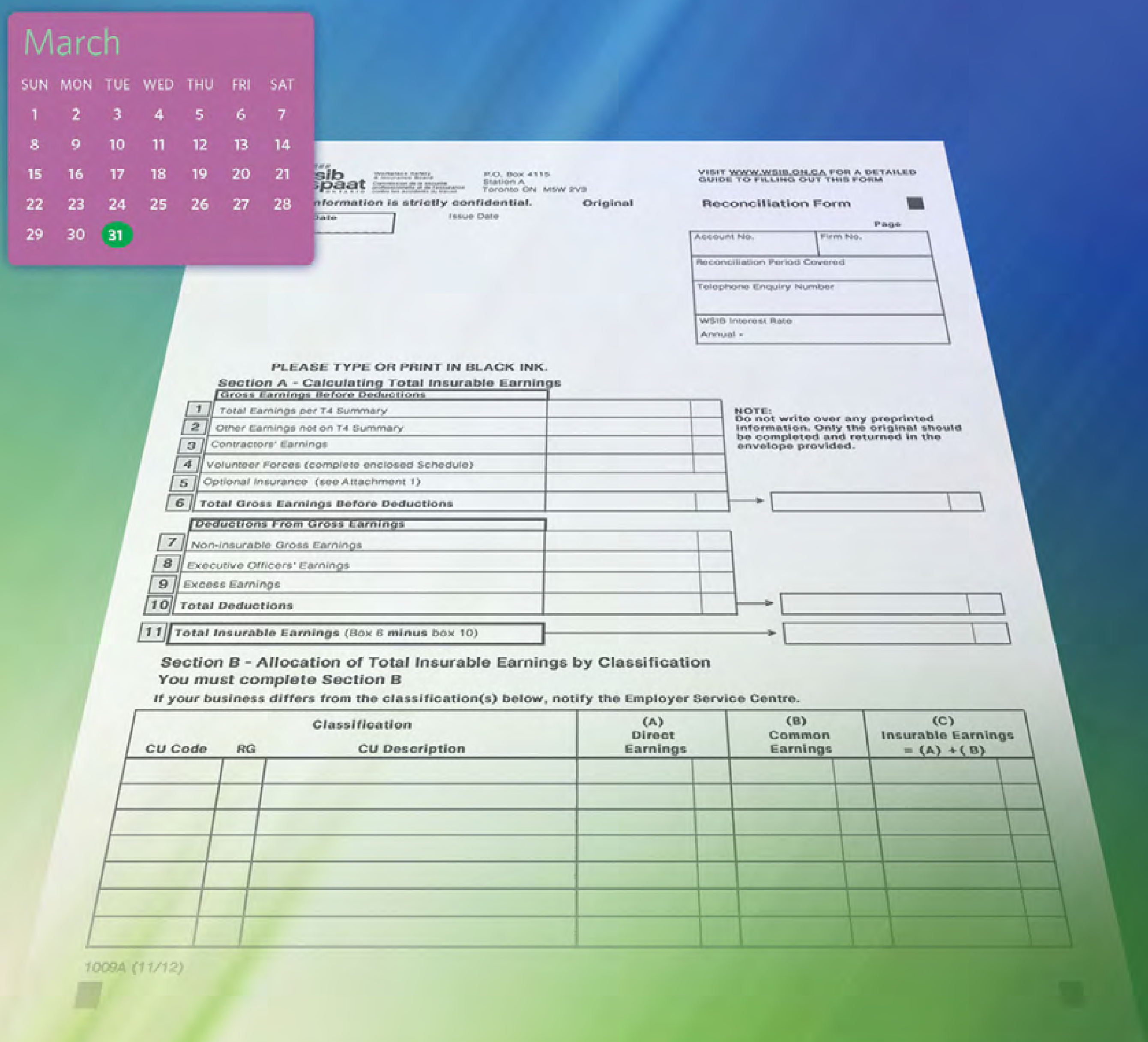
ASSISTANCE FOR EMPLOYERS In Completing the 2014 Year-end Reconciliation Form & Reconciliation Form for 2015 Account Closures

WSIB'S Reconciliation Guide 2015



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Confidentiality

The WSIB considers all information it receives, including information concerning employers, to be confidential. The WSIB makes most employer-specific confidential information available only to the employer or the employer's authorized representative(s). However, the WSIB may provide certain employer information to the public as permitted under the Freedom of Information and Protection of Privacy Act (FIPPA). Further details are provided in Operational Policy Manual document 21-01-01, Access to Employer Information, available on the WSIB website at wsib.on.ca.

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The WSIB collects information under subsections 38(2) and 39(1) (h) of FIPPA, including information provided to it by the CRA under the authority of subsection 241(4) of the Income Tax Act. The WSIB does this principally to ensure compliance with legislation, and the consistent and fair administration of the Workplace Safety and Insurance Act, 1997.

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The WSIB conducts an exchange of employer business information with the CRA with the intention of creating a level playing-field for employers in Ontario. The WSIB collects and uses information in support of this information-exchange agreement with the CRA. If you have any questions related to the collection of personal information, please contact a WSIB account representative.

Pour obtenir ces renseignements en français, composez le 1-800-465-5606.

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The 2015 WSIB Reconciliation Guide

Sidebar icons
These icons appear throughout this guide to help you identify important information.

reminder

important information

wsib.on.ca

Introduction

This Guide is intended to help you complete your WSIB Reconciliation Form. It does not replace the *Workplace Safety and Insurance Act,* 1997 (WSIA) or Workplace Safety and Insurance Board (WSIB) policies as final authority for the Ontario workplace safety and insurance system.

Each year, the WSIB identifies topics in the Guide that need to be clarified. As a result, wording may change from year to year. These changes do not necessarily indicate a change of policy. For exact descriptions of the law and policies concerning workplace safety and insurance in Ontario, please refer to the WSIA and WSIB policies.

What is new for 2015?

