

Guide to completing your Employer Payroll and Contract Labour Report

Did you know? Now you can report your payroll and pay your premiums in six minutes or less online at WorkSafeBC.com or by calling 1 877 FilePay (1 877 345-3729).

What do I need to complete my report?

- Your payroll records.
- If applicable, a record of your payments to contractors and subcontractors, along with their names and addresses (see the worksheet on the back of this guide for information about calculating subcontractors' payments).
- A record of workers and active shareholders who made more than \$68,500, the maximum assessable payroll for 2009.

If you're filing a report for a different year, check the maximum assessable payroll on Line F of your form.

Do I need to file a report if my business closed down?

Yes. You must file your report, even if your business was sold or permanently closed down during the reporting period. Also, please contact the Employer Service Centre to cancel your account or include a letter with your report.

Do I need to return this form to WorkSafeBC?

Each year, all employers in B.C. are required to report their annual payroll to WorkSafeBC. **You must return this form to WorkSafeBC, unless:**

- You report your payroll or reconcile your account online at WorkSafeBC.com.
- You report your payroll or reconcile your account by calling 1 877 FilePay (1 877 345-3729).

What will happen if I don't report my payroll or make my payment, or if I under-report?

If you don't report your payroll by the due date, WorkSafeBC will estimate your annual payroll and charge you a penalty according to the schedule below. The minimum penalty is \$50. Outstanding balances are also subject to a 1 percent monthly fee. What's more, you will not receive any future discounts for which you may qualify, nor will you be eligible for a clearance letter of good standing. And, if we audit your business and you have under-reported your business's assessable payroll and thus under-remitted, you will be charged an 8 percent penalty on the additional assessment.

Penalty schedule for not filing your payroll report by the due date

	Tier 1	Tier 2	Tier 3	Tier 4
Annual assessment	\$0–\$5,999.99	\$6,000–\$19,999.99	\$20,000–\$199,999.99	\$200,000+
Penalty amount	\$50	\$150	\$500	\$1,000

Completing your report the right way can save you time and money

- If there is an error on your form, attach a note to your report or contact the Employer Service Centre before the due date displayed in the top right hand corner on your form.
- To avoid penalties, return your completed report by the due date, even if your amount due is zero.
- Enter your payroll information in the top section of your report. If you pay by mail, return the entire form, including the payment stub at the bottom of the form, along with your cheque (if a payment is owing), to WorkSafeBC in the enclosed self-addressed envelope. If you pay at your financial institution, cut off the payment stub and present it with your payment at your bank, but be sure to mail the top section of the form to WorkSafeBC.

You can also pay your premiums online at WorkSafeBC.com or over the telephone by calling 1 877 FilePay (1 877 345-3729).

- Your records are subject to examination by WorkSafeBC at any time, so please keep copies of these records and of your reports and worksheets.
- If your address is incorrect or your business operations have changed, complete the detachable section of the blue return envelope and return it with your report. You can also submit your change of address online at WorkSafeBC.com.

Go online at WorkSafeBC.com to learn about common payroll reporting errors.

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Operations stopped: If your business permanently closed down during the reporting period, provide the date operations ceased and complete your report for the period during which your business was in operation. For example, if you operated a retail store and your business was open from January to September 2009, complete your report for that period. In your calculation, include assessable payroll paid while you were closing your business. Specifically, if you had a bookkeeper on your staff who stayed on to complete your financial records, include the earnings of this person in your calculation.

STEP 1: CALCULATE YOUR PREMIUM

Line A: Please do not alter the pre-printed information in this section. Your business is assigned to one or more classification units, based on your main industrial activity. If the classification description(s) on your report does not reflect your main operations, describe your operations on a separate sheet and attach it to your report, or contact the Employer Service Centre before the due date displayed on your form. It is your responsibility to inform WorkSafeBC if the classification assigned to your firm no longer reflects your firm's main operations. For more information about classifications, visit WorkSafeBC.com.

