SAVE YOURSELF
LOTS OF RED TAPE

A NEW METHOD FOR PAYMENT OF INSURANCE PREMIUMS

EXPLANATORY GUIDE

Working at prevention for 30 years

Revenu Québec

CSST

On January 1, 2011[1], the Commission de la santé et de la sécurité du travail will be implementing a new payment method: insurance premiums based on wages paid. You will no longer be paying your premium on the basis of your estimated wages but rather on the basis of the wages you actually paid. Legislative amendments have been enacted so that the CSST can implement this new method of payment.

With this change, you will be required to pay your premium in periodic payments to Revenu Québec. The CSST and Revenu Québec have entered into a partnership so that a single remittance slip can be used by employers to remit their periodic insurance premium payments at the same time as they remit their source deductions and employer contributions. Insurance premiums based on wages paid is an innovation that will save you time!

Should you require further information in this regard or for any other questions that you may have, contact an information officers at our *Centre de relations clients* at 1 866 302-CSST (2778) or consult our Web site at **www.csst.qc.ca**.

The purpose of this guide is to facilitate comprehension of the terms and condition applicable to paying insurance premiums based on wages paid. It has no legal value and cannot be regarded as a substitute for the official versions of the laws and regulations applied by the CSST.

Use of the masculine in this document is a reference to women as well as to men.

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1. Conditional upon the passing of the Order-in-Council proclaiming in force the legislative provisions respecting implementation of this new method of payment and the enactment of implementing regulations.

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1. PAYMENT OF INSURANCE PREMIUMS BY PERIODIC PAYMENTS

As of 2011, you will be required to pay your CSST insurance premiums by making periodic payments to Revenu Québec the same time as you remit your source deductions and employer contributions, using the same remittance slip. For that purpose, a new box will be added to the remittance slip issued by Revenu Québec. The payment frequency of your CSST insurance premium will therefore be the same as that established by Revenu Québec for paying your source deductions and employer contributions, namely, weekly, twice-monthly, monthly, quarterly or yearly.

Even if you do not make source deductions and do not pay employer contributions, Revenu Québec will send you a remittance slip showing only the box reserved for payment of your CSST insurance premium. In that case, you would be required to remit your periodic payments on a monthly basis.

2. CALCULATION OF THE PERIODIC PAYMENT

The amount of the periodic payment is calculated by multiplying the insurable wages paid to your workers during the period to which the payment relates (for example, one month) by the periodic payment rate[2].

The calculation steps for any given period are set forth below and explained in greater detail in the following table.

1st STEP		Amounts to be included in the calculation (see page 5)
	-	Amounts that may be deducted (see page 5)
	=	**Total insurable wages used in the calculation**
2nd STEP	x	Periodic payment rate (see page 6)
	÷	100 (for every $100 of insurable wages)
	=	**PERIODIC PAYMENT** (see example on page 8)

2. Rate for every $100 of insurable wages.

1st STEP

AMOUNTS TO BE INCLUDED IN THE CALCULATION

The amounts to be used in calculating the periodic payment for a given period will be those appearing in Box A of all *Relevé 1* slips (Employment and other income – Revenu Québec).

Certain amounts declared at year end on line 4 – Other amounts to be included – of the *Statement of wages* form must also be used in calculating the periodic payment. However, this applies to very few employers.

For further information respecting amounts to be included in the calculation, consult our Web site at **www.csst.qc.ca** and click on the section entitled *Employeurs*.

> **NB!**
> In calculating the amount of the periodic payment, you will not be required to take into account amounts paid to your independent operators deemed to be workers or amounts paid for personal coverage for your volunteer workers.

AMOUNTS THAT ARE DEDUCTIBLE

The following amounts may be deducted **if they form part of amounts that were previously included in the calculation**.

The deductible amounts are as follows:

- **Remuneration paid to persons eligible for personal coverage**

  That portion of the remuneration paid to persons eligible for personal coverage, namely, the executive officers of a legal person, the members of its board of directors[3] and mayors.

3. Persons whose sole function is to sit as members of the board of directors of a legal person and who are neither president, vice-president, secretary or treasurer.

AMOUNTS THAT ARE DEDUCTIBLE (Cont'd)

■ Other amounts to be excluded

Specifically:

- › the gross wages paid for that part of a worker's sick leave in excess of 105 consecutive days;
- › the gross wages of a worker released for union activities where those wages are reimbursed to you by the union.

■ Amounts in excess of the maximum insurable wages

This is the part of each worker's gross wages that exceeds the maximum insurable for the year concerned. Thus, where a worker's wages reach the maximum yearly insurable[4], the amount in excess for the period covered is deductible.

Under certain conditions, the same principle applies to employers in the construction industry, including those engaged in home renovations. In that case, they would deduct the excess based on a maximum weekly insurable[5].

For further information on deductible amounts or for examples of how to calculate surplus amounts, consult our Web site at **www.csst.qc.ca** and click on the section entitled *Employeurs*.

