



Saskatchewan Workers' Compensation Act Review

The Canadian Payroll Association (CPA) thanks the Saskatchewan Workers' Compensation Board (WCB) for initiating consultations on its current program.

The Workers' Compensation Act – Committee of Review (COR) provides a forum for people and organizations to recount their experiences with the workers' compensation program and make suggestions on improvements or reform of *The Workers' Compensation Act, 2013*, the regulations and the administration of the Act and regulations.

This supports the CPA's goal of increasing the efficiency and effectiveness of payroll-related legislation, regulations and administration for all stakeholders (employers, governments and the general public).

Through our collegial, research-based advocacy discussions with the federal and provincial/territorial governments, the Association has enabled government departments, ministries, agencies and employers to achieve greater efficiencies, improve service delivery, and reduce red tape and administrative burden on both government and employers.

Quebec Workers Compensation Board received 20,000 new employer registrations when premium collection shifted to Revenu Québec

In 2010, The CPA worked collaboratively with the Commission de la santé et de la sécurité du travail (CSST) and Revenu Québec (RQ) to develop their current payroll remittance process. Prior to 2011, employers made separate CSST remittances based on anticipated wages and later reconciled to actual payroll. The **CSST reported 20,000 new employer registrations when premiums were added to RQ's remittance slips**. These employers had not previously been aware of their obligation to register for workers' compensation and were prompted to do so voluntarily once the premiums were added to the regular remittance slips to RQ.

Adding CSST premiums to existing RQ remittances on a single form also reduced employer bank transactions while eliminating premium collections by the CSST, enabling it to focus on its core worker support activities.

These new registrants enhanced the Workers Compensation financial base by millions of dollars and tens of thousand more workers were covered. Current pay-based remittances also enabled employers and the CSST to reduce administration costs, increase accuracy, and reduce workloads, saving millions of dollars.

Other examples of the CPA providing industry and subject matter expertise to government representatives leading to greater efficiencies include:

- Working with Ontario's Ministry of Finance to move the Employer Health Tax (EHT) from an arrears-based calculation to an actual pay basis which increased accuracy and decreased the reconciliation processes for employers and government.
- Successfully advocating for increased remittance thresholds for both the Canada Revenue Agency (CRA) and RQ which resulted in 50,000 employers eliminating 800,000 payments (and proportionate amounts in Quebec). The total remittance amounts remained the same; however, their number was reduced based on size of payroll. Just nine days after the federal budget, Quebec Finance announced similar threshold changes for RQ remittances based on advocacy by the Canadian Payroll Association.
- Working with Service Canada to enable employers to provide more accurate and quality based electronic Records of Employment to employees¹.

When complexity decreases--compliance increases

In considering amendments to the WCB system, the goals of decreased complexity and increased compliance should be the guiding principle.

With these goals in mind, we have prepared the following recommendations to reduce the administrative burden on both employers and the Saskatchewan Workers' Compensation Board:

- **Improve Administration:** Have the collection of premiums for WCB Saskatchewan administered through regular employer remittances to the Canada Revenue Agency (CRA).
- **Enhance Consistency:** Greater harmonization of assessable earnings with other provinces and territories is needed.

Administer the collection of WC premiums from employers on behalf of WCB through the CRA

Collecting employer premiums is a financing activity of the Saskatchewan WCB, not a core worker support program. Having employer premiums paid through the regular payroll CRA remittance processes will improve administration of payments and enable WCB staff to focus on core worker support services.

The collection of premiums agreement between the Workers' Compensation Board of Nova Scotia and the CRA could serve as a model for enhancing efficiencies with the WCB in Saskatchewan (and all other jurisdictions). The WCB in Nova Scotia retains full autonomy over the reconciliation of premiums, adjudication of work-related claims, and all other legislative requirements by employers. Remitting WC premiums to the CRA, which then forwards these remittances to the WCB of Nova Scotia, however, streamlines the process and reduces administrative burden for both employers and the WCB.

¹ Employment Insurance Regulation 19(3) enables employers to generate electronic Records of Employment using their regular pay period schedules which uses actual payroll data and negates the need for off-cycle allocations.

The Canadian Payroll Association can provide Saskatchewan-based subject matter expertise to assist the WCB of Saskatchewan (and other jurisdictions), drawing on the experience of having been involved in both the Nova Scotia and Quebec enhancements. Streamlining the collection of WC premiums will increase both efficiencies and compliance.

Decrease Complexity by greater harmonization of assessable earnings with other provinces and territories

With 95% of assessable earnings being consistent from jurisdiction to jurisdiction, confusion and administrative burden is created when national employers must deal with differences for employees in a province or territory that include or exclude a particular type of earning. For example, bonus payments are assessable for WC premiums in all jurisdictions and are, therefore, easy to program into the payroll system.

However, WC Boards across Canada do not treat other types of payments consistently. For example, WCB top-up payments are not assessable in Ontario, Newfoundland and Labrador and Nova Scotia, but are assessable in other provinces. Directors' fees paid to non-employees are not assessable in Alberta, British Columbia, Ontario, Prince Edward Island and Quebec; and pay in lieu of notice payments are not assessable in British Columbia and Quebec.

The CPA can provide local subject matter expertise to assist the WCB of Saskatchewan and those in other jurisdictions to work on greater harmonization of assessable earnings to increase employer compliance. We suggest this be added to the WC Roundtable discussions next May in order to increase employer comprehension and compliance.

Last year, our Payroll Infoline answered over 40,000 inquires from employers requiring clarification on legislation across Canada (with 600 pertaining to workers' compensation). Payroll compliance through education and advocacy is our mission and the Canadian Payroll Association is pleased to work with Saskatchewan's Workers' Compensation Board, and other WC Boards, to ensure that any amendments to legislation, regulation or administrative policies are introduced with the greatest possible administrative efficiencies. Our subject matter experts are available to offer feedback on any proposed amendments to legislation, regulations, administrative policies, as well as forms, online resources, websites, or any other employer resource tools.

About the Canadian Payroll Association

The Canadian Payroll Association has been representing employers' payroll interests since 1978. The CPA has over 20,000 members, covering over 43,000 payroll practitioners who are responsible for half a million organizational payrolls.

Employers annually pay \$865 billion in wages and taxable benefits, \$163 billion in health and retirement benefits, and \$290 billion in provincial and federal statutory remittances, while complying with over 190 regulatory requirements.