

**Operational
Policy**

Section
Employer Classification

Subject
Special Ancillary Rules

Law

O.Reg. 175/98 s.6(4)

An employer's ancillary operation may provide a supportive activity or service to the employer's business activity and at the same time carry on a business in its own right.

If the payrolls for the two parts of the ancillary operation are properly segregated, then the part of the ancillary operation carrying on a business in its own right is considered a separate business activity.

However, if the payroll for the two parts of the ancillary operation is aggregated, the entire ancillary operation is classified in the rate group which has the higher premium rate of either the business activity which the ancillary operation supports or the business activity carried on in its own right.

Guidelines

NOTE

For an overview of the WSIB's classification scheme, see 14-01-01, The Classification Scheme.

General

The rules governing an ancillary operation which is also carried on as a business activity in its own right are subject to the WSIB's policies on segregated payrolls (see 14-01-03, Segregated Payrolls) and aggregated payroll (see 14-01-04, Aggregated Payroll).

Example

The accounting branch of a retail department store not only services the employer but also provides accounting services for non-associated employers as a separate business. The payrolls for the two functions of the accounting branch are properly segregated.

The WSIB classifies the payroll for that part of the accounting operation servicing the retail employer in CU 6411-000, Department Stores (RG #636). The payroll for that part of the operation carrying on accounting as a business in its own right is classified in CU 7731-000, Chartered and Certified Accountants (RG #956).

The retail rate group 636 currently has a higher premium rate than rate group 956, which includes accounting services. Therefore, if the payroll for the two accounting functions in the example above is aggregated, the entire (ancillary) accounting operation is classified in the CU and rate group for the retail business activity it supports (CU 6411-000, RG #636).

Application date

This policy applies to all decisions made on or after January 1, 1996.

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Document History

This document replaces 08-03-11, Special Ancillary Rules, dated October 22, 2001.

References

Legislative Authority

Workplace Safety and Insurance Act, 1997, as amended
Sections 75(3), 77, 80, 81, 118(2)1, 135

O.Reg. 175/98
Sections 1, 6(4)

Workers' Compensation Act, R.S.O. 1990, as amended
Sections 69(2)(a), 108(2), 109, 111(1), 113, 117(2)

R.R.O. 1990, Reg 1102
Sections 1, 5(4)

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