The 2015 Reconciliation Guide's content has been streamlined to make it easier for you to complete the Reconciliation Form and any other applicable form(s).

There is also updated reconciliation information for employers in the construction industry in the Reconciliation Guide, located on the Employers page, under Resources of the WSIB's website.

Need more information?

If you have questions, or need information that is not included in the guide, please either visit our website at www.wsib.on.ca, or call, with your account number, to speak with a WSIB account representative, who will be happy to help you. Contact information can be found on the back page of this guide.

Reconciliation Forms: General information

Who needs to complete a Reconciliation Form?

- All employers who were required to report and pay premiums monthly for an account that was active at the end of 2014
- Employers whose reporting frequency changes to monthly
- Employers who close an account regardless of reporting frequency
- Employers who are asked by the WSIB to verify their earnings information

Why do I need to complete a Reconciliation Form?

Completing the Reconciliation Form will:

- Help you to confirm that you have reported the right amount in premiums
  - If you have reported too much in earnings, we will adjust your account
  - If you have not reported enough, we will work with you to help correct your account
- Help you to verify the accuracy of the earnings used to calculate the premiums
- Give you an opportunity to supply us with any new information about your insurable earnings

What do I need to do to complete a Reconciliation Form?

You will need to:

- Review the Reconciliation Form we send you. It will show the total premium amount you reported for the applicable reporting period up to the date of printing.
- Compare the information on the Reconciliation Form with your records
  - Check for differences from the insurable earnings you used to calculate any premiums already reported, and
  - Calculate your actual premium
- Compare your previously reported premium amount (if any) against your reconciled total premium amount
- Record any reconciled difference as owing to you or to us

What records should I keep in case of a WSIB audit or review?

To verify reported annual amounts, the WSIB may review any documentation as necessary (sections 78 and 80 of the WSIA), and such documentation may include, but is not limited to:

- Ownership documentation (e.g., Corporate Minute Book, Business or Partnership Registration)
- Payroll records, such as T4's, T4A's, and payroll journal(s)
- T5 Statement of Investment Income
- T5018, Statement of Contract Payments
- Clearances obtained for all retained contractors
- Prepared financial statements, including Statement of Business Activities or Profit and Loss Statement
- Contractors' invoices/contracts
- Sales invoices/contracts
- Purchase receipts
- Cheque registers or cash disbursement journals

Note: Submitting incomplete or inaccurate information, or failure to keep and/or produce accurate records, can result in penalties and/or prosecution.

What material/business changes do I need to report to the WSIB?

Employers are required to notify the WSIB within 10 calendar days of a material/business change in circumstances.

It's your obligation to notify us within 10 calendar days if there is a material change in your circumstances.

General information

For more information on change in declared status in construction, visit the Mandatory Coverage page on our website, www.wsib.on.ca

You will need to let us know immediately if any of the following "material/business changes" occur, as this may affect your WSIB legislative obligations:

- Changes to the ownership of a company (e.g. mergers, amalgamations)
- You dispose of all or part of your business
- Legal and/or business/trade name changes
- Addresses (work and branch locations)
- Business Activity (classification) changes
- Insurable Earnings (e.g. amended T4s or T4 Summaries, other earnings, worker/independent operator status changes)
- Proof of earnings changes if you have optional insurance
- Closure of business (or divisions or branches), dissolution, bankruptcy or receivership
- An individual who has an exemption from compulsory coverage in the construction industry is no longer eligible for the exemption

Change of Name or Address: Fill out the form on the flap attached to the return envelope provided with the Premium Remittance Form, the Reconciliation Form, or the Statement of Account, otherwise please contact a WSIB account representative.

What is the due date for the 2014 Reconciliation Form?

The 2014 Reconciliation Form is due March 31, 2015.

Are there late reporting and payment penalties?

Yes, depending on your circumstances, you may face any of the following:

- Period Reconciliation Not Reported (PRNR): WSIB will calculate a premium based on our records and charge 1% of this amount, up to $1000 each month until the Reconciliation form is received
- Late Payment Charge (LPC): LPC is issued if there is an amount owing on the account after the due date

Is debit and credit interest applied?

Yes. Generally, debit interest is applied to an account when, upon reconciliation, there is an outstanding balance due to the WSIB. Credit interest is applied to an account when, upon reconciliation, there is a credit due to the employer.

For more information on debit and credit interest and charges go to: wsib.on.ca, Operational Policy Manual document 14-02-07, Employer Non-Compliance Interest and Charges.

Who is a worker?

The WSIB requires employers to report the earnings of all their workers.

Defining a worker

A worker is anyone you employ in your business under a contract of service or apprenticeship. In this relationship you, for example, set:

- The nature and place of work
- When it is performed, and
- How it is performed

In some cases an unpaid employee may still be considered a worker (e.g. training participant).

Workers can be employed either full-time or part-time, including:

- Seasonal, temporary or occasional employees*
- Students, apprentices and learners
- Training participants
- Domestic workers working for you for more than 24 hours a week

***Occasional/Casual Worker**

An occasional (or casual) worker is an individual who works occasionally i.e. less than part-time, and works on an irregular schedule. If such a worker is employed for the purposes of the employer's industry, insurable earnings must be reported and premiums must be paid for the work performed. However, if such a worker is employed otherwise than for the purposes of the employer's industry, there is no need to report insurable earnings or remit premiums for the work performed.

For example, if an employer who operates a restaurant hires an additional cook during busy periods in the year, the insurable earnings of this worker must be reported and premiums paid for the work performed.

If the same employer hires a different worker to only clear snow around the building, on a less than part-time basis during the year, the employer is not required to report the earnings of this worker to the WSIB.

Relatives

A family member, including spouse, children and other relatives, employed under a contract of service and receiving earnings is considered a worker. Their earnings must be included in the premium calculation.

Executive officers

The WSIB considers executive officers to be a select group of individuals who control the direction of the entire organization rather than just a department or branch. Title alone does not make an individual an executive officer. The key to executive officer status is that the person is empowered or appointed to act as an officer of the organization. If the individual is not empowered by the organization as an officer, the WSIB will not determine them to be an executive officer. The WSIB has the authority to determine who is an executive officer.

