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Update 2017 - 1

TO: HOLDERS OF THE *ASSESSMENT MANUAL*

This update to the *Assessment Manual* contains amendments to the *Manual* implemented since Update 2016 – 3.

This update includes policy revision regarding Assessable Payroll, Consumer Price Index and housekeeping amendments effective **January 1, 2017**:

- Item AP1-38-2, *Payroll Categories*
- Item AP1-38-3, *Payroll – Principles for Determining*
- Appendix A

A summary of the amendments is attached and the amended pages are included as part of this package.

These amended pages or the complete manual are available at
http://www.worksafebc.com/regulation_and_policy/default.asp.

Ian Shaw
Senior VP and General Counsel

Attachments

ASSESSMENT MANUAL

SUMMARY OF AMENDMENTS – Update 2017 – 1

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AP1-1-5	Pages 3 to 4	Housekeeping amendment
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AP1-37-2	Page 9	Housekeeping amendment
AP1-38-2	Pages 1 to 7	Policy revised and renamed <i>Assessable Payroll</i>
AP1-38-3	Remove	Consolidated with AP1-38-2 and renamed <i>Assessable Payroll</i>
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AP1-38-4 PAYROLL – OUT-OF-PROVINCE EMPLOYERS AND OPERATIONS

- (a) BC employers sending workers out of province

Limited partners are neither considered workers nor employers as they do not participate in the business and are confined to providing investment. If they become active in the business they are regarded as general partners and would be subject to the provision of the *Act*.

(e) Out-of-province corporations

A firm which is not incorporated either in BC or federally in Canada, but claims to be incorporated in another jurisdiction will be treated the same as a firm legally incorporated in BC.

(f) Small log suppliers

Sawmills may purchase logs from small log suppliers such as farmers clearing their own land or other individuals who hold timber cutting licenses. Regardless of whether the sawmill or the supplier selects and pays the contractors who cut down and move the logs, the party who makes the contractual agreement with the contractor will be considered the contractor's employer. The employer will be directly responsible for assessments on non-registered contractors.

PRACTICE

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

EFFECTIVE DATE:

January 1, 2015

AUTHORITY:

ss. 1 and 2, *Workers Compensation Act*.

CROSS REFERENCES:

See also Coverage under *Act* – Terms (AP1-1-1), Coverage under *Act* – Types of Relationships (AP1-1-2), Coverage under *Act* – Distinguishing Between Employment Relationships and Relationships Between Independent Firms (AP1-1-3), Coverage under *Act* – Workers (AP1-1-5), Coverage under *Act* – Independent Operators (AP1-1-6), Coverage under *Act* – Labour Contractors (AP1-1-7), Exemptions from Coverage (AP1-2-1), Personal Optional Protection (AP1-2-3), Classification – Multiple (AP1-37-2), Assessable Payroll (AP1-38-2) with regard to principals of corporations and Payroll – Out-of-Province Employers (AP1-38-4) in the *Assessment Manual*.

HISTORY:

An amendment to part (c) deleting active officers of a society, trade union or similar entity is effective January 1, 2015. Amendments were made effective January 1, 2014, to remove redundant policy direction on property managers. Consequential changes related to the consolidation of the classification policies were made effective January 1, 2013. 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. Replaces in part Policies No. 20:10:30, 20:30:20, 20:30:30, 20:30:50, 20:40:50, 20:50:10, 40:10:30 and 40:20:60 of the *Assessment Policy Manual* and Decisions No. 138, 229, 255 and 335 of volumes 1 - 6 of the *Workers' Compensation Reporter*.

APPLICATION:

This policy is effective January 1, 2015.

injury while fighting a fire prior to the Provincial Government assuming control of the fire, he or she will be considered a worker of the logging company. Once the Provincial Government assumes control of the fire, all individuals engaged in fighting the fire become the responsibility of the Provincial Government.

