, Safety and Compensation Act, Section 101 and 125
Workplace Health, Safety and Compensation Regulations 25(3) and 26
Policies: ES-04, Deferred Payment of Assessments
PR-01, PRIME Overview
Procedures: 404.00, The Fishing Industry
405.00, The Logging Industry
601.00, Payment of Account

Amendment History

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