

Operational
PolicySection
Employer AccountsSubject
Credit Interest on Appeals

Law

s.159(2)(a)

The Board has the power to establish policies concerning the premiums payable by employers under the insurance plan.

Policy

The WSIB pays credit interest on successful appeals, provided the employer had previously paid the disputed premium amount in full.

Guidelines

Definitions

Appeal —~~"appeal"~~ for the purpose of this policy, means a reconsideration of a decision-maker's decision following an employer's objection, an appeal to the Appeals Branch or to the Workplace Safety and Insurance Appeals Tribunal (WSIAT).

Disputed premium —~~"disputed premium"~~ for the purpose of this policy, refers to an employer's appeal of a premium issue and includes

- a reclassification
- status determinations regarding a worker, independent operator, or executive officer
- adjustment of earnings
- debit interest and charges, and/or
- experience rating surcharge/rebate adjustments, or premium or premium rate adjustments.

~~—Workwell surcharges~~

NOTE

The disputed premium could be either for an amount due for a past period, or a premium amount that becomes due while the issue is under appeal.

"Credit interest" — for the purpose of this policy, is the Bank of Canada rate. This interest rate is ~~adjusted~~ ~~set~~ quarterly.

Case Examples

Credit interest is paid in appeal situations such as those illustrated in the following case examples.

Example 1 - ~~L~~etter of credit posted

On April 3, ~~2008~~2020, the WSIB reclassifies an employer ~~resulting in to~~ a higher premium rate ~~group or risk band classification~~ effective January 1, ~~2008~~2020. The employer objects to the reclassification on June 15, ~~2008~~2020, and ~~proceeds nonetheless to~~ posts a letter of credit ([see OPM 14-04-05](#)).

Operational
PolicySection
Employer AccountsSubject
Credit Interest on Appeals

Alternate Payment Arrangements) with the WSIB for the past ~~(additional)~~ premium amount owing due to the reclassification ~~to meet its payment obligation~~. See ~~OPM 14-04-05, Alternative Payment Arrangements~~. The employer continues to pay its ongoing premiums from June 15, ~~2008-2020~~ throughout the entire reconsideration and appeal process. The original decision-maker confirms its reclassification decision, and refers the objection to the Appeals Branch, which rules in favour of the employer (i.e., overturns the original decision-maker's reclassification decision) in its decision on December 17, ~~2008-2020~~. Credit interest is calculated from the time the employer paid its premium owing (June 15, ~~2008-2020~~) to the date the Appeals Branch December 17, ~~2008-2020~~ decision is processed.

NOTE

If ~~the~~ appeal above proceeded to WSIAT, and WSIAT ruled in the employer's favour, the credit interest calculation would extend to the date the WSIAT's decision is processed.

Example 2 - Premium payment in full

Using a different payment approach to the situation described in Example 1, an employer may pay the full amount of the past ~~(additional)~~ premium amount on May 15, ~~2008-2020~~, as well as, its ongoing premiums throughout the appeal process. By choosing this payment ~~-in- full~~ approach, credit interest is calculated from May 15, ~~2008-2020~~ to the date the Appeals Branch December 17, ~~2008-2020~~ decision is processed.

Example 3 - Account adjustment

An employer is audited on December 9, ~~2008-2022~~ for the years ~~2006-2020~~ and ~~2007-2021~~. The auditor determines that a number of contractors engaged by the employer are workers whose earnings the employer did not include in its calculation of WSIB premiums. The auditor adds these contractor's earnings to the employer's account, which result in an additional premium amount owing by the employer. On February 12, ~~2009-2023~~, the employer objects to the additional premium notice, since the employer considers those contractors to be independent operators. The appeal passes through and is confirmed at the reconsideration stage and by the Appeals Branch. The employer decides to take the issue further to WSIAT. On November 23, ~~2009-2023~~, WSIAT rules in favour of the employer, in that the contractors are considered independent operators (not workers) and that the additional premium based on their earnings be reversed.