(f) Lent employees

In determining whether a worker of one employer has become the seconded or lent employee of another employer, the question to be decided in each case is whether there is an employment relationship between the employee and the other employer for the purposes of the *Act*. The normal tests for determining whether an employment relationship exists are applied with the necessary modifications.

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
AUTHORITY:	ss. 1 and 2, <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Coverage under <i>Act</i> – Terms (AP1-1-1), Coverage under <i>Act</i> – Types of Relationships (AP1-1-2), Coverage under <i>Act</i> – Distinguishing Between Employment Relationships and Relationships Between Independent Firms (AP1-1-3), Coverage under <i>Act</i> – Employers (AP1-1-4), Coverage under <i>Act</i> – Independent Operators (AP1-1-6), Coverage under <i>Act</i> – Labour Contractors (AP1-1-7), Extending Application of the <i>Act</i> (AP1-3-1) and Coverage under Federal Statutes or Agreements Between the Provincial and Federal Governments (AP1-97-1) and, with regard to firefighters, Assessable Payroll (AP1-38-2) in the <i>Assessment Manual</i> and Coverage of Workers (policy item #5.00), Voluntary and Other Workers Who Receive No Pay (policy item #6.20), Specific Inclusions in Definition of Worker (policy item #7.00), Members of Fire Brigades (policy item #7.10), Volunteer Firefighters and Ambulance Drivers and Attendants (policy item #67.32) in the <i>Rehabilitation Services & Claims Manual</i> , Volume II.
HISTORY:	Replaces in part Policies No. 20:10:30, 20:30:20, 20:40:30 and 40:20:50 of the <i>Assessment Policy Manual</i> and Decisions No. 229 and 241 of volumes 1 - 6 of the <i>Workers' Compensation Reporter</i> .
APPLICATION:	This Item results from the 2002 "editorial" consolidation of all assessment policies into the <i>Assessment Manual</i> . 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

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to reflect legislative and other changes since the policies and items referred to in the history were issued.

EFFECTIVE DATE:	June 1, 2012
AUTHORITY:	s. 2(1), <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Personal Optional Protection (AP1-2-3), Classification – Multiple (AP1-37-2), Decision of the former Governors No. 60 in Volume 10, Number 2 of the <i>Workers' Compensation Reporter</i> (April 1994) with regard to the exemption of coverage for spouses, http://www.worksafebc.com/publications/newsletters/wc_reporter/volume_10/assets/pdf/10_2.pdf#page=27 , Assessable Payroll (AP1-38-2) with regard to administration/management payroll and Payroll Estimates (AP1-38-5) in the <i>Assessment Manual</i> .
HISTORY:	Consequential changes related to the consolidation of the classification policies were made effective January 1, 2013. Amendments were made effective June 1, 2012 to clarify who can apply for voluntary coverage. This Item results from the 2002 “editorial” consolidation of all assessment policies into the <i>Assessment Manual</i> . 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. Replaces in part Policies No. 20:10:20, 20:40:10 and 20:40:20 of the <i>Assessment Policy Manual</i> .
APPLICATION:	The amended policy applies to all decisions on or after June 1, 2012.

- (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 Business Operations* – Where the request for cancellation is received on or before January 31st and the firm states that its business 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 WorkSafeBC website at http://www.worksafebc.com/insurance/registering_for_coverage/personal_optional_protection/default.asp

EFFECTIVE DATE:

January 1, 2015

AUTHORITY:

s. 2(2), *Workers Compensation Act*.

CROSS REFERENCES:

See also Requesting a Variance to a General Exemption (AP1-2-2), Extending Application of the Act (1-3-1), Classification – Multiple Industrial Activities (AP1-37-2), Assessable Payroll (AP1-38-2) with respect to management/administration payroll and Payroll Estimates (AP1-38-5) in the *Assessment Manual* 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), Health Care Accounts – General (Item C10-75.00), 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 *Rehabilitation Services & Claims Manual*, Volume II.