Line B: For each classification listed on Line A, enter the wages and salaries of workers, including active shareholders, in all of your B.C. operations.

Be sure your calculation includes the earnings of all workers, office staff, casual labour, administrative and management personnel, and active shareholders. (Note: Generally, shareholders are considered 'active' if they receive T4 slips, management fees, stock options, dividends, or have executive, management, or signing authority.) Wages and salaries include gross payroll earnings, commissions, holiday pay, sick leave pay, leave of absence pay, management fees, bonuses, other remuneration before deductions, and any other means by which you pay a worker for services (e.g. piecework).

How to report shareholders' earnings: Actual dividends (known as "after-tax earnings") declared to the Canada Revenue Agency should be included in your calculation on Line B if the amount represents more than 50 percent of an active shareholder's earnings. Here's an example: An active shareholder receives a T4 for \$15,000 and no other non-dividend earnings, such as management fees or stock options. The shareholder also receives a dividend of \$35,000. Therefore, the total earnings for this shareholder are \$50,000. In this example, the non-dividend earnings represent 30 percent of the total earnings, while the dividend earnings represent 70 percent. Since the dividend earnings are more than 50 percent of total earnings, they are assessable and should be included in the calculation of assessable payroll, up to the annual maximum. For 2009, the maximum assessable payroll is \$68,500.

If you operate in more than one industry: Earnings have to be calculated for each industry, and management and administration

(M&A) earnings for workers common to all industries (i.e., principals, accounting, HR staff) pro-rated across each industry. For example, if a company operates separate construction and manufacturing businesses with construction payroll of \$600,000 and manufacturing payroll of \$400,000 with common M&A of \$200,000, then \$120,000 of M&A payroll (60%) would be allocated to construction and \$80,000 (40%) to manufacturing. The total reported payroll would be \$720,000 in construction and \$480,000 in manufacturing.

For proprietorships: Include the total amount paid to all workers. Report a spouse's gross earnings only if he/she is active in the business and has applied for and been granted voluntary spousal coverage. **Do not include wages paid to the proprietor.**

For partnerships: Include the total amount paid to all workers. **Do not include wages paid to the partners.**

For fishing: Report assessable payroll as follows:

- The wages and salaries of fishermen when they are on salary.
- The gross labour component of fish settlements – when fishermen are paid by settlement and the labour component is clearly identified. A settlement is the division of proceeds from fish sales among the people who catch and land the fish.
- Sixty percent of the gross purchase price of the fish when fishermen are not paid by method a or b.

Line C: If you don't hire people on a contract basis, skip this line. If you do and you are responsible for paying their premiums, calculate your payments to them and enter this amount on Line C. Please note: You are responsible to confirm with WorkSafeBC whether the subcontractors you hire are independent or whether you are responsible for paying their premiums. For details, along with instructions on how to calculate payments to subcontractors, refer to the worksheet on the back of this guide.

Line D: This section does not apply to incorporated companies. If you have Personal Optional Protection, the pre-printed figure in this section will show the coverage for your firm's proprietors or partners. **Please do not change the pre-printed dollar amount in this section.** If a proprietor's spouse is a paid worker and spousal coverage has been obtained for that person, include the spouse's earnings in Line B.

Note: If voluntary spousal coverage has not been obtained, the proprietor's spouse does not have insurance coverage.

Note: Personal Optional Protection coverage continues until it is cancelled by you or by WorkSafeBC. If there is an error on your form or if you would like to change the amount of your coverage, attach a note to your report or contact the Employer Service Centre in writing. Changes to your coverage, once accepted, take effect on the date WorkSafeBC receives your request.

1810 Form



Line E: To calculate total payroll, add the amounts from Lines B, C, and D, and enter the total on Line E for each classification listed on Line A.