In order to determine if one (or more) of the individuals on your payroll is an executive officer, the WSIB will consider a number of factors, including whether the individual in question:

- Holds a position (as corporate officer or director) and is named in your corporation's minute book as holding this position
- Is enumerated, appointed or empowered through corporate documents such as Articles of Incorporation, Charters, by-laws, and/or Corporation Profile Reports filed with a federal or provincial agency to act as an officer
- Does in fact perform the duties and executes the responsibilities of an executive officer, as defined by the WSIB, and
- Has significant functional responsibilities demonstrating the individual is a 'directing mind' and/or is wholly or partially responsible for the organization as a whole

Executive officers are not automatically covered under the *Workplace Safety and*

For information on training participants and domestic workers check Operational Policy Manual document 12-04-05, Coverage for Unpaid Trainees, and 12-04-14, Domestic Workers, on our website at **www.wsib.on.ca**

Who is a worker?

For more information on completing worker/independent operator determination questionnaires see our website.

Request a Clearance if you retain a contractor/subcontractor.

For more information about Mandatory Coverage in Construction or on Clearances, including obtaining a Clearance using online eClearance, visit the WSIB's website.

Insurance Act, 1997 (WSIA) unless they are engaged in non-exempt construction work or apply for optional insurance.

An individual in construction who has an exemption under Operational Policy Manual document 12-01-06, Expanded Compulsory Coverage in Construction, may apply for optional insurance.

The WSIB has the authority to determine who is an Executive Officer. For a complete description of who qualifies as an Executive Officer for WSIB purposes go to: www.wsib.on.ca, Operational Policy Manual document 12-03-03, Who Can Obtain Optional Insurance?

Contractors/Subcontractors who are not in the construction industry

For WSIB purposes, a contractor/subcontractor or owner operator, may be considered;

- A worker
- An independent operator and/or
- An employer

If you're a contractor/subcontractor, and the WSIB confirms that you're considered to be a **worker**, you are automatically covered.

If you are a contractor/subcontractor, and the WSIB confirms that you are considered to be an **independent operator**, then you are not required to have insurance coverage with the WSIB (unless you are in the construction industry).

If you're a contractor/subcontractor who employs workers/helpers, then you are considered an **employer** and must be registered with the WSIB.

If you retain a contractor/subcontractor to perform a service and there is evidence that the contractor/subcontractor hires help, you should verify that the contractor/subcontractor working for you is registered with the WSIB and remains in good standing.

For the period being reconciled, you may have retained contractors who you considered as independent operators or employers in their own right. As a result, you may not have reported payments made to them as insurable earnings on your Premium Remittance forms. If you did not obtain rulings from the WSIB confirming independent operator status for these individuals, or did not obtain a clearance for those contractors/subcontractors who employ help or have optional insurance, the WSIB strongly encourages you to do so. If the WSIB finds that these contractors/subcontractors were in fact your workers, unregistered employers, or registered employers not in good standing, you could be liable for premiums that are owed in connection with the work or service they performed on your behalf.

Construction: Deemed Workers

In the construction industry, independent operators, sole proprietors, partners in a partnership, and executive officers of a corporation are deemed workers for whom insurable earnings must be reported; except if they are exclusively performing exempt home renovation work or a partner or executive officer who has been granted an exemption from compulsory coverage by the WSIB.

Contractors who are workers of the Principal in Construction

When a principal hires an individual contractor to provide construction work, and this individual is not an independent operator in construction, the principal is the employer of this individual for all WSIB purposes.

The WSIB has the authority to determine who is a worker or an independent operator under the WSIA and reserves the right to review this ruling at any time. For more information visit www.wsib.on.ca, Operational Policy Manual document 12-02-01, Workers and Independent Operators, or contact the WSIB account representative.

Insurable earnings

What are Insurable Gross Earnings?

Insurable gross earnings include a worker's total gross earnings for the calendar year before any deductions. Total gross earnings include employment remuneration capable of being estimated in terms of money.

Gross earnings include:

- Wages (hourly, daily, etc.), annual salary, and payment for piecework. These are usually reported on pay stubs and on T4 slips and include any amounts reported on a T4 as deductions, including, but not limited to:
    - Income tax
    - Employment Insurance (EI)
    - Canada Pension Plan (CPP)
    - Loss or use of equipment or tools
    - Union dues
    - Gratuities (tips, verifiable by the employer)
- Allowances for car, clothing, moving, tools, and travel that are reported as taxable benefits and are included in income
- Bonuses, incentives, taxable awards, prizes, taxable gifts
- Director Fees': If the director is an employee of the company, the amount of fee is added to the regular pay period's earnings

What are Non-insurable Gross Earnings?

- Gratuities: tips paid directly to the employee by the customer being served
- Maternity benefits paid by the employer
- Severance pay as required under the *Employment Standards Act, 2000*
- Sick benefits paid to a worker directly by a private insurance company

For a complete list of **Insurable Gross Earnings and Non-insurable Gross Earnings** go to the WSIB website: www.wsib.on.ca and see Operational Policy Manual documents:

- 14-02-08, Determining Insurable Earnings
- 14-02-18, Insurable Earnings – Construction

Or contact a WSIB account representative.

What are Insurable Earnings for Sole Proprietor, and for each Partner in a Partnership in Construction?

The insurable earnings are each individual's annual self-employment business income, subject to the annual maximum amount of insurable earnings.

The annual self-employment business income is the amount reported to the Canada Revenue Agency as net business income (Line 135) on the individual's Income Tax and Benefit Return (T1 General). In the case of a partnership, each partner's share of the total business income is reflected in their own Income Tax and Benefit Return (T1 General) or T2125 Statement of Business or Professional Activities.

Sole proprietorship and partnerships must ensure that the annual reported amount of insurable earnings submitted to the WSIB is an accurate reflection of their annual net business income.