PRACTICE

Practice Directives provide more information regarding the criteria by which an employer may be assigned to more than one classification. For any other relevant PRACTICE information, readers should consult the WorkSafeBC website at www.worksafebc.com.

A list of classification units which have been designated as special hazard classification units can be found online at www.worksafebc.com, under Rates/classifications.

EFFECTIVE DATE:	January 1, 2013
AUTHORITY:	ss. 36, 37(2) and (3), and 42, <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Classification – Descriptions of Terms (AP1-37-1), Fishing (AP1-4-1), Exemptions from Coverage (AP1-2-1), Classification – Changes (AP1-37-3) with respect to management/administrative payroll, Assessable Payroll (AP1-38-2) in the <i>Assessment Manual</i> .
HISTORY:	<p>Policy changes to consolidate the classification policies were made effective January 1, 2013.</p> <p>Amended in 2009 to clarify policy regarding the assignment of more than one classification unit when a firm that does not meet the multiple classification criteria, and the assignment of a single classification to firms operating in more than one industry. The 2009 amendments also removed the list of activities designated for special hazard classification and added a reference to the annual <i>Classification and Rate List</i>.</p> <p>The policy changes with respect to Personal Optional Protection apply to all existing Personal Optional Protection accounts, all new Personal Optional Protection coverage registrants, and all registrants who reapply for coverage, on or after January 1, 2004. The policy changes with respect to effective dates of classification changes, apply to all new decisions on or after January 1, 2004.</p> <p>This Item resulted from an editorial consolidation of the former <i>Assessment Policy Manual</i>, which was effective on January 1, 2003. The Policy in this Item continued the substantive requirements that existed before the consolidation, with any wording changes necessary to reflect legislative and other changes that had occurred. Policies No. 30:20:20, 30:20:21 and 30:20:30 in the former <i>Assessment Policy Manual</i> were replaced, in part, by this Item.</p> <p>Consequential changes to this Item made as a result of the <i>Workers Compensation Amendment Act (No. 2), 2002</i> were effective on March 3, 2003.</p>
APPLICATION:	This policy applies to all decisions made on or after January 1, 2013.

RE: Assessable Payroll

ITEM: AP1-38-2

BACKGROUND

1. Explanatory Notes

Assessments are based on payroll. Section 38 imposes an obligation on employers to report the amount of their payroll to the Board.

The POLICY in this Item provides guidance on how assessable payroll is determined.

2. The Act

See Item AP1-38-1.

Section 39:

- (1) For the purpose of creating and maintaining an adequate accident fund, the Board must every year assess and levy on and collect from independent operators and employers in each class, by assessment rated on the payroll, or by assessment rated on a unit of production, or in a manner the Board considers proper, sufficient funds, according to an estimate to be made by the Board ...

POLICY

1. GENERAL

Generally, assessable payroll is the total earnings paid to individuals or firms, including cash and benefits, for work done. Assessable payroll excludes excess earnings, and earnings paid to unaffiliated independent firms.

2. DESCRIPTIONS OF TERMS

The following descriptions assist in understanding how the Board determines what is included in assessable payroll, i.e. what payments are “assessable”. These descriptions must be read in the context of the *Act* and this *Manual*.

Affiliated Firms

A firm is any person or entity carrying on a business.

Firms are affiliated where:

- one firm controls another firm, or both firms are controlled by the same person or group of persons, or
- the firms are controlled by family members, immediate, extended, or equivalent.

For the purposes of determining affiliation, control is the ability or power, actual or potential, direct or indirect through intermediaries, to direct or cause the direction of the management of a firm's business operations, through the ownership of voting securities, by contract, or by other means.

Excess Earnings

Excess earnings are the amount by which an individual's earnings exceed the maximum wage as adjusted annually by the Board.