Line F: For 2009, WorkSafeBC insures payroll to a maximum of \$68,500 per worker. If any of your workers exceeded this amount in 2009, calculate the difference and enter the amount on Line F. For your convenience, you will find a worksheet on the back of this guide to help you calculate excess payroll for all your workers. Keep in mind that WorkSafeBC may ask to review your worksheet if your company is audited, so please keep it for your records. If you're filing a report for a different year, check the maximum assessable payroll on your form for that year. (Note: Excess payroll cannot be included for subcontractors.)

Line G: To calculate your assessable payroll, subtract the figure on Line F from the figure on Line E. Enter the total on Line G. Assessable payroll includes your total wages, salaries and shareholder earnings, payments to subcontractors, and Personal Optional Protection (if applicable), minus excess payroll for the reporting year.

Line H: Your net rate is expressed as a percentage of your assessable payroll. This number includes your industry base rate and your experience rating discount or surcharge, if applicable. **Please do not change this figure.**

Line I: To calculate your premium for each classification, multiply the amount on Line G by the percentage on Line H. For example, if your assessable payroll on Line G is \$50,000 and your net rate on Line H is 3.5%, your premium would be \$1,750. You would enter this amount on Line I.

Line J: Re-enter the amount from Line I on Line J. If you have more than one classification, remember to add all the figures from Line I before entering your premium on Line J.

Line K: The pre-printed amount in this section includes credits to your premium for the year, such as your quarterly payments or Personal Optional Protection premium payments. **Please do not alter this pre-printed information.**

Line L: To calculate your subtotal, subtract the amount on Line K from the amount on Line J. Enter this amount on Line L.

Line M: The pre-printed amount in this section includes any additional credits applied to your account as a result of a reclassification, account adjustment, or subclass surplus. This figure is valid as of the date your form is printed. Adjustments made to your account after that date may change the amount in this section.

Line N: To determine the amount due, subtract the amount on Line M from the amount on Line L. Enter this amount on Line N and in the "Payment" box on the payment stub. If a credit is due, enter "zero" in the "Payment" box. The credit will be applied to your account.

STEP 2: REPORT YOUR PAYROLL

After calculating your premium, the payroll information must be reported to WorkSafeBC using one of the two options provided. Even if no money is owed, payroll information must still be reported. If it is not reported by the due date, a penalty will be imposed.

Option 1: Report your payroll online at **WorkSafeBC.com** or, for accounts with one classification, by phone at 1 877 FilePay (1 877 345-3729). In either case, you will receive a confirmation number to record on the form.

Option 2: Report your payroll by mail or fax. The form must be signed by the employer or a person who is authorized to sign on the employer's behalf. Complete the contact information and mail the form in the enclosed envelope or fax it to 604 244-6490 or 1 888 992-6622. It is recommended that a copy is made if the original is mailed in.

STEP 3: MAKE YOUR PAYMENT

Payment can be made using any of these methods:

- At **WorkSafeBC.com**
- By phone at 1 877 FilePay (1 877 345-3729)
- By sending a cheque in the enclosed envelope
- In person at WorkSafeBC's offices
- In person at financial institutions
- Online with most financial institutions (use the e-banking account number on the stub)

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2009 Employer Payroll and Contract Labour Report



TEST ACCOUNT
123 KING STREET
APT 100
VANCOUVER, BC V4V 4V4

Account number	123456-AQ
Payroll report ID	001234567
DUE DATE	FEB 28 2010
E-banking number	1234567
CRA business #	111111118

If the business has permanently closed or if the business has been sold, please provide the date the operation stopped.

yyyy	mm	dd

STEP 1 CALCULATE YOUR PREMIUM (see the instruction guide for assistance)

A	Classification number and description	753004 Local Government and Related Operations
Line B - G report in whole Canadian dollars		
B	Wages, salaries, and shareholders' earnings	\$.00
C	Subcontractors' payments	\$.00
D	Personal Optional Protection	\$ 0.00
E	Total (add B, C, and D)	\$.00
F	Excess payroll (amount exceeding the annual max. of \$68,500 per worker)	\$.00
G	Assessable payroll (E minus F)	\$.00
H	Net rate for 2009	0.98%
I	Premium (multiply G and H)	\$.00
J	Sum of all premiums	\$.00
K	Credits applied and amounts invoiced for 2009	\$ 11,171.89
L	Subtotal (J minus K)	\$.00
M	Additional credits accumulated as at NOV 4 2009	\$ 0.00
N	Amount due (L minus M)	\$.00

