

Client Services Procedure Manual

Procedure: 406.00
Subject: Trucking, Bussing and Courier Industries

406.01 Introduction

This procedure explains the options available to employers operating in Newfoundland and Labrador in the trucking, bussing and courier industries. Registration and reporting requirements for these industries differ from other industries in that the worker may own the equipment (e.g. vehicle), resulting in a broker arrangement, and the work may be carried on outside Newfoundland and Labrador.

406.02 Definitions

Interjurisdictional Agreement (IJA): is an agreement between Canadian provincial and territorial Workers Compensation Boards in which they act together in assisting employers and employees who perform work in two or more jurisdictions. Under the IJA employers should not pay assessments twice for the same payroll; and injured workers may receive services in their own province or territory, even if they were injured and filed a claim elsewhere.

Alternative Assessment Procedure (AAP) for Interjurisdictional Trucking and Transport Industries: is an assessment procedure that interprovincial trucking or transport firms have the option of participating in. AAP is available to firms engaged in the following interjurisdictional trucking and transport industries:

- truck transport;
- trucking industry (general freight);
- used goods moving and storage industry;
- charter and sightseeing bus services; and
- interurban and rural transit systems industry.

Under the AAP employers pay assessments to the workers' compensation board in the provinces/territories where their workers reside, rather than paying assessments to all Canadian jurisdictions that its workers travel in or through.

Assessing Board: the workers' compensation board in the province/territory where the worker resides and the employer pays assessments to, under the AAP.

Registering Board: the workers' compensation board(s), other than the assessing board, in the province/territory that the employer operates or travels through. The employer does not report worker earnings or pay premiums to the provinces/territories where it elects to participate in the AAP.

Owner/Operator: a person who drives under contract and who owns their own vehicle or leases a vehicle. They may be incorporated or non-incorporated and they may work alone or employ workers.

Independent Operator: a non-incorporated, self-employed individual who does not employ workers and is not required to obtain coverage from and pay assessments to WorkplaceNL under the

Workplace Health, Safety and Compensation Act (the Act). The independent operator may however opt to purchase Optional Personal Coverage. More information on independent operator determinations can be found in Procedure 102.00, Independent Operator Determination.

406.03 Contracting Services

It is common for trucking and courier companies to contract services. Contracted trucking and courier services have different registration requirements, based on whether they are incorporated businesses or not. See Procedure 403.00, Hiring a Contractor, for more information on hiring contractors.

Registration is compulsory for the contractor if they are:

- (a) Incorporated, with or without workers: coverage applies to the owner/operator and any worker of the incorporated company.
- (b) Non-incorporated and employing workers: coverage applies to the workers only. Coverage under the Act for the owner/operator is not mandatory, but they may obtain Optional Personal Coverage. Optional Personal Coverage obtained by Newfoundland and Labrador based owners/operators will extend to other jurisdictions, providing there is no entitlement to benefits in the jurisdiction where an injury occurs.

Registration is not compulsory for the contractor if they are:

- (c) Non-incorporated owners/operators without workers: when a truck transport or courier company contracts with a non-incorporated broker who does not employ workers, coverage will be in effect in one of the following ways:
 - the broker may apply to WorkplaceNL for Optional Personal Coverage; or
 - the broker may be deemed to be a “worker” of the principal.

If optional personal coverage is in effect for the broker, the principal is not responsible for paying assessments related to the broker, but is required to report the contract on the Annual Contractor Statement. In the event of a workplace injury, claim costs related to the broker will not be applied to the principal's claim costs.

If Optional Personal Coverage is not in effect for the broker, WorkplaceNL will automatically deem the broker to be a worker of the principal. Assessments based on 30 per cent of the total contract value will be charged to the principal; however the principal may withhold or deduct from the broker the amount paid to WorkplaceNL in relation to the assessment for that broker. In the event of a workplace injury, claim costs related to the broker will be applied to the principal's claim costs.