Principal

A principal is a person who has the direct or indirect power or ability to control or influence the business operations of a corporation or similar entity, through the ownership of voting securities, by contract, or otherwise. An officer, director or shareholder active in the business operations of a corporation or similar entity is presumed to be a principal of that firm. However, the Board may find that such a person is not a principal where it is shown that the person does not possess direct or indirect power or ability to control or influence the firm's business operations.

3. DETERMINING ASSESSABLE PAYROLL – CATEGORIES

Assessable payroll is considered by the Board under four general categories, any one of which may or may not be applicable to an employer or firm. These are:

- standard employment earnings;
- principals' earnings;
- contractors' earnings; and
- Personal Optional Protection amount (covered in Item AP1-2-3).

3.1 Standard Employment Earnings

These earnings include any means or manner by which an individual is paid for work or piecework, such as cash and anything easily converted into cash, wages, salaries, commissions, holiday pay, allowances, and bonuses. Earnings are covered even though the worker has not received an income tax statement, or has not had income tax, Canada Pension Plan contributions or Employment Insurance premiums deducted from the remuneration.

(a) Reimbursements

Reimbursements to workers for expenses incurred in the performance of their duties are not assessable so long as the expenses are reasonable and supported by records.

(b) Self-funded leaves of absence

Deductions for a self-funded leave of absence are assessable in the year the deductions are made. During the leave of absence, the individual is not a worker of the employer, nor is the payment to the individual assessable during this period.

(c) Severance or termination pay

The Board does not assess firms for payments made as a result of severance, whether by collective agreement or other obligations.

3.2 Principals' Earnings

The total remuneration paid to each active principal, including a shareholder, director, or officer of a corporation, is assessable. Remuneration can be any payment made to the principal regardless of the label attached to the payment. In the context of principal's earnings, remuneration includes:

- earnings shown in official statements of remuneration issued by the corporation for income tax purposes;
- management fees;
- payments purporting to reimburse business expenses except for the payment of out-of-pocket expenses; and
- payments of personal expenses made on behalf of the active shareholder, director, or officer.

(a) Directors' fees

If a director of a publicly traded company receives an official income tax statement from the company for directors' fees, these are not assessable if the director:

- only attends periodic meetings;
- is not a part-time or full-time employee; and
- is not an officer of the corporation.

Fees paid to directors of private companies are assessable.

(b) Family members' earnings

Earnings in official income tax statements issued by the corporation to a spouse, child or family member of a principal or shareholder are included in payroll and are assessable.

(c) Earnings from more than one registered firm

If an individual is an active shareholder, director, or officer of more than one registered firm, then the combined remuneration from those firms is assessable. The combined earnings are prorated between the various firms as is the excess earnings if the earnings are above the maximum.

(d) Dividends

Dividends are not considered part of payroll unless paid as remuneration for activity in the company.

3.3 Contractors' Earnings

The earnings paid to all contractors must be included in a firm's assessable payroll, unless the contractor is an independent firm. Earnings paid to an independent firm are not assessable.

(a) Deductions for excess earnings

A deduction for excess earnings may not be made from gross payments to contractors unless supported by the contractors' payroll records.

(b) Labour-only contracts

For labour-only contracts, the gross value of each contract is included in the paying firm's assessable payroll.

(c) Contracts involving labour and equipment

For contracts involving the supply of labour and equipment, an equipment allowance may be deducted from the gross contract value where the contract requires use of revenue-producing equipment. The amount of the allowance will be determined having regard to such factors as the cost of purchasing the equipment and its ongoing operating cost. The amount of any allowance deducted must be 15%, 40% or 75% of the cost of the contract.

Reimbursements for materials supplied by the contractor may be deducted from the gross contract amount where supported by receipts.

(d) Goods and Services Tax (GST)

Where GST has not been indicated as a separate amount in payments made under contracts or on a piecework basis, the total payment is assessable.

