



WORKING TO MAKE A DIFFERENCE

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Update 2006 – 3

TO: HOLDERS OF THE ASSESSMENT MANUAL

This update to the *Assessment Manual* contains amendments to the *Manual* implemented since Update 2006 – 2.

This package contains minor editorial amendments to non-policy sections of the *Assessment Manual*:

Item AP1-2-3, *Personal Optional Protection*

Item AP1-3-1, *Extending Application of the Act*

Appendix A, *Amounts Referred to in Policies that Are Adjusted from Time to Time*

A summary of the amendment is attached and the amended pages are included as part of this package, **effective November 1, 2006**.

If you have any questions regarding subscription information for updates to the *Assessment Manual*, please contact WorkSafeBC Customer Service at the following:

Local phone: 604-232-9704
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Roberta Ellis
Vice President
Policy and Research Division

Attachments

ASSESSMENT MANUAL

SUMMARY OF AMENDMENTS – Update 2006 – 3

AP1-2-3 <i>Personal Optional Protection</i>	Pages 5 – 6	Correction to the website link.
AP1-3-1 <i>Extending Application of the Act</i>	Pages 1 – 4	Editorial amendment to the Practice section.
Appendix A	Page 1	Update reference to maximum wage rate.

- (a) the applicant's status for which coverage was requested changes and therefore, the individual is no longer eligible for coverage; or
- (b) mail addressed to the employer or person with Personal Optional Protection is returned and an alternative address cannot be obtained.

When Personal Optional Protection is cancelled by the Board, the individual concerned is notified in writing if practicable. "If practicable" means that the Board will take reasonable steps to locate the individual in order to communicate the impending cancellation to him or her.

The effective date of cancellation is generally when the telephone or written request for cancellation is received in a Board office. A cancellation date will not generally be backdated. Backdating may be allowed if there is reason to believe that the Board was no longer liable for work-related injuries because the individual covered had become physically incapacitated, the assets used to carry on the business were no longer available or for certain legal reasons. Some circumstances under which backdating may be allowed are:

- *Death* – Cancellation is automatically backdated to the date of death.
- *Work Caused Injury* – Cancellation may be backdated to the date business ceased, not necessarily the date of injury.
- *Sickness or Non-Work Caused Injury* – Cancellation may be backdated to the date the business ceased operating as a result of the sickness or injury, if it was a serious physical or mental disorder lasting 30 days or longer, and the owner supplies a doctor's confirmation of the sickness or injury in writing.
- *Jail, Institutionalization, Deportation, Military Service* – Cancellation may be backdated to the date of occurrence.
- *Sale of Business* – Cancellation may be backdated to the date of the bill of sale.
- *Sale of Equipment* – Cancellation may be backdated to the date the business ceased operating or the date the equipment is sold, whichever is later.
- *Change of Legal Status from Proprietorship, Partnership or Independent Operator to Incorporated Company* – Cancellation will be backdated to the date the firm began operating as an incorporated company.
- *Business Interruption Due to Fire, Flood or Other Disaster* – Cancellation may be backdated to the date the business ceased operating.
- *Seizure of Assets* – Cancellation may be backdated to the date the business ceased operating or the date the equipment was seized, whichever is later.

- *Bankruptcy* – Cancellation may be backdated to the date the firm was placed in bankruptcy.
- *Ceasing of Operations* – Where the request for cancellation is received on or before January 31st and the firm states that their operations ceased in the previous year, cancellation may be made effective December 31st of the previous year.

Requests for backdating must be made in writing. A written decision will be provided to the applicant.

PRACTICE

The minimum outstanding balance for the purpose of part (b) of the policy and the minimum amount for which Personal Optional Protection may be obtained under part (c) of the policy are set out in Appendix “A” to this *Manual*.