If the employer posts a letter of credit for the additional premium for ~~2006-2020~~ and ~~2007-2021~~, and continues to pay its ongoing premiums from February 12, ~~2009-2023~~ until WSIAT's November 23, ~~2009-2023~~ decision, credit interest is calculated from February 12, ~~2009-2023~~ to the date WSIAT's decision is processed (the period the employer continued to pay its ongoing premiums).

If the employer paid the additional premium for ~~2006-2020~~ and ~~2007-2021~~ in full on January 15, ~~2009-2023~~, and continued to pay its ongoing premiums until WSIAT's November 23, ~~2009-2023~~ decision, credit interest is calculated from January 15, ~~2009-2023~~ to the date WSIAT's November 23, ~~2009-2023~~ decision is processed.

Example 4 - Adjustments under experience rating programs*

On November 7, 20017, an employer receives a NEER bulk issue comprised of a surcharge for each of 2013, 200414, 20015, and 20016 injury years. In March 20108, a 200134 injury was granted SIEF relief. In April 20018, the employer requests that the 200134 injury year be adjusted to reflect the SIEF relief. Based on experience rating policy, the request to adjust is denied. The employer objects to the experience rating decision. The objection is referred to the Appeals Branch, which rules in favour of the employer.

Scenario 1 - surcharge paid in full

The employer has paid the entire NEER surcharge in full, by the due date, December 31, 20017.

If the appeal decision results in a reduced surcharge for 200413, credit interest is calculated based on the reduced amount from December 31, 20017 (the due date) to the date the adjustment is processed.

If the appeal results in a net credit for 200413, credit interest is calculated based on the adjusted value (surcharge plus net credit), from November 7, 20017 (the bulk issue date) to the date the adjustment is processed.

Scenario 2 - letter of credit posted

The employer posts a letter of credit for the 200413 NEER surcharge amount.

If the appeal decision results in a reduced surcharge for 200413, neither debit or credit interest is calculated.

If the appeal decision results in a net credit for 201304 over and above the amount covered by the letter of credit, credit interest is calculated, based only on the net credit amount, from November 7, 20017 (the bulk issue date) to the date the adjustment is processed.

Scenario 3 - surcharge not paid in full

The employer has not paid the 200134 portion of the total NEER surcharge.

If the appeal decision results in a reduced surcharge for 201304, credit interest is not calculated for the reduced amount. Also, there is no adjustment to any debit interest calculated to date.

If the appeal decision results in a net credit for 201304, credit interest is calculated, based only on the net credit from November 7, 20017 (the bulk issue date) to the date the adjustment is processed. There is no adjustment to any debit interest calculated to date.

**Operational
Policy**

Section
Employer Accounts

Subject
Credit Interest on Appeals

NOTE

[As a result of the phasing out of the experience rating programs, the 2017, 2018 and 2019 accident years will not be subject to the four year review period. The final review for claims with accident years in 2017, 2018 and 2019 will occur in 2020. see 13-02-02, NEER \(New Experimental Experience Rating Plan\) and 13-02-06, Construction Industry Plan \(CAD-7\).](#)

Debit Interest

Debit interest will continue to be applied in cases where the employer does not:

- pay the full amount of the disputed premium, or
- provide a letter of credit as security on past premiums due.

For more information on the application of credit and debit interest, see 14-02-07, Employer Non-Compliance Interest and Charges.

For the application of the letter of credit, see 14-04-05, Alternative Payment Arrangements.

Application date

~~Credit interest for the purposes of t~~This policy applies to all decisions ~~on appeals made~~ on or after ~~April 7, 2008~~[January 1, 2020](#).

Document History

[This document replaces 14-02-16 dated April 7, 2008.](#)

References**Legislative authority**

Workplace Safety and Insurance Act, 1997, as amended
Sections 159(2)(a)

Minute

Administrative

~~#9, March 17, 2008, Page 460~~