

Reporting directors of corporations to the WCB

Effective Jan. 1, 2025, the definition of a worker has changed under [The Workers' Compensation Act, 2013](#) (the Act). Directors receiving wages reported on a T4 are no longer included in the definition of a worker.

As a result, directors of a corporation are no longer considered workers and no longer have automatic WCB coverage. You may be able to purchase [optional personal coverage](#) with the WCB to be eligible for benefits if you are injured at work.

Because of this legislative change, the way you report worker wages on your [Employer's Payroll Statement \(EPS\)](#) has changed. Any earnings for directors of a corporation should not be included as worker wages on your 2025 estimates of your EPS. Total assessable wages should not include wages of [directors who receive employment income on T4 slips](#), as these individuals are no longer considered workers.

Read more at wcbask.com/optional-personal-coverage.

Frequently asked questions

Q: Why are directors of corporations no longer required to have WCB coverage?

A: Effective Jan. 1, 2025, the definition of a worker has changed under the Act. Directors receiving wages reported on a T4 are no longer included in the definition of a worker.

As a result, directors of a corporation are no longer considered workers and no longer have automatic WCB coverage. This change offers more flexibility for directors of corporations' coverage options and more choices for your coverage amount. You may be able to purchase [optional personal coverage](#) with the WCB. This means you may be eligible for benefits if you are injured at work.

Because of this legislative change, the way you report worker wages on your [EPS](#) has changed. Any earnings for directors of a corporation should not be included as worker wages on your 2025 estimates of your EPS. Total assessable wages should not include wages of [directors who receive employment income on T4 slips](#), as these individuals are no longer considered workers.

Q: I am a director of a corporation and get a T4 but don't want WCB coverage. Can I opt out?

A: Yes. As a director of a corporation, you can opt out of WCB coverage, however if you do not choose to purchase optional personal coverage and you are injured at work, you will not be eligible for WCB benefits. Your premiums will also be the responsibility of the person who hires you if you do not purchase coverage with the WCB.



You may be able to purchase [optional personal coverage](#) with the WCB to be eligible for benefits if you are injured at work.

Q: I am a director and receive a T4 but don't actually do any work for the business. Do I have to have coverage?

A: No. Directors need to be involved in the day-to-day business to be eligible for [optional personal coverage](#) with the WCB.

If your corporation pays someone who is a director, such as your spouse or child, but this person does not actually do any work in the business, you do not need to report that individual's wages to the WCB.

Q: I am a director of a corporation and had optional personal coverage through the WCB. I now receive a T4. How do I report my wages?

A: Because of the legislative change to remove directors of a corporation from the definition of a worker under the Act, any earnings for directors of a corporation should not be included as worker wages on your 2025 estimates of your EPS.

You may be able to purchase [optional personal coverage](#) with the WCB. If you purchase optional personal coverage, you may be eligible for benefits if you are injured at work.

Q: I am a director and only receive dividends (T5) from my corporation. Can I get coverage for myself?

A: Yes. If you are actively working in the business and receive a dividend, you can purchase [optional personal coverage](#) for yourself.

Q: My corporation pays my child, who is a director, but the child does not actually do any work in the business. Do I need to report the wages for him/her?

A: No. Effective Jan. 1, 2025, directors of corporations are no longer considered workers under the Act and no longer have automatic WCB coverage. You may be able to purchase optional personal coverage with the WCB to be eligible for benefits if you are injured at work.

Because of this legislative change, the way you report worker wages on your [EPS](#) has changed. Any earnings for directors of a corporation should not be included as worker wages on your 2025 estimates of your EPS. Total assessable wages should not include wages of [directors of corporations](#), as these individuals are no longer considered workers.



- A previous year T4 income tax slip as submitted to the Canada Revenue Agency (CRA).
- A previous year Statement of Business or Professional Activities as submitted to the CRA.

Q: I am a director of a corporation in an excluded industry. I am on payroll, but I don't want coverage for myself. Even though I only have voluntary coverage for just my workers, do I now report my own earnings?

A: No. Effective Jan. 1, 2025, directors of corporations on payroll are no longer considered workers under WCB legislation. Regardless of if voluntary coverage is in place for your corporation, you are only eligible to apply for optional personal coverage.