What are Insurable Earnings for Executive Officers in a Construction Corporation?

The insurable gross earnings of an executive officer are based on the total of:

- Employment income reported on a T4 Statement of Remuneration Paid
- Other insurable employment income reported on a T4A, Statement of Pension, Retirement, Annuity, and Other Income
- Dividends reported on a T5 Statement of Investment Income, and

- Director fees issued by the corporation to the executive officer.

What are Insurable Earnings for Independent Operators in Construction?

The insurable gross earnings are based on the labour portion of the contract for work performed during the reconciliation period.

How do you determine the gross earnings of contractors/subcontractors?

If you contract work to a contractor/subcontractor who the WSIB has determined, for the purposes of WSIB coverage, is your worker, include the worker's insurable gross earnings as part of the premium calculation, along with the earnings of workers. The insurable gross earnings for contractors/subcontractors are based on the labour portion of the contract for work performed during the reconciliation period.

Labour only

If the contractor's/subcontractor's service to you involves only labour, without money spent by the contractor/subcontractor on materials, equipment and/or installation supplies, then the total price of the contract is treated as insurable gross earnings. This is true no matter what the contractor/subcontractor does – construction, transportation or any other kind of activity.

Labour, materials and equipment

The simplest way to determine the labour portion of the contract is for the contractor/subcontractor to keep adequate records of all expenses on materials or equipment. Once these acceptable expenses are deducted from the total contract price, the remainder is the labour portion of the contract.

For the above, apply the annual maximum insurable earnings ceiling to eliminate any possible excess earnings ($84,100 for 2014, $85,200 for 2015).

Adequate Records

The WSIB considers records adequate if they can verify and separately show amounts paid for labour from materials, equipment and/or installation supplies. When business records, contractor's invoices or written contracts accurately identify the actual labour portions of the contract by identifying the amounts allocated and billed for labour and for materials, equipment and/or installation supplies, the labour portion is treated as the contractor's gross earnings.

Inadequate Records

The WSIB considers records inadequate if they do not accurately verify the labour portion of the contract. In addition, if there is no evidence that the contractor/subcontractor supplies major materials or heavy equipment used in the direct performance of the contractor's/subcontractor's work, the WSIB considers the entire contract value (100%) as the contractor's gross insurable earnings.

For more information on major materials and heavy equipment, go to www.wsib.on.ca, Operational Policy Manual document 14-02-08, Determining Insurable Earnings

If your records are inadequate and you are in the ***landscaping, logging, construction, or the transportation industry***, the WSIB uses different contract values. For details refer to www.wsib.on.ca, Employers, Operational Policy Manual:

Landscaping:	Operational Policy Manual document 14-02-08
Logging:	Operational Policy Manual document 14-02-10
Construction:	Operational Policy Manual document 14-02-18
Transportation:	Operational Policy Manual document 14-02-09

If you need additional information or help, please contact a WSIB account representative. Contact information can be found on the back of this guide.

Earnings Records

Earnings records confirm the total gross earnings of your workers for the calendar year. Records should include:

- Names of your workers and positions
- Earnings, hours and days they were paid, and
- Dates on which they were employed

Record keeping when hiring contractors/subcontractors

Keep business records, including written contracts and contractors'/subcontractors' invoices that show

- Dates worked, days and hours paid
- Amounts earned
- Amounts paid for labour and costs of material/equipment supplied by the contractor/subcontractor

Excess Earnings

Excess earnings for an individual worker are any earnings above the annual maximum insurable earnings set by the WSIB. Employers pay premiums on gross insurable earnings up to the maximum insurable earnings set for the year. Any earnings above this limit are not subject to WSIB premiums.

For 2014 the maximum insurable earnings ceiling is $84,100.

For the 2014 year end reconciliation, use the 2014 annual maximum insurable earnings ceiling.

The maximum insurable earnings ceiling for 2015 is $85,200.

When closing an account in 2015, use the 2015 annual maximum insurable earnings.

Example:

- Worker 1: 2014 gross earnings = $87,600
- Worker 2: 2014 gross earnings = $61,300

WSIB 2014 maximum insurable earnings = $84,100

The employer will pay premiums on:

- **Worker 1:** $84,100

  Worker's gross earnings are above the WSIB 2014 maximum insurable earnings, therefore employer pays on WSIB maximum insurable earnings

- **Worker 2:** $61,300

  Workers gross earnings are below the WSIB 2014 annual maximum insurable earnings, therefore employer pays on worker's total gross earnings

If a person works for more than one employer during the year, the annual maximum insurable earnings applies to the insurable gross earnings with each employer. Employers are not responsible for tracking a worker's earnings with other employers.

Optional Insurance

Excluding the construction industry, independent operators, sole proprietors, partners and executive officers are not automatically covered under the WSIA unless they apply for optional insurance.

An owner's spouse, or other family member must hold a position as a partner or executive officer and must receive earnings that are verifiable if audited to qualify for optional insurance.

Under the WSIA, compulsory coverage extends to most independent operators, sole proprietors, partners and executive officers in the construction industry, with certain exceptions. A partner/executive officer who has been granted an exemption by the WSIB or an individual who meets the home renovation exemption criteria under Operational Policy Manual document 12-01-06, Expanded Compulsory Coverage in Construction, may make an application for optional insurance.

Optional insurance takes effect the date the signed written request is received by the WSIB.

The optional insurance amount should reflect the earnings of the person covered. Optional insurance is always set at an annual earnings level, subject to the annual maximum insurable earnings ceiling, regardless of the period the insurance is actually in effect.

The minimum coverage period for optional insurance is three months.

To update the amount of optional insurance, use the Optional Insurance Request/ Change form included in your reconciliation package.

For more information go to www.wsib.on.ca, Operational Policy Manual document 12-03-02, Optional Insurance, and Operational Policy Manual document 12-03-03, Who Can Obtain Optional Insurance?

