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Committee of Review - Workers' Compensation Act

Submitted via Committee of Review Form for Organizations

<https://www.saskatchewan.ca/government/public-consultations/committee-of-review-workers-compensation-act/step-details/how-to-make-a-submission/wca-cor-organizations-form>

Re: Saskatchewan Workers' Compensation Board Partnership with Canada Revenue Agency

Dear Committee Members,

The Canadian Payroll Association ("Association") appreciates the opportunity to provide feedback and make recommendations on improving the Saskatchewan *Workers' Compensation Act*. Recently, the province of Ontario passed the *Working for Workers Act*, which includes an amendment to section 159 of the *Workplace Safety and Insurance Act, 1997*, enabling the province to enter into an agreement with the Canada Revenue Agency (CRA) for the administration of WSIB premium collection from employers. If Ontario and CRA finalize an amendment to the tax collection agreement, Ontario would join the ranks of Nova Scotia and Quebec, both of whom have successfully streamlined the administration of workers' compensation premiums through a partnership with CRA and Revenu Québec respectively.

The Committee of Review is in a position to explore a similar opportunity for Saskatchewan by looking at a potential partnership that would simplify the administration of workers' compensation premiums by eliminating a burden for Saskatchewan employers.

Employers in industries that are covered by the *Workers' Compensation Act* must currently register with the WCB and send payroll remittances directly to the Board. Since employers already must send payroll remittances to the Canada Revenue Agency related to Canada Pension Plan contributions, Employment Insurance premiums, and income tax deductions, the current requirements result in employers having to send payroll remittances to two government bodies. This administrative redundancy leads to inefficiencies for employers. Employers must juggle multiple and competing deadlines to ensure timely remittance, while also having to make additional trips to the bank to ensure that their WCB remittances are received on time. Further, since remittance obligations recur yearly, this redundancy will continue to affect employers on a regular basis barring intervention.

To address these issues, the Canadian Payroll Association recommends that WCB partner with the CRA to contract out payroll remittance collection functions to the CRA. In effect, this would mean that employers would remit workers' compensation premiums to the CRA which would then direct these funds to the WCB. While remittance collection would be through the CRA, the Government of Saskatchewan would continue to exercise sole authority over premium setting, work and safety policy, adjudication of claims, etc. This is a model that has drastically decreased employer burden while increasing compliance in Nova Scotia and Quebec.

It is important to note that this proposed policy is not without precedent in Saskatchewan. Saskatchewan already contracts out income tax remittance functions to the CRA. The Canadian Payroll Association is recommending that Saskatchewan extend the efficiencies brought about by its income tax arrangement to workers' compensation premiums.

The Canadian Payroll Association has been representing Canadian employers' payroll interests since 1978. The Association's advocacy and education programs provide the legislative compliance content used in the payroll processing and remitting systems of over 500,000 small, medium and large employers. The Association's members include 90 of Canada's top 100 companies and the majority of Canada's payroll service and software providers.

Please do not hesitate to contact me or our Director of Government and Legislative Affairs, Rachel De Grâce at 416.487.3380 x 126 or rachel.degrace@payroll.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Tzanetakis". The signature is stylized and somewhat cursive, with a large initial "P" and "T".

Peter Tzanetakis
President