For more information on applying for Personal Optional Protection, including the application form, or any other relevant PRACTICE information, readers should consult the WCB website at http://www.worksafebc.com/insurance/registering_for_coverage/personal_optional_protection/default.asp

EFFECTIVE DATE:	January 1, 2004
AUTHORITY:	s. 2(2), <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Requesting a Variance to a General Exemption (AP1-2-2), Extending Application of the <i>Act</i> (1-3-1), Payroll – Principles for Determining (AP1-38-3) with respect to management/administration payroll and Payroll Estimates (AP1-38-5) in the <i>Assessment Manual</i> and Admission of Workers, Employers, and Independent Operators (policy item #8.00), Vacations (policy item #21.20), Acts for Personal Benefit of Principals of Business (policy item #21.40), Amount of Payment (policy item #35.20), Commencement of Permanent Total Disability Payments (policy item #37.10), Overpayments/Money Owed to the Board (policy item #48.40), Unpaid Assessments (policy item #48.48), Worker with Two Jobs (policy item #65.02), Personal Optional Protection (policy item #67.20), Volunteer Firefighter and Ambulance Drivers and Attendants (policy item #67.32), Payments to Substitutes (policy item #68.70), Deduction of Permanent Disability Periodic Payments from Wage Loss (policy item #69.10), Form Fees (policy item #78.33), Application for Compensation (policy item #93.20), Adjudication Without an Application (policy item #93.23), Penalties for Failure to Report (policy item #94.15), Notification of Decisions (policy item #99.20), Notification of Right of Appeal (policy item #99.21), Meaning of “Worker” and “Employer” Under Section 10 (policy item #111.30) of the <i>Rehabilitation Services & Claims Manual</i> , Volume II.
HISTORY:	This Item resulted from an editorial consolidation of the former <i>Assessment Policy Manual</i> , which was effective on January 1, 2003.

RE: Extending Application of the Act**ITEM: AP1-3-1**

BACKGROUND

1. Explanatory Notes

Sections 3(4) to 3(7) of the *Act* give the Board authority to extend voluntary coverage to persons other than employers and independent operators.

2. The Act

Section 3:

- (4) Admissions under this section may be made at the time, in the manner, subject to the terms and conditions and for the period the Board considers adequate and proper.
- (5) Where a person or group of persons carries on an undertaking that the Board thinks is in the public interest, the Board may, on the terms and conditions it directs,
 - (a) deem the person or group of persons, whether or not any of them receive payment for their services, to be workers for the purposes of this *Act*;
 - (b) on approval of the Lieutenant Governor in Council, deem the person or group of persons to be workers of the Crown in right of the Province; and
 - (c) where a person who is deemed to be a worker is not regularly employed, and having regard to all the circumstances, including his or her income, fix his or her average earnings at not less than \$25 per week or more than the maximum wage rate provided under section 33. [Note – This amount is changed periodically by regulation.]
- (6) Where the Minister of Education, Skills and Training and the Minister of Labour approve a vocational or training program, and a school or other location as a place of that vocational or training program, the Board may, at the request of either minister, deem any person or class of persons enrolled in the program to be workers of the Crown in right of the Province and compensation under this *Act* is then payable out of the accident fund

for injuries arising out of and in the course of training for those workers, but where the injury results in a period of temporary disability with no loss of earnings,

- (a) a health care benefit only is payable except as provided in paragraph (b); and
 - (b) where training allowances paid by Canada or the Province are suspended, the Board may, for the period it considers advisable, pay compensation in the amount of the training allowance.
- (7) Where a person or group of persons is engaged in a work study program or other program of self improvement involving work, whether or not the person or group receives payment for the work, the Board may
- (a) on the application of an employer or a program organizer, and on the terms and conditions the Board directs, by order, admit the person or group as being within the scope of this Part, and, on admission, the person or group is deemed to be a worker or workers to whom this Part applies, and the Board may levy assessments on the employer or program organizer by the formula the Board determines; or
 - (b) with the approval of the Lieutenant Governor in Council, deem a person or group engaged in the program to be workers of the Crown in right of the Province, on the terms and conditions the Board determines.