Cancelling optional insurance

If there is optional insurance coverage on your WSIB account, optional insurance stays in effect until the person covered provides a signed, written request asking for cancellation of optional coverage.

If the person covered is no longer with the firm and is not available to sign the cancellation form, the employer must provide the date the person in question left the company. In such cases the WSIB will accept an authorized signature instead of the insured person's signature.

The WSIB may cancel optional insurance with 15 days notice if the employer defaults on premium payments. If there are multiple accounts, optional insurance is cancelled for all accounts, no matter which account is in default.

An individual in construction who no longer is eligible for the partner/executive officer exemption from compulsory coverage, or no longer meets the home renovation exemption criteria in construction, must cancel their optional insurance as they must report their actual insurable earnings.

Assigning Insurable Earnings

Classification Units (CUs) are assigned to your account based on your business activity(ies), and insurable earnings are reported under the CU(s).

One Classification Unit

For accounts with only one CU, all earnings are direct earnings and will be reported under the one CU.

What are direct earnings?

Direct earnings are earnings that can be assigned to a CU directly from records that clearly show the earnings by business activity. There are two types of direct earnings:

- Those that relate only to the business activity of the CU, and
- Those from ancillary operations or optional insurance amounts that can be directly assigned to a CU.

If you have optional insurance, and no workers, your optional insurance amount is considered direct earnings.

If a CU pre-printed on your Reconciliation Form has no direct earnings, please contact a WSIB account representative for assistance.

Multiple Classification Units

The WSIB may assign more than one classification unit to your account. This happens if you:

- Carry on two or more distinct business activities listed in different CUs, and
- Keep properly segregated earnings records for each CU.

If the CUs are in different rate groups then each activity is assigned the appropriate premium rate.

Ancillary Operations

An ancillary operation supports one or more business activity but is not itself classified separately.

If you have earnings, including optional insurance that you cannot assign directly to a CU, go to the common earnings information section.

Example of an Ancillary Operation:
Administration related to the employer's business activity, such as administrative staff, payroll and human resources.

Go to www.wsib.on.ca, Operational Policy Manual document 14-01-01, Classification Scheme for more information on Ancillary Operations.

Segregated Earnings Records

To assign insurable earnings when the account has multiple CUs, you must maintain properly segregated earnings records for each CU.

The proper segregation of earnings must be based on the direct labour time spent on each business activity and must be verifiable through adequate records.

- For workers who work solely in one business activity, all earnings are assigned to the CU for that business activity.
- For workers who divide their time among two or more business activities (CUs), the employer uses their segregated records to assign the earnings to the appropriate CUs according to the direct labour time spent in each CU.

Assigning Insurable Earnings

***Example 1:* Segregating earnings based on labour time spent in the business activity of the CU**

An employer carries on four different business activities and is classified in four different CUs. Some workers do work only related to one CU. Others do work related to more than one CU.

The employer keeps segregated records that show how much direct earnings each worker has for each CU. Therefore, the employer is able to directly assign the insurable earnings of each worker to the appropriate CU based on labour time spent in each business activity.

Optional insurance amounts or earnings from ancillary operations that can be directly assigned to a CU

Assign these earnings directly to the appropriate CU if:

- They support more than one CU, and
- Their earnings records are segregated by CU

***Example 2:* How to allocate direct earnings for Ancillary Operations**

The employer in the previous example has three office staff whose work supports all four business activities. The employer keeps segregated earnings records for each office worker.

The employer allocates their earnings to all the CUs according to the direct labour time spent supporting the business activity in each CU. All the earnings of the ancillary operation in this case are direct earnings and can be directly assigned to a CU.

What are common earnings?

For accounts with more than one CU, common earnings are any earnings from ancillary operations or optional insurance amounts that cannot be directly assigned to a single CU, and cannot be supported by segregated earnings records. These are called common ancillary earnings as they support more than one business activity and must be assigned to the relevant CUs on a prorated basis.

If the employer in Example 2 was not able to segregate the earnings of the three office staff performing ancillary work to support the four business activities, then the insurable earnings for the office workers would be considered common ancillary earnings.

The employer will have to prorate the common earnings based on the direct earnings for each CU and then assign the appropriate prorated amount to each CU.

Separate rate group 755 for construction

The separate construction rate group 755 for non-exempt partners or executive officers is distinct from other construction rate groups. It is to be used only for reporting the insurable earnings of non-exempt partners or eligible executive officers.

Rate group 755 is not to be used to assign common earnings. If reporting Executive Officers' earnings under rate group 755, these earnings should be reported as direct earnings.

Prorating common earnings

For firms with multiple CUs and common earnings, the total insurable earnings for a CU equals the CU's direct earnings plus the prorated common earnings for the CU.

Here is how to determine how much to assign to each CU. Use the blank worksheet on page 17 to calculate and assign common earnings. For each step, the corresponding calculation in the example is explained below.

In the example account, there are four CUs with both direct and common earnings: 1921-000, 1931-000, 1993-000, and 1999-000.

