

Reporting Assessable Earnings

Every business or person with an active Saskatchewan WCB account is required to file an Employer's Payroll Statement (EPS) by February 28 every year.

All workers who are on payroll and receive employment income on a T4 slip are to be included in both the actual amounts for the prior year and the estimates for the current year. These amounts are what your premiums are based upon (assessable earnings X premium rate = premiums). It is important that these figures are accurate to ensure the correct premium amounts are calculated.

Reporting Considerations:

Assessable Earnings

Assessable earnings are gross earnings before income tax, employment insurance, pension and other deductions. Earnings include regular wages, salaries, piecework fees, commissions, bonuses and other payments and taxable benefits. Box 14 of a worker's T4 slip usually captures the correct assessable amounts.

The Assessable Earnings policy ([POL 24/2010](#)) provides more information on what amounts are considered assessable and which are not (e.g. dividends, severance allowance, reimbursement of travel expenses, etc.).

Excess Earnings

Wage loss benefits for workers are 90 percent of net earnings up to the maximum in effect for any given year. Because of that, employers are not required to pay premiums on earnings above the maximum amount per worker per year. *The maximum amount per person may change from year to year.* For the current amounts, please see [Reporting Your Payroll](#) at www.wcbask.com.

Example: A worker's gross earnings for 2020 are \$100,000. **The maximum amount per person for 2020 is \$88,906.** The employer would report \$88,906 assessable earnings for this worker.

Example: Company ABC has two workers, each earning \$100,000. Taking into account the per person maximum for 2020, the estimate of wages for 2020 will be:

	\$88,906 for worker A
	+ <u>\$88,906 for worker B</u>
	\$177,812 total estimate for 2020



Example: 123 Painting employs John who will gross \$100,000 and Bob who will gross \$40,000. The assessable payroll would be:

\$88,906 for John
+ \$40,000 for Bob
<u>\$128,906 total</u>

Reporting Directors

Total assessable wages should include wages for directors who receive employment income on a T4 slip as they are considered workers. The wages are to be reported in the same way as all other workers. See [POL 14/2014 – Coverage – Directors](#)

Underestimating Assessable Payroll

Estimated wages should be as accurate as possible; premiums are due in the coverage year to which they apply. *Adjustments, where required, may be done any time within the current calendar year [online](#) or by phone.* If the actual wages are 50 percent higher than the estimated wages, an underestimate penalty will apply.

Example: Company X estimated their 2020 assessable payroll at \$60,000. The actual wages for 2020 for Company X can be their estimate of \$60,000 plus 50 percent (\$30,000) before a penalty is applied. If the payroll in 2020 exceeds \$90,000 an adjustment should be made before the end of the calendar year to avoid the underestimate penalty.

Working in and out of Saskatchewan (Prorating Excess Earnings)

Where a worker spends time in two different provinces and earns over the Saskatchewan maximum assessable amount, only the amounts earned in Saskatchewan must be reported. Where the worker's payroll is above the maximum amount for the year, it may be reported as per the below calculation.

$$\frac{\text{SK Gross}}{\text{Total Gross}} \times \text{SK Maximum Assessable} = \text{Prorated SK Maximum}$$

If you require further information, please contact us.

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