STEP 2 REPORT YOUR PAYROLL (by the DUE DATE to avoid a penalty)

OPTION 1 **Online or Phone Reporting (24/7)** **OR** OPTION 2 **Mail or Fax Reporting**

- Online at WorkSafeBC.com and click Report Payroll
- Or by phone at 1 877 FilePay (1 877 345-3729) for accounts with one classification

Use the space below to record your WorkSafeBC online or phone confirmation number, which you will receive after you report your payroll online or by phone.

Online or phone confirmation # _____

DO NOT RETURN THIS FORM IF YOU USED OPTION 1

123456-AQ - 001234567

1810 (R01/10)

Mail this form in the enclosed envelope along with your payment OR fax this form to 604 244-6490 or toll-free at 1 888 992-6622.

I hereby certify that the information on this report is true, correct, and complete in every respect and that I am authorized to sign on behalf of this employer. I understand that this information will be treated as confidential.

Print name _____

Position _____

Phone number _____ Date _____

E-mail address _____

Authorized signature _____

KEEP A PHOTOCOPY FOR YOUR RECORDS IF YOU USED OPTION 2

STEP 3 MAKE YOUR PAYMENT if applicable (by the DUE DATE to avoid a penalty)



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worksafebc.com

WORKERS' COMPENSATION BOARD OF BC

Mailing address for payment

PO Box 9600 Stn Terminal
Vancouver BC V6B 5J5

Have you remembered to report your payroll?

Account number: 123456-AQ

E-banking number: 1234567

- Allow five days for bank processing
- If paying by cheque, return this payment stub and your cheque to WorkSafeBC in the enclosed envelope
- WorkSafeBC offices accept payment by cheque or money order in Canadian funds
- Transfer Amount due from above to payment box below
- Payment will be applied to oldest outstanding balance

Payment	\$	_____
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TEST ACCOUNT

Do not write below this line

4000 000001234567 000200200910 000000000000 0000000000 0000000000 -

- Line A
- Line B
- Line C
- Line D
- Line E
- Line F
- Line G
- Line H
- Line I
- Line J
- Line K
- Line L
- Line M
- Line N

Calculation of excess payroll (Line I)

Excess payroll

For 2009, WorkSafeBC insures payroll up to a maximum of \$68,500 per worker or active shareholder. If you're filing a report for a prior year, check the maximum assessable payroll on Line F of your form. If any of your workers exceeded the maximum for the year, calculate the difference and enter the total on Line F. For example, if one of your workers earned \$70,000 in 2009 and another earned \$75,000, your company's excess payroll for 2009 would be \$8,000.

How do I calculate excess payroll for 2009?

First, enter the names and gross earnings of all workers and active shareholders who made more than \$68,500 in 2009. Check the maximum assessable payroll on your form if you're filing a report for a different year. Enter the subtotal on Line X of the worksheet below. Then, multiply the number of people on your list by \$68,500. Enter that total on Line Y of the worksheet. Finally, subtract the amount on Line Y from the subtotal on Line X. Record the total on Line Z and on Line I of your report.

Name	Gross Earnings	Name	Gross Earnings
1.		13.	
2.		14.	
3.		15.	
4.		16.	
5.		17.	
6.		18.	
7.		19.	
8.		20.	
9.			
10.		Subtotal	(X)
11.		Multiply the number of people listed on your worksheet by the maximum assessable payroll. For example, if you are reporting for 2009 and there are 10 workers on your list, enter \$685,000.	(Y)
12.		Subtract Line Y from Line X. Record this total on Line Z and in Line F of your report.	(Z)

Assessment Department, Employer Service Centre

1 888 922-2768 or 604 244-6181
Fax: 604 244-6490

WorkSafeBC.com
PO Box 5350 Stn Terminal
Vancouver BC V6B 5L5

This guide explains how to complete the Employer Payroll and Contract Labour Report. It is subordinate to the Workers Compensation Act, published policy of the Board of Directors, and the decisions and interpretations of WorkSafeBC.