Step	Example
1. Determine the direct earnings for each CU. Write the amounts in Column 1 beside the CU description.	See Column 1.
2. Total the direct earnings from all CUs. Write the total in Box 1.	Total direct earnings is $500,000 (see Box 1).
3. Determine the total common earnings. Write the total in Box 2.	Total common earnings is $48,000 (see Box 2).
4. Divide the direct earnings for each CU by the total direct earnings for ALL CUs. This results in the proportion of common earnings to use for each CU. Then multiply each amount by 100 to get the percentage. Write the percentages in Column 2 beside the applicable CU description. (Do this calculation for each CU.)	For CU 1921-000, the direct earnings ($100,000) in column 1 is divided by the total direct earnings ($500,000) in Box 1 and multiplied by 100. This gives the percentage (20%) in Column 2, which is used to determine the amount of common earnings to assign to each CU.
5. Multiply the percentage for each CU by the total common earnings Box 2. This gives the amount of common earnings to assign to each CU. Write the amounts in Column 3 beside the applicable CU description. (Do this calculation for each CU.)	For CU 1921-000, multiply the percentage (20%) in Column 2 by the total common earnings of $48,000 in Box 2. This gives the amount of common earnings of $9,600 in column 3.
6. Total the common earnings entered in Column 3. Write the total in Box 3.	Total prorated common earnings is $48,000 (see box 3). The amounts in Box 2 and 3 should match.
7. Add the common earnings amount in Column 3 PLUS the direct earnings in column 1 for each CU. Write the totals in Column 4 beside the applicable CU. (Do this calculation for each CU.)	For CU 1921-000, the common earnings ($9,600) in Column 3 plus direct earnings ($100,000) in Column 1 equals insurable earnings of $109,600 in Column 4.
8. Total the insurable earnings in Column 4 for each CU. Write the total in Box 4. This total equals the total direct Box 1 plus common earnings Box 2.	Total insurable earnings is $548,000 (see box 4). This total equals the direct earnings ($500,000) in Box 1 plus the common earnings ($48,000) in Box 3.
9. Transfer your calculations from the worksheet to your Reconciliation Form.	

Assigning Insurable Earnings

CHART: Calculating and Assigning Common Earnings

		Column 1	Column 2	Column 3	Column 4
Classification		Direct Earnings	% of Total Direct Earnings	Prorated Common Earnings	Insurable Earnings
CU Code	CU Description		**Column 1 ÷ Box 1 x 100**	**Box 2 x Column 2 (%)**	**Column 1 + Column 3**
1921-000	Carpet, Mat, and Rug Operations	$100,000	20%	$9,600	$109,600
1931-000	Canvas and Related Products	$250,000	50%	$24,000	$274,000
1993-000	Household Products of Textile Materials	$60,000	12%	$5,760	$65,760
1999-000	Other Processed Textile Products	$90,000	18%	$8,640	$98,640
Total		**BOX 1** $500,000	100%	**BOX 3** $48,000	**BOX 4** $548,000
Total Common Earnings		**BOX 2** $48,000			

Use the blank Worksheet for Calculating and Assigning Common Earnings.

WORKSHEET: Calculating and Assigning Common Earnings*

Classification		Column 1	Column 2	Column 3	Column 4
		Direct Earnings	% of Total Direct Earnings	Prorated Common Earnings	Insurable Earnings
CU Code	CU Description		**Column 1 ÷ Box 1 x 100**	**Box 2 x Column 2 ÷ 100**	**Column 1 + Column 3**
Total		**BOX 1**	100	**BOX 3**	**BOX 4**
Total Common Earnings		**BOX 2**			

Make copies of this Worksheet for future use.

*Note: If you are in the construction industry refer to the Worksheet: Calculating and Assigning Common Earnings - Construction on our website, by selecting Employers > Resources > Reconciliation Guide, and clicking on Reconciliation Form: Additional Instructions for Construction.

Records of deductions and exemptions from the gross earnings must be kept for audit purposes.

Make copies of this worksheet for future use.

Completing the Reconciliation Form

If you amend a T4 or a T4 summary or other earnings after filing the WSIB reconciliation, you must report the amendment to an account representative.

Key information to avoid costly penalties!

- *Use only the Reconciliation form we send you*
- *Contact the WSIB for a replacement form (see Contact Information on back page)*
- *Do not write over any dates or other preprinted data*
- *Return the original form in the envelope provided*
- *Do not return your working copy or any photocopies or faxes of the form. Keep them for audit purposes*
- *Return your completed form so that the WSIB receives it NO LATER than March 31.*

How do I complete the Reconciliation Form?

The reconciliation process involves several steps to compare the total premiums you reported to the WSIB with your actual premium. To reconcile an account for the reporting period you must:

1. Determine the insurable earnings for each classification unit (CU)
2. Calculate the actual premium for each CU
3. Add up the premiums from all CUs
4. Compare the total premium amount owing to the total premium amount that was reported
5. Include payment for any reconciled difference owing to the WSIB with the completed Reconciliation Form. Ensure that the WSIB receives it on or before March 31, 2015.

INSTRUCTIONS

Section A – Calculating total insurable earnings

Gross earnings before deductions

1 TOTAL EARNINGS PER T4 SUMMARY

Enter the total gross earnings for **all** workers, including the earnings of out of province workers who do work in Ontario, and executive officers as reported on Line 14 of the T4 summary.

For information on Executive Officers see page 7. For executive officers in construction see page 7 and 8.

2 OTHER EARNINGS NOT ON T4 SUMMARY

Enter the total gross earnings not reported on T4s for all workers. Include T4As unless issued to contractors/subcontractors, see **box 3**.

Include the non-T4 earnings of executive officers. For sole proprietors with workers and partners in a partnership in construction, report net business income (Line 135 - T1 General or T2125 Statement of Business or Professional Activities) on this line.

For independent officers in construction, report the labour portion of your own contracts/invoices on Line 2.

For more information on insurable earnings go to page 9 and 10 or to www.wsib.on.ca, Insurable gross earnings or Operational Policy Manual document 14-02-18, Insurable Earnings – Construction.

3 CONTRACTORS' EARNINGS

If you had contractors/subcontractors who were or would be considered your workers by the WSIB, enter their total insurable gross earnings on this line.

If your firm did not engage contractors/subcontractors proceed to **box 4**.

If you made payments to contractors/subcontractors during the period being reconciled, please read the section on Contractors/ subcontractors on page 8.

For more information on how to determine gross earnings of contractors/ subcontractors go to www.wsib.on.ca, Operational Policy Manual document 14-02-08, Determining Insurable Earnings.

4 VOLUNTEER FORCES (COMPLETE ENCLOSED SCHEDULE, IF APPLICABLE)

Only employers with volunteer forces should complete this box. **Note:** For the definition of volunteer forces visit our website for details.

All other employers should proceed to **box 5**.

