

# InformationAlert

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## ***What you should know about independent operators and executive officer status for the forestry industry***

The Workplace Safety and Insurance Board (WSIB) has recently received inquiries regarding how the incorporation of a business or the designation of an individual as an Executive Officer or Independent Operator affects mandatory coverage with the WSIB. These questions appear related to deciding whether to register a company with the WSIB or to purchase alternative private insurance products and opt out of WSIB coverage.

The best source of information about your particular business situation is your contact in the WSIB's Forestry Sector. However, there are guiding principles applied by the WSIB when registering firms or determining the status of persons as Workers, Independent Operators or Executive Officers. These principles include:

1. The WSIB has the power to determine whether an Executive Officer, Owner Operator, Sole Proprietor or Partner is a 'Worker' under the *Workplace Safety and Insurance Act (WSIA)*. Industry specific questionnaires have been developed to assist Schedule 1 and 2 businesses and industries in determining Worker and Independent Operator status. In cases where questionnaires are not completed, Schedule 1 and 2 businesses and industries run the risk of the WSIB determining Worker status without their input.
2. Where a person contributes only labour to the working relationship, the WSIB will deem the person to be a Worker under the WSIA and the employer is responsible for provision of WSIB coverage.
3. Incorporation of a business or establishment of a Sole Proprietorship/Partnership and identification of a person as an Executive Officer do not mean that the designated person is not a Worker under the WSIA.

Employers remain responsible for payment of premiums on the insurable earnings of all persons deemed Workers under the WSIA. Employers failing to properly report earnings and remit premiums for workers will be held responsible for past and present amounts due for these persons in accordance with the WSIB's policy on employer premium adjustments. That could include recovery of past premiums, interest, penalties and possible prosecution.

4. Factors the WSIB considers when making an Independent Operator decision include:
  - Chance for profit or loss
  - Capital investment
  - Degree of supervision

Persons and/or firms wishing to clarify whether or not they are operating within the requirements of the WSIA are strongly encouraged to contact their designated WSIB Account Manager or Customer Service Representative for advice and guidance based on their specific situation.

For more information, visit the WSIB website at: [www.wsib.on.ca](http://www.wsib.on.ca)

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