406.04 Reporting Assessable Earnings for the Trucking and Bussing Industries

Trucking and bussing employers who operate solely in Newfoundland and Labrador must report all assessable earnings to WorkplaceNL. However, trucking and bussing employers who have workers that travel between provinces/territories have the option to either:

- participate in the AAP for Interjurisdictional Trucking and Transport and only pay premiums to the workers' compensation board in the provinces/territories where the driver(s) reside; or
- use the prorating method and pay the assessing board assessments, based on kilometres driven in each jurisdiction.

AAP for Interjurisdictional Trucking and Transport Industries

Generally, every workers' compensation board in Canada requires an out-of-province employer to register and pay premiums for each worker who travels in their province or territory.

The AAP is designed to simplify payment of assessments for interjurisdictional trucking and transport firms. Under the AAP, the rights, benefits and protection that employers and workers receive in each province or territory remain the same, but the payment of premiums is simplified.

An eligible worker under the AAP is one who works in more than one jurisdiction and has workers' compensation coverage from one board for work performed anywhere in Canada. When a trucking or bussing employer registers for the AAP with WorkplaceNL, it will register for workers' compensation coverage in each province or territory where it operates or has workers, but will pay premiums for eligible workers only in the jurisdiction(s) where its workers live and usually work.

In order to apply for the AAP, trucking and bussing employers must complete the Application for Alternate Assessment Procedure for Interjurisdictional Trucking and Transport. This document will be mailed out once the employer registers, or it can be requested from WorkplaceNL. Within the application, all the jurisdictions where the company drivers reside and all those through which they drive through are to be identified. WorkplaceNL will be the assessing board for the workers that live and normally work in Newfoundland and Labrador. This means that those employers will continue to report payroll and remit assessments to WorkplaceNL for those workers.

WorkplaceNL will notify all of the other worker's compensation boards in the provinces and territories where the workers drive (but do not reside in), of the employer's participation in the AAP. It is the employer's responsibility to register, where required, in those provinces or territories.

If the employer employs workers who live and usually work in another province or territory, it will need to contact the workers' compensation authority in that jurisdiction to determine its registration requirements.

In the event of a work-related injury, the worker can elect to claim benefits in the province/territory of residence, or the province/territory in which the injury occurred. All costs for the injury will be forwarded to the assessing board for payment.

A trucking or transport employer that has chosen to be assessed under the AAP will continue to use this method until they choose to terminate their participation. Participation in the AAP is for a full calendar year and mid-year changes will not be permitted. To withdraw from the AAP, an employer must provide written notice to the assessing board and each registering board prior to the commencement of the applicable calendar year. The employer will then be withdrawn from the AAP effective January 1 of the next calendar year.

Prorating Method (Trucking Industry only)

If a trucking company does not participate in the AAP, the prorating method will be used to determine the amount of assessments to be paid to WorkplaceNL. Under this method, all employers operating inter-provincially in the trucking industry must register and pay assessments on earnings (up to the maximum assessable earnings for the year), based on mileage travelled in Newfoundland and Labrador as a proportion of total mileage.

Within Canada, in accordance with the IJA, the employer may be required to register, report and pay assessments in the jurisdiction(s) where they are operating. The employer is responsible to check with all jurisdictions in which they operate to confirm these requirements.

406.05 Reporting Assessable Earnings for the Courier Industry

Employers in the courier industry report assessments as indicated in Procedures 401, Assessment Reporting and 403.00. The exception is when contractors are hired that operate their own vehicles. These contractors are reported by the employer at 30 per cent of their earnings.

Reference: Workplace Health, Safety and Compensation Act, Sections 2(1)(j), 2(1)(k), 2(1)(z), 39, 41, 51, 103,109 and 120
Procedures: 102.00, Independent Operator Determination
403.00, Hiring a Contractor
Interjurisdictional Agreement

Amendment History

Original Effective Date 2018 09 11