POLICY

The general principles governing requests for a variance to a general exemption order also apply to requests under sections 3(5) to 3(7).

(a) An undertaking in the public interest (section 3(5))

In defining “public interest” for the purpose of section 3(5), the Board considers undertakings that affect a broad segment of the public rather than those whose activities centre around specific interest groups.

The persons involved in the project or program must apply in writing to the Board for coverage. If the Board feels that the undertaking is in the public interest, the matter may be referred to the Lieutenant Governor in Council to consider whether the

individuals involved should be accepted as workers of the Crown in Right of the Province. If the Lieutenant Governor in Council agrees, the Board will fix the average earnings of those individuals. Alternatively, such individuals may be admitted as workers of a municipality or other organization where appropriate.

If a volunteer fire or ambulance brigade is operated by a society (including Indian Bands), coverage is not compulsory, but may be extended to the society on a voluntary basis.

(b) Vocational or training programs (section 3(6))

No policy.

(c) Work study programs (section 3(7)(a) and (b))

Applications for coverage under section 3(7) will only be considered if:

- there is a period of training in a standard work place environment in the community as opposed to a workplace established specifically for the purpose of the group;
- the coverage is limited to injuries or diseases arising out of and in the course of the employment in that standard workplace; and
- the applicant accepts the Board's terms and conditions.

The employer or program organizer must make a written request for coverage to the Board. If the Board agrees, the employer or program organizer will be offered coverage under certain terms and conditions including an assessment formula.

PRACTICE

For any other relevant PRACTICE information, readers should consult the Assessment Department's Practice Directives available on the WCB website.

EFFECTIVE DATE:	January 1, 2003
AUTHORITY:	ss. 3(4) to 3(7), <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Coverage under <i>Act</i> – Workers (AP1-1-2(a)) and Requesting a Variance from a General Exemption (AP1-2-2) in the <i>Assessment Manual</i> and Admission of Workers, Employers, and Independent Operators (policy item #8.00), Volunteer Workers Admitted by the Board Under Section 3(5) (policy item #67.31), Sisters in Catholic Institutions (policy item #67.33), Emergency Service Workers (policy item #67.34) in the <i>Rehabilitation Services & Claims Manual</i> , Volume II.

HISTORY: Replaces in part Policies No. 20:10:40 and 40:20:50 of the *Assessment Policy Manual* and Decisions No. 161 and 165 of volumes 1 - 6 of the *Workers' Compensation Reporter*.

APPLICATION: This Item results from the 2002 "editorial" consolidation of all assessment policies into the *Assessment Manual*. The POLICY in this Item continues the substantive requirements of the policies and items referred to in the HISTORY as they existed prior to the Effective Date, with any wording changes necessary to reflect legislative and other changes since the policies and items referred to in the history were issued.

APPENDIX “A”**AMOUNTS REFERRED TO IN POLICIES THAT ARE
ADJUSTED FROM TIME TO TIME****AP1-2-2 – Requesting a Variance from a General Exemption**

The minimum outstanding balance for the purpose of part (b) of the policy is \$100.00

AP1-2-3 – Personal Optional Protection

The minimum outstanding balance for the purpose of part (b) of the policy is \$100.00.

The Board has designated \$1500 as the minimum amount for which Personal Optional Protection may be obtained under part (c) of the policy. This amount will be adjusted periodically to reflect the minimum wage rate for the Province of British Columbia.

AP1-38-6 – Maximum Wage

The maximum wage rate in 2006 is \$62,400 and in 2007 is \$64,400.

AP1-47-1 – Penalties

The percentage rate of penalty in effect under part (c) of this policy is 1%.

AP1-51-1 – Contractor Liability

The minimums in effect for the exemptions provided by the policy for prime contractors and homeowners are \$200 and \$500, respectively.