

Client Services Procedure Manual

Procedure: 605.00
Subject: Collections Based on Financial Hardship

605.01 Introduction

This procedure outlines how WorkplaceNL makes a determination in relation to financial hardship relief for assessment accounts.

When an employer seeks financial hardship relief he/she must demonstrate its existence by providing information required by WorkplaceNL. WorkplaceNL will then attempt to work with the employer to find an arrangement that is suitable to both the employer and WorkplaceNL.

605.02 Determining Financial Hardship

An employer requesting financial hardship relief must make the request in writing and comply with a financial audit. Supporting documentation that will be required for an audit may include, but is not limited to the following:

- T4s or other T slips, as relevant;
- cash flow projections;
- credit reports;
- financial statements; and
- other relevant material.

Please refer to Procedure 701.00, Assessment Audits, for additional details regarding information that may be required as part of the audit process.

In determining whether to extend financial hardship relief, WorkplaceNL will consider the financial position of the employer as established by the audit and:

- the employer's payment history and past compliance with WorkplaceNL;
- whether the employer is co-operative and willing to pay the debt;
- the length of time over which the employer is proposing to pay the debt; and
- other related firms/businesses that are operating as a going concern.

After completing an audit, WorkplaceNL will determine whether the employer is entitled to financial hardship relief. A letter outlining WorkplaceNL's decision will be sent to the employer.

605.03 Payment Plans

If financial hardship relief is granted, WorkplaceNL will work with the employer to achieve optimal recovery of the debt as quickly as possible, given the employer's financial situation. All plans are based on an agreement made by the employer and WorkplaceNL. The employer commits to a plan that WorkplaceNL determines to be reasonable. WorkplaceNL confirms the plan in writing. Payment plans may require consultation and agreement with other creditors.

Once a payment plan has been agreed upon, WorkplaceNL may renegotiate an employer payment plan at its discretion for reasons which include, but are not limited to, instances where the employer:

- intends to dispose of or is disposing of assets;
- becomes insolvent or is subject to collection action by another creditor (e.g. a seizure of assets);
- may not be able to pay according to the plan because of a worsening financial situation;
- has misrepresented its financial position;
- experiences an improved financial situation; or
- requests clearance.

If the employer defaults on a payment plan, WorkplaceNL may require immediate and full payment of the debt. If the debt is not paid, WorkplaceNL may initiate or escalate collection/legal action. For additional information, please refer to Procedure 602.00, Collection and Legal Process.

Reference: Workplace Health, Safety and Compensation Act, Sections 17, 101 and 118
Procedures: 602.00, Collection and Legal Process
701.00, Assessment Audits

Amendment History

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