Your WorkSafeBC account number:

Reporting year:

WORKSHEET

Calculation of subcontractors' payments (Line C)

Do I include payments made to all subcontractors?

Not necessarily. You are only required to report payments to subcontractors if you are responsible for paying their premiums. In other words, if a subcontractor is independent and you are not required to pay premiums on its behalf, you are not required to include payments made to the subcontractor in your calculation. But remember: You are responsible to confirm with WorkSafeBC whether the subcontractors you hire are independent or whether you are responsible for paying their premiums. If you are making payments to subcontractors who are not registered with WorkSafeBC, please use the worksheet below to calculate subcontractors' payments. Keep this worksheet with your records. Do not mail this worksheet to WorkSafeBC unless requested.

Do I include funds paid to contractors who are registered with WorkSafeBC?

No. But if the business you hire is not registered or not making its payments to WorkSafeBC, you could be liable for insurance premiums owing in connection with the work or service being performed on your behalf. To protect your interests, you should always request a clearance letter before a contractor starts working for you, and again before you make the final payment to the contractor. You can get a clearance letter within minutes from **WorkSafeBC.com** and take advantage of the Clearance Alert system. If you're not sure whether a contractor is required to register with WorkSafeBC, contact the Employer Service Centre or view the registration information on our web site.

What do I report if the contractor supplied the equipment and operator?

Enter the gross value of the contract in the Amount 1 column below. Then, refer to the table far below to see if an equipment allowance applies. If it does, deduct the equipment allowance from Amount 1 and record the result in Amount 2. For example, if you paid a falling contractor \$1,000, you would enter this amount in Amount 1. Since we grant a 15 percent equipment allowance for chain saws, you would then enter \$150 in the equipment allowance column. You would then enter the difference, \$850, in Amount 2. If the contractor does not qualify for an equipment allowance, enter the gross value of the contract in Amount 2.

What do I report if the contractor supplied labour only?

If the contractor supplied only the labour, with or without minor materials, enter the gross contract value in the Amount 2 column. Minor materials are items such as nails, drywall tape, or putty. Generally, subcontractors who have supplied labour and all major materials, such as lumber, roof shingles, tile or cement for a building construction contract for a set contract price should not be included; however, you should obtain clearance letters on these subcontractors to be sure they are registered and are up-to-date on their premiums.

Subcontractor's name	Address	Type of contract	Amount 1	Equipment allowance	Amount 2

Total: transfer the total from Amount 2 to Line C of your form

Equipment allowance

Equipment type	Examples	Allowance
Chain saw	Chains saws as used in forest industry and line cutting contracts only.	15%
Medium equipment	Single-axle motor vehicles in the trucking/delivery/courier industry.* Motorcycles used in the delivery/courier industry. Single-axle trucks used for construction cleanup. Pilot cars. Light-duty excavating equipment such as backhoes, front-end loaders, and bobcats. Mobile welding units. Oilwell servicing equipment such as wireline fracturing, hot-shot service, ambulance/first aid service. Agricultural equipment such as tractors, hay balers, harvesters, combines, and hoof trimmers. Horses used as part of a horse logging contract. Boom boats as used in the forest industry. Fishing boats as used in the fishing industry.	40%
Heavy equipment	Skidders, feller bunchers, grapple loaders, or similar heavy equipment used in the logging industry. Tracked earth-moving equipment such as bulldozers and excavators. Graders. Dual-axle trucks such as logging trucks, tractor-trailer trucks, dump trucks, and oil rig transport trucks. Oil-well drilling equipment. Mobile cranes.	75%

* No equipment allowances for crew transportation equipment such as pickups and crummies.