

20030617-08

**THE WORKERS' COMPENSATION BOARD OF BRITISH COLUMBIA
RESOLUTION OF THE BOARD OF DIRECTORS**

Re: Policy AP1-37-5, Deposit Accounts, *Assessment Manual*

WHEREAS:

Pursuant to section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto ("*Act*"), the Board of Directors must set and revise as necessary the policies of the Board of Directors, including policies respecting compensation, assessment, rehabilitation, and occupational health and safety;

AND WHEREAS:

The Board has authority to create and rearrange classes under sections 37(1) and (2) of the *Act* and to adjust assessment rates under section 42 of the *Act*;

AND WHEREAS:

To facilitate the transfer of deposit account employers into the modified collective liability scheme;

THE BOARD OF DIRECTORS RESOLVES THAT:

1. Policy AP1-37-5, Deposit Accounts, of the *Assessment Manual*, is amended to provide guidance on transfers of deposit account employers, or deposit account employer's operations, into the classification system, as attached in Appendix "A".

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2. This resolution is effective June 17, 2003 and will apply to all decisions made on or after that date.

DATED at Richmond, British Columbia, on June 17, 2003.

By the Workers' Compensation Board

**DOUGLAS J. ENNS, CHAIR
BOARD OF DIRECTORS**

Appendix “A”

Policy AP1-37-5, Deposit Accounts, *Assessment Manual*

Additions in Bold; Deletions Strikethrough

BACKGROUND

1. Explanatory Notes

For historical and other reasons, several ~~very~~ large employers listed in classes 8 to 11 of section 37(1) of the *Act* have their own classifications which are not shared with other employers. These deposit accounts include the Government of British Columbia, Air Canada and certain railways. These employers are sometimes referred to as “self-insured employers”.

2. The Act

See Item AP1-37-1.

POLICY

Deposit accounts are required to pay to the Board the cost of all compensation benefits distributed to their workers plus a share of the administration costs rather than an assessment rated on payroll. These employers are required to maintain a credit balance in their account from which amounts for claim costs and administration are drawn monthly.

There have been no additions to the group of employers made deposit accounts by the *Act*. It is the policy of the Board not to add further deposit accounts in the future.

(a) Transfers from a Deposit Account to the Classification System

There are three types of transfers from a deposit account to the classification system:

i. **The transfer of a deposit account employer into the classification system.**

A deposit account employer may request that the employer be transferred into the classification system. In this situation, the Board will classify the deposit account employer into the appropriate classification unit, industry group and rate group, or create a new classification unit, as per the guidelines set out in policy AP1-37-1, *The Classification System*.

The appropriate assessment rate is applied prospectively from the date that the employer is transferred into the classification system.

Any outstanding deposit account liabilities are not to be transferred into the employer's rate group. The transferring employer remains responsible for all unfinalled claims and other liabilities. The payment plan for these liabilities will be determined through an agreement between the Finance Division and the employer. The Federal or Provincial governments may guarantee these liabilities.

- ii. The transfer of a deposit account employer's operations to a new or existing employer in the classification system.

A deposit account employer's operations may be transferred to either a new employer or an existing employer in the classification system. For transfers to a new employer, the transfer is effective the date the new employer becomes an employer under the *Act*. The appropriate assessment rate will be applied prospectively from the date that the transfer is effective.

For existing employers in the classification system, the transfer is effective the date the existing employer took ownership of the deposit account employer's operations. In these situations, the Board may review the existing employer's classification to determine whether a classification change is required.

Any outstanding deposit account liabilities are not to be transferred into the rate group of the new or existing employer in the classification system. The Board will determine how the outstanding deposit account liabilities will be recovered. The Federal or Provincial governments may guarantee these liabilities.

- iii. The Board may transfer a deposit account employer into the classification system where the employer is unable to maintain credit worthiness.

PRACTICE

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

EFFECTIVE DATE: ~~January 1, 2003~~ **June 17, 2003**
AUTHORITY: s. 37(1), *Workers Compensation Act*.
CROSS REFERENCES: See also Assessment Rates (AP1-39-1) in the *Assessment Manual*.

HISTORY:

Replaces Policies No. 30:40:00 and 40:30:70 of the *Assessment Policy Manual*. **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.**

APPLICATION:

This policy applies to all decisions made on or after June 17, 2003.

~~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.~~