(e) Mistaken payments regarding independent firms

Sometimes a prime contractor will mistakenly include payments to a subcontracting firm in its assessable payroll not knowing that the subcontracting firm is actually an independent firm. Such payments may be retroactively excluded from the prime contractor's assessable payroll. This retroactive

exclusion, however, may not go back further than the effective date of the registration of the subcontracting firm.

4. ADMINISTRATION/MANAGEMENT PAYROLL

The assessable payroll attributed to administrative, management, or other personnel who regularly move back and forth between activities in different classification units or affiliated firms is called common payroll. Common payroll must be prorated between classification units or firms with different net rates. There are two ways this proration is calculated:

- When a firm is assigned to more than one classification unit, common payroll is allocated to each classification unit based on the relative proportion of assessable payroll directly attributable to each specific classification unit.
- When a firm provides some degree of administrative or management service to an affiliated firm, or shares its personnel with an affiliated firm, common payroll is allocated to each firm based on the relative proportion of assessable payroll directly attributable to each firm.

Where a separate limited company provides some degree of administrative or management services to two or more unaffiliated firms, the payroll of the company providing the services is prorated based on the relative proportion of assessable payroll directly attributable to each of the other firms.

Where an employer maintains formal cost accounting procedures that allocate the overhead payrolls to cost or profit centres, and this allocation is reasonable, it is acceptable as an alternative to prorating common payroll as described above.

(a) Payments to non-registered affiliated firms

It is common for an affiliated firm to provide administrative or management support to a principal firm. Regardless of the sorts of services these affiliated firms provide, all payments to non-registered, affiliated firms that provide services to the principal firm are included in the principal firm's assessable payroll unless documentation is provided to show which payments are not earnings for work done. A deduction for excess earnings is not allowed unless there is documentary proof of the affiliated firm's payroll structure.

5. VOLUNTEER FIREFIGHTERS

Except where section 3(5)(c) applies, the earnings of volunteer firefighters are fixed for assessment purposes at \$75.00 per month, per member or their actual earnings as a member of the fire or ambulance brigade, whichever is greater.

In the case of volunteer firefighters employed by a municipality, improvement district or regional district only, the employer may increase the \$75.00 figure if the Board agrees and the same amount is used for each person.

PRACTICE

For any relevant PRACTICE information, readers should consult the Assessment Department's Practice Directives available on the WorkSafeBC website at www.worksafebc.com.

EFFECTIVE DATE:	January 1, 2017.
AUTHORITY:	ss. 38(1) and 39(1), <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Coverage under the <i>Act</i> – Distinguishing Between Employment Relationships and Relationships Between Independent Firms (AP1-1-3) with respect to principals of corporations, Coverage under <i>Act</i> – Workers (AP1-1-5) with respect to forest firefighters, Coverage under <i>Act</i> – Labour Contractors (AP1-1-6), Extending the Application of the <i>Act</i> (AP1-3-1), Personal Optional Protection (AP1-2-3), Fishing (AP1-4-1), Classifications – Multiple (AP1-37-2), and Maximum Wage Rate (AP1-38-6) in the <i>Assessment Manual</i> and Members of Fire Brigades (policy item #7.10) and Volunteer Firefighters and Ambulance Drivers and Attendants (policy item #67.32) in the <i>Rehabilitation Services & Claims Manual</i> , Volume II.
HISTORY:	<p>Updated January 1, 2017 to combine and clarify existing policy items on the calculation of assessable payroll. Replaces Items AP1-38-2 and AP1-38-3 of the <i>Assessment Manual</i>.</p> <p>Updated April 1, 2013 to reflect the adoption of the Provincial Sales Tax and the Goods and Services Tax.</p> <p>Consequential changes related to the consolidation of the classification policies were made effective January 1, 2013.</p> <p>Updated August 2010 to reflect the adoption of the Harmonized Sales Tax.</p> <p>Replaces in part Policies No. 40:10:10, 40:10:11, 40:10:50, 40:10:60, 40:20:50 and 40:20:70 of the <i>Assessment Policy Manual</i>.</p> <p>This Item results from the 2002 “editorial” consolidation of all assessment policies into the <i>Assessment Manual</i>. 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.</p>
APPLICATION:	The amended policy applies to all decisions made on or after January 1, 2017.

