

Client Services Policy Manual

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

Policy Statement

Employers may be permitted to pay their current year assessment on an installment basis within the current year. Installment payments must be made in advance for the full installment period.

Interest will be charged at the rate and under conditions as set in the Regulations.

To be eligible to pay by installments, employers must have the following:

1. submitted payroll statements with the required information for all years;
2. an annual assessment of \$50 or more;
3. provided a reasonable estimate of payroll for the current year; and,
4. pay all prior year adjustments in full within 30 days of the invoice date.

Reasonable Estimate

To qualify for installment payments a reasonable estimate of payroll must be provided for the full year. The 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 then the employer may be required to demonstrate to WorkplaceNL's satisfaction why the payroll has changed.

Payroll Adjustments

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

Clearance

A Clearance letter can be obtained from WorkplaceNL or a clearance status can be obtained from WorkplaceNL's **connect** online services. Clearance states that an employer is in good standing and has met the payment and reporting requirements of the Act to date.

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Clearance cannot be issued for sale of business or assets with a deferred payment arrangement as full payment is required to ensure there is no lien on the assets of the employer. Clearance may be issued for financing transactions if a deferred payment arrangement is in place. Once a deferred payment plan is in place for all accounts of the employer, Clearance for contracting and bidding purposes can be issued provided the employer has submitted a reasonable payroll estimate.

Deferred Payment Arrangements

For all employers, who meet the requirements listed above, equal installments may be made from April 1st to December 31st by Preauthorized Debit paid either:

Quarterly – 4 equal payments in April, June, September and December;

Monthly – every month on the same day;

Semi-monthly – twice monthly on the same days each month, with the first payment between April 1st and April 15th;

Bi-weekly – every two weeks on the same day, with the first payment between April 1st and April 14th; or,

Weekly – every week on the same day, with the first payment between April 1st and April 7th.

Current year assessments are not due until April 1st, but an employer can request to start a deferred payment arrangement earlier in the calendar year. In this case equal installments may be made from January 1st to December 31st.

No interest will be charged from April 1st to December 31st if employers avail of and comply with the agreed upon payment schedule.

Employers who default on any payment in this schedule will be charged interest monthly 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 on track again with the payment schedule.

Failure by an employer to meet the payment schedule may result in collection action being commenced by WorkplaceNL.

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Exceptional Circumstances

In cases where the individual circumstances of a case are such that the provisions of this policy cannot be applied or to do so would result in an unfair or unintended result, WorkplaceNL will decide the case based on its individual merits and justice. Such a decision will be considered for that specific case only and will not be precedent setting.

Reference: *Workplace Health, Safety and Compensation Act (the Act), Sections 99, 100, 117 and 125(1)(b).*
Workplace Health, Safety and Compensation Regulations (the Regulations) Section 28.
Policy ES-16 "Clearance"

Amendment History

<i>Original Effective Date</i>	1987 05 28
<i>Revision #1</i>	2005 04 14
<i>Revision #2</i>	2010 08 09
<i>Revision #3</i>	2012 02 08