Completing the Reconciliation Form

5 OPTIONAL INSURANCE (SEE ATTACHMENT 1 IF ENCLOSED)

If there is no pre-printed amount in this box, proceed to **box 6**.

The pre-printed amount is the total optional insurance amount that was in effect for sole proprietors, partners, independent operators or executive officers for this reconciliation period. **Do not change this amount.**

Attachment 1 gives details of optional insurance for all persons covered during this reconciliation period, for your information and records. The total amount of Insurable Earnings, on Attachment 1, for all persons with optional insurance, should equal the amount of optional insurance in **box 5** on the Reconciliation Form.

For information on Optional Insurance see page 11 or go to www.wsib.on.ca, Operational Policy Manual document 12-03-02, Optional Insurance.

6 TOTAL GROSS EARNINGS BEFORE DEDUCTIONS

Add **boxes 1** to **5** and enter the total here. Amounts under volunteer forces **box 4** and optional insurance **box 5** are fully insurable and not subject to deduction.

Deductions from gross earnings

7 NON-INSURABLE GROSS EARNINGS

Enter any non-insurable gross earnings included in **box 1** and **2**, including the portion of earnings of out of province workers that is for work done in other Canadian jurisdictions outside of Ontario.

Refer to page 9 for **Non-insurable gross earnings**, or go to www.wsib.on.ca, Operational Policy Manual document 14-02-08, Determining Insurable Earnings.

For construction, enter independent operator's, sole proprietor's, partners', and executive officers' gross earnings included in **box 1** and **2** for any time period they were exempt from mandatory coverage because they were engaged in exempt home renovation work (subject to the 3 month coverage period minimum).

Go to www.wsib.on.ca, Employers, Resources, Reconciliation Guide, Mandatory Coverage for Construction Industry and refer to Administrative Practice Document – Expanded Coverage for the Construction Industry.

8 EXECUTIVE OFFICERS' EARNINGS

For ***non-construction***, enter the total executive officers' gross earnings included in **boxes 1** and **2**.

For ***construction***, on this line enter the partners' and executive officers' earnings included in **boxes 1** and **2** for the time period they were exempt from mandatory coverage because of an approved exemption for one partner or executive officer in the partnership/corporation.

For more information on Executive Officers see page 7. For executive officers in construction, go to www.wsib.on.ca, Employers, Resources, Reconciliation Guide, Mandatory Coverage in Construction Industry and refer to Administrative Practice Document – Insurable Earnings Constructions.

9 EXCESS EARNINGS

If you have workers whose gross earnings exceed the 2014 annual maximum insurable earnings

Revising Earnings

If you need to revise a worker's earnings for the calculations on the year-end reconciliation, you must apply the annual maximum for that year. If the revised insurable gross earnings move the worker's annual insurable earnings above or below the maximum, adjust the excess earnings and total insurable earnings accordingly.

Completing the Reconciliation Form

If you are closing your account in 2014, the 2014 maximum insurable earnings ceiling is $84,100 .

For accounts with only one CU, all earnings are considered direct.

Employers reporting under multiple CUs must maintain separate earnings records for each CU.

INSTRUCTIONS (continued)

($84,100), enter the total excess earnings for these workers here.

If you are closing an account in 2015, the 2015 maximum insurable earnings ceiling is $85,200.

To calculate each individual worker's (or contractor's) excess earnings, subtract the annual maximum insurable earnings from their total earnings reported in **boxes 1**, **2** and/or **box 3**, if applicable.

10 TOTAL DEDUCTIONS

Add **boxes 7**, **8** and **9**. Enter the total here.

11 TOTAL INSURABLE EARNINGS

Subtract the amount in **box 10** from the amount in **box 6** and enter the difference here.

These are the total insurable earnings on which premium calculations are based.

Section B – Allocation of total insurable earnings by classification unit

You must complete Section B to ensure the insurable earnings are allocated correctly. On the form you will have one or more preprinted Classification Units (CUs).

One CU preprinted in Section B

Enter the amount from **box 11** in column A, Direct Earnings and in column C, Insurable Earnings. Proceed to Section C – Premium Calculation.

Two or more CUs preprinted in Section B

You need to assign the insurable earnings of each worker, including optional insurance amounts (included on Attachment 1, if applicable) to one or more of the CUs.

In most cases you will have earnings that apply directly to each CU and earnings that are common ancillary to two or more CUs. For more information on **assigning insurable earnings** see page 13.

For more information on assigning insurable earnings for employers in the construction industry, go to www.wsib.on.ca, Employers, Resources, Reconciliation Guide.

Assigning direct earnings on the Reconciliation Form

Add up the direct earnings assigned to each CU.

Enter the total in Section B of the Form beside the appropriate CU in column A, Direct Earnings.

If you have no common earnings, also enter the direct earnings totals into column C, Insurable Earnings.

Proceed to Section C – Premium calculation.

Assigning common earnings on the Reconciliation Form

Transfer the common earnings for each CU from column 3 on the worksheet to column B, Common Earnings on the Reconciliation Form.

Transfer the Insurable Earnings for each CU from column 4 on the worksheet to column C, Insurable Earnings on the Reconciliation Form.

For employers in the construction industry that have Rate Group 755, common earnings must not be assigned to this rate group. Go to www.wsib.on.ca > Employers > Resources > Reconciliation

Completing the Reconciliation Form

INSTRUCTIONS (continued)

Guide > Reconciliation Form: Additional Instructions for Construction.

Section C – Premium calculation

Transfer the insurable earnings for each CU from Section B to the appropriate CU under Section C, column C.

12 TOTAL INSURABLE EARNINGS

Add the insurable earnings from all the CUs as entered in column C and enter the total in **box 12**. If this amount does not equal the amount in **box 11** of Section A, review your calculations.

13 TOTAL PREMIUM AMOUNT

Calculate the premium for each CU by multiplying the insurable earnings for the CU in column C by the premium rate preprinted on the Form in column D, then divide by 100.