EFFECTIVE DATE:	January 1, 2003
AUTHORITY:	ss. 33 and 38(3), <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Fishing (AP1-4-1), Assessable Payroll (AP1-38-2), and Payroll – Out-of-Province Employers and Operations (AP1-38-4) in the <i>Assessment Manual</i> .
HISTORY:	Replaces Policy No. 40:10:20 of the <i>Assessment Policy Manual</i> .
APPLICATION:	This Item results from the 2002 “editorial” consolidation of all assessment policies into the <i>Assessment Manual</i> . 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.

(e) Transfers between accounts

Any request to transfer funds from one employer's account to another must be made in writing by the employer from whose account the funds will be transferred, unless the funds are being transferred as the result of a Board error.

PRACTICE

For any relevant PRACTICE information please consult the WorkSafeBC website at www.worksafebc.com.

EFFECTIVE DATE:	March 3, 2003
AUTHORITY:	ss. 39(2) and (3), 40(1) and 96(7) <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Assessable Payroll (AP1-38-2), Maximum Wage (AP1-38-6), Collection of Assessments (AP1-45-1), Penalties (AP1-47-1) and Reconsiderations, Reviews and Appeals – Reconsiderations of Decisions (AP1-96-1) in the <i>Assessment Manual</i> and with regard to penalties under Part 3 of the <i>Act</i> , D12-196-1 in the <i>Prevention Manual</i> .
HISTORY:	Consequential changes related to the consolidation of the classification policies were made effective January 1, 2013. Replaces in part Policies No. 20:30:40, 40:30:10 to 40:30:30, 40:30:50, 40:30:60 and 40:70:10 to 40:70:40 of the <i>Assessment Policy Manual</i> and Decision No. 351 in volumes 1 - 6 of the <i>Workers' Compensation Reporter</i> . Consequential changes were subsequently made in accordance with the <i>Workers Compensation Amendment Act (No. 2)</i> , 2002, on March 3, 2003.
APPLICATION:	This Item results from the 2002 "editorial" consolidation of all assessment policies into the <i>Assessment Manual</i> . 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.

registered subcontractor or contractor. The Board will not collect any liability owed by a subcontractor or contractor for work performed up to the clearance date from an addressee who was the contractor or person for whom the work was done. Please note that the clearance date is in the text of the letter; it is not the date of the letter.

PRACTICE

For information on how to obtain a clearance letter, see WorkSafeBC's website at http://www.worksafebc.com/online_services/clearance_letters/default.asp

For any other relevant PRACTICE information, readers should consult the Assessment Department's Practice Directives available on WorkSafeBC's website at www.worksafebc.com.

EFFECTIVE DATE:	June 1, 2010
AUTHORITY:	s. 51, <i>Workers Compensation Act</i> .
CROSS REFERENCES:	See also Assessable Payroll (AP1-38-2), Collection of Assessments (AP1-45-1) and Statutory Lien (AP1-52-1) in the <i>Assessment Manual</i> .
HISTORY:	Policy changes to remove reference to the minimum exemption amounts for contractors and homeowners were made effective June 1, 2010. Amendments effective May 1, 2007 to clarify the purpose and function of the clearance system. This Item results from the 2002 "editorial" consolidation of all assessment policies into the <i>Assessment Manual</i> . 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. Replaces Policies No. 70:20:50 and 70:40:00 of the <i>Assessment Policy Manual</i> .
APPLICATION:	Applies to all decisions made on or after June 1, 2010.

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 \$1,900 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 2016 is \$80,600 and in 2017 is \$81,900.

AP1-47-1 – Penalties

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

