

Client Services Procedure Manual

Procedure: 407.00
Subject: Commercial Air Service Reporting

407.01 Introduction

This procedure explains the method of determining assessable earnings for workers with respect to commercial air services operating in Newfoundland and Labrador.

407.02 Commercial Air Services

When determining assessable earnings for commercial air carriers that have flight crews based in both Newfoundland and Labrador and in other jurisdictions, WorkplaceNL considers the workers to be in two distinct groups: ground personnel and flight crew.

Ground Personnel

Coverage and assessments for ground personnel are the same as for any employer. The earnings of ground personnel are assessed in the jurisdiction in which they are working. If an individual who normally works in Newfoundland and Labrador is temporarily assigned outside the province, the rules for coverage and assessment are identical as for any out-of-province worker and employer, which are discussed in the following Procedures: Procedure 101.00, Coverage under the Workplace Health, Safety and Compensation Act, Section 101.06, Workers Engaged Outside of Newfoundland and Labrador; and Procedure 201.00, Employer Registration, Section 201.06, Outside Employers Operating in Newfoundland and Labrador.

Flight Crew

Flight crew members (i.e. cockpit crew and cabin crew) may or may not be Newfoundland and Labrador workers. They may be considered Newfoundland and Labrador workers if they are Newfoundland and Labrador residents and the air carrier supplies services between points within Newfoundland and Labrador. Flight crew members determined to be Newfoundland and Labrador workers are subject to assessment by WorkplaceNL.

To calculate assessable earnings for this Province, earnings must be extracted from the total earnings for flight crews, based on mileage. This means the miles flown within Newfoundland and Labrador, plus a share of foreign miles, which are miles that are flown outside Canadian jurisdictions, are used to determine the assessable Newfoundland and Labrador earnings.

Miles flown in a Canadian jurisdiction, in which the airline is not required to be registered for flying and is not registered, shall be prorated on the same basis as the share of foreign miles. The employer should contact other jurisdictions to determine their registration requirements.

Example:

The following is an example of a Canadian air carrier flight crew's assessable earnings calculation:

Air carrier's total flight crew earnings =	\$1,000,000
NL Miles =	100,000 miles

Foreign Miles	=	500,000 miles
Flight crew residing in NL	=	15
Total flight crew	=	150

For illustrative purposes, assume the Newfoundland and Labrador maximum assessable earnings is \$50,000*, and that 10 out of the 15 Newfoundland and Labrador flight crew earned more than the Newfoundland and Labrador maximum, each earning \$60,000.

*A listing of current and prior years' maximum assessable earnings can be found at workplacenl.ca.

Step 1 - Calculate the NL share of foreign miles:

$$\frac{\text{number of flight crew residing in NL} \times \text{total foreign miles}}{\text{total number of flight crew}} = \text{share of foreign miles}$$

$$\frac{15 \text{ NL flight crew} \times 500,000 \text{ miles}}{150 \text{ total flight crew}} = 50,000 \text{ miles}$$

Step 2 - Calculate the percentage of the total flight crew earnings:

$$\frac{\text{NL miles} + \text{share of foreign miles}}{\text{total miles}} = \% \text{ of total flight crew earnings assessable in NL}$$

The NL miles figure includes all scheduled and charter miles flown in NL.

- Calculate the flight crew earnings percentage assessable in NL:

$$\frac{100,000 \text{ NL miles} + 50,000 \text{ share of foreign miles}}{600,000 \text{ total miles}} = 25\%$$

Step 3 - Calculate the NL gross flight crew earnings:

$$\$1,000,000 \text{ total earnings} \times 25\% \text{ flight crew earnings percentage} = \$250,000$$

\$250,000 represents total NL earnings.

Step 4 - Calculate excess earnings for NL flight crew:

$$\text{Total Excess} = (10 \text{ flight crew} \times \$60,000 \text{ earnings}) - (10 \text{ flight crew} \times 50,000 \text{ maximum assessable earnings}) = \$100,000.00$$

$$\text{NL Excess} = \$100,000 \text{ total excess} \times 25\% = \$25,000$$

\$25,000 can be deducted from the total NL earnings of \$250,000.

Total assessable earnings = \$250,000 - \$25,000 = \$225,000

Reference: Workplace Health, Safety and Compensation Act, 2022, Sections 2(1)(k), 2(1)(m), 2(1)(jj), 48, 59, 125, 131 and 144
Procedures: 101.00, Coverage Under the Workplace Health, Safety and Compensation Act
201.00, Employer Registration

Amendment History

Original Effective Date 2018 09 11