Premium = Insurable earnings x premium rate ÷ 100

Enter the result in the CU Premium column. Add up the premiums for all the CUs and enter the total or the $100 minimum premium (whichever is more) in **box 13**.

A minimum premium of $100 applies to accounts that are open during any part of a calendar year, even if no premiums are reported.

14 TOTAL PREMIUM AMOUNT REPORTED

This amount shows the WSIB's record of the total premium amount already reported and processed for the reconciliation period.

The total includes the premium amounts reported on all Premium Remittance Forms for the reconciliation period covered, and reflects any subsequent revisions or adjustments authorized and processed by the WSIB by the date the Reconciliation Form is printed.

The amounts on the Reconciliation Form may not match your records. One reason may be because our records do not show your most recent reporting period.

Note that the amount recorded is the total premiums reported throughout the year, not premiums actually paid.

15 RECONCILED DIFFERENCE

Subtract the amount in **box 14** from **box 13** and enter the difference here. If the amount is negative, enter the amount in **box 16**. If the amount is positive, enter the amount in **box 17**.

The WSIB calculates these amounts and enters them on your Statement of Account along with the entry for the reconciled difference.

16 CREDIT TO ACCOUNT

If your account is open, the WSIB will apply the year end reconciliation credit (plus interest) to any balance owing on your account for this or upcoming reporting periods.

If the WSIB closes an account and there is a net credit, the WSIB will refund the credit.

17 AMOUNT DUE

This is the amount you owe the WSIB.

18 AMOUNT PAID

Enter the amount of the payment you are making.

Have your latest Premium Remittance Form handy in case the amount we show reported does not match your records. It could be that we did not receive your latest reporting prior to printing the Reconciliation Form.

If you have workers who work outside of Ontario and do not know how to report their earnings, contact an account representative.

Return the Form even if the reconciled difference or total insurable earnings is zero. Failure to do so could result in non-compliance interest and charges.

Completing the Reconciliation Form

Clearly print your account number on the front of your cheque.

INSTRUCTIONS (continued)

Section D – Certification

Complete all areas of Section D.

Print the name, title, and telephone number of the owner or authorized officer of the company who is certifying the Reconciliation Form. This person must sign the certification section.

You still must return the Form if the reconciled difference or the total insurable earnings are zero.

Worksheets used in preparing the Reconciliation Form must be kept for audit purposes.

Returning the Reconciliation Form and making payments

Return the Reconciliation Form and your payment, if you are making one to the WSIB in the self-addressed envelope provided or to the PO Box address on the Form.

You can also return the Reconciliation Form in the self-addressed envelope and use our online ePayment option. For more information see the Frequently Asked Questions on page 23.

The WSIB must receive your completed Reconciliation Form and payment by the due date indicated. You may make an online payment or send a post-dated cheque to ensure that payment is received by the due date. If the Reconciliation Form itself is not received by the due date you will be subject to a non-compliance charge. For details refer to page 6, Are There Late Reporting and Payment Penalties?

If you have Schedule 1 coverage by application and you do not meet your payment and/or reporting obligations, the WSIB may cancel your coverage.

Use the return envelope for:

- The original, completed Reconciliation Form
- Your payment
- The Optional Insurance Request/Change Form, if applicable, and
- The Schedule for Volunteer Forces, if applicable

Additional Information

Frequently asked questions

What should I do if I have lost/misplaced my Reconciliation Form?

Print a working copy from our website **www.wsib.on.ca**. To obtain the correct figure for box 5 and box 14 you can:

- Contact a WSIB account representative
- Use our ePremium Service if you report online.

May I bring my completed Reconciliation Form to the financial institution I bank with?

No. The WSIB must receive and process the Reconciliation Form.

May I bring the completed Reconciliation Form to my local WSIB office?

Yes. You may also make your payment by debit or cheque at the local WSIB office.

Why does box 14 on the Reconciliation Form not match the total payments I made to the WSIB for the year?

Box 14 represents the sum of premiums reported – not paid – to the WSIB within the reconciliation period, as at the date the form was printed. Not all payments made to the WSIB throughout the year necessarily correspond to premiums reported.
For details, contact a WSIB account representative.

What if I owe money as a result of the reconciliation process?

There are several ways to make your payment and file your Reconciliation Form:

- Mail your Reconciliation Form with a cheque to the PO Box on the Form
- Mail your Reconciliation Form to the PO Box on the form and pay separately through our online service (available through your financial institution). With ePayment you can pay using Interac Online,and MasterCard.

Is debit and credit interest applied?

Yes. Generally, debit interest is applied to an account when, upon reconciliation, there is an outstanding balance due to the WSIB. Credit interest is applied to an account when, upon reconciliation, there is a credit due to the employer.

For more information on debit and credit interest and charges go to www.wsib.on.ca, Operational Policy Manual document 14-02-07, Employer Non-Compliance Interest and Charges.

Once I complete the Reconciliation Form and Box 16 indicates I have a credit to my account, what happens?

After we verify that the information supplied is correct, the credit will be applied to your account balance. If your account balance is zero or already in a credit position, you may request a refund cheque by contacting a WSIB account representative. If not, the credit will be applied to reduce any outstanding balance.

Contact Information

Visit our website, **www.wsib.on.ca** to get forms and information.

If you need additional assistance, the WSIB's Employer Service Centre staff are available to help with your account inquiries.

Inquiries can be made Monday to Friday, between 7:30 a.m. and 5:00 p.m.
(416) 344-1000
1-800-387-0750
e-mail:
employeraccounts@wsib.on.ca

Teletypewriter (TTY)
1-800-387-0050

Send **ALL** claim and employer account related mail to:

Workplace Safety and Insurance Board
200 Front Street West
Toronto ON M5V 3J1

Fax:
(416) 344-4684
1-888-313-7373 (toll free)

eWSIB Online. Anytime.
eWSIB gives you convenient, 24-hour access to the services you need the most, so you can do business with us online, anytime. Go to **www.wsib.on.ca** to set up your online account.

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