2nd STEP

PERIODIC PAYMENT RATE

When you receive the *Classification decision* at the end of October every year, you will note that it contains the rate to be applied in calculating the payment amounts that you must pay in the coming year. **Therefore, it is important to keep your *Classification decision*.**

4. As a guide, for 2010, the maximum yearly insurable has been fixed at $62,500.
5. As a guide, for 2010, the maximum weekly insurable has been fixed at $1,198.70 ($62,500 divided by 52.14 weeks).

NB!
The periodic payment rate may change during the year, for example further to a recalculation of your personalized rate or a change in the classification of your activities. In such a case, you will be informed of your new rate. Therefore, always use the most recent rate that the CSST has given you in calculating the amount of your next periodic payments.

The periodic payment rate is established as follows:

- **For employers classified in a single classification unit**

  The rate will correspond to their premium rate.

- **For employers classified in more than one classification unit**

  To facilitate the calculation of periodic payments, a single payment rate will be provided. The periodic payment rate will be a weighted average of the premium rate for each classification unit assigned.

  The following table presents a sample calculation of the periodic payment rate for 2011 for an employer whose activities are classified in more than one classification unit:

CLASSIFICATION UNIT NUMBER	INSURABLE WAGES DECLARED FOR 2009* (A)	2011 PREMIUM RATE (C)	CALCULATION OF THE PERIODIC PAYMENT RATE (A / B) X C
10000	$50,000.00	$2.68	$1.34
20000	$30,000.00	$1.69	$0.51
30000	$20,000.00	$2.10	$0.42
Total insurable wages declared for 2009:	**$100,000.00 (B)**	**2011 periodic payment rate:**	**$2.27**

* To establish the payment rate for 2011, your most recent wages declared for a full year on record at the CSST are those for 2009.

For further information on the periodic payment rate or for other rate calculation examples, consult our Web site at **www.csst.qc.ca** and click on the section entitled *Employeurs*.

SAMPLE PERIODIC PAYMENT CALCULATION

The following is a sample calculation of the periodic payment for an employer with a monthly payment frequency (for the period of October 1 to October 31, 2011). To determine the amount of the periodic payment, multiply the total insurable wages used in the calculation by the periodic payment rate, then divide by 100. The result will be the amount of the periodic payment.

1st STEP	Amounts to be included in the calculation		$20,000.00
	Amounts that may be deducted:		
	› Remuneration paid to persons eligible for personal coverage	-	$0.00
	› Other amounts to be excluded	-	$0.00
	› Amounts in excess of the maximum insurable wages	-	$0.00
	Total insurable wages used in the calculation	=	$20,000.00
2nd STEP	Periodic payment rate	x	$2.59
	For every $100 insurable wages	÷	$100.00
	PERIODIC PAYMENT	=	**$518.00**

On the basis of the above example, a periodic payment of $518.00 must be remitted to Revenu Québec, before November 15th, for the period of October 1 to October 31, 2011.

NB!
You are not required to supply the information used in calculating your periodic payments. However, you must remit the amount of each payment to Revenu Québec. Furthermore, the CSST reserves the right to verify the accuracy of the information used in calculating each periodic payment. That information must be made available on demand to the CSST.

Periodic payment equal to zero

Even if the amount of one of your periodic payments is zero, you must still complete and return the remittance slip. Enter “0” in the box reserved for the CSST periodic payment and return the remittance slip to Revenu Québec.

3. PERIODIC PAYMENT DUE DATES AND PENALTIES

If you are an employer required to remit source deductions and employer contributions, you must pay your periodic CSST insurance premium payments according to your usual frequency as determined by Revenu Québec. You must also remit the amount of each payment to Revenu Québec by the applicable deadline.

If you are an employer not required to remit source deductions and employer contributions, you must pay your periodic CSST insurance premium payment on a monthly basis. You must also remit your payments to Revenu Québec no later than the 15th day of each month, for the wages paid in the previous month.

Furthermore, if you fail to make a periodic payment, if you make a payment late or if you make an insufficient payment during the year, you run the risk of having to pay one of the following penalties:

- 7% of the amount not paid within the prescribed time limit, if that amount is paid within seven (7) days following the due date;
- 11% of the amount not paid within the prescribed time limit, if that amount is paid as of the 8th day to the 14th day inclusively, following the due date;
- 15% of the amount not paid within the prescribed time limit in all other cases.

NB!
For penalty application purposes, the CSST will not penalize an employer whose payment frequency is weekly or twice-monthly but the employer makes a single payment covering the wages paid in the month, on condition that the employer respects the due date specified for the last periodic payment period in that same month.

4. STATEMENT OF WAGES

As presently is the case, the *Statement of wages* form will be sent to you at the beginning of every year. You must declare all insurable wages paid in the previous year, **but you are not required to indicate your estimated wages for the current year.**

Upon receipt of the *Statement of wages*, the CSST will verify if the total of all periodic payments paid for the year just ended is sufficient based on the wages that were declared in that form. If it is insufficient, the CSST will charge a penalty of up to 15% of the difference between the periodic payments that you declared and those you should have paid.

5. DETERMINATION OF THE ASSESSMENT

The CSST will establish your insurance premium on an annual basis according to the amounts declared in the *Statement of wages* form and according to the premium rate associated with each classification unit assigned to your enterprise for the year just ended. It will deduct from that amount the total of the payments that you declared for that same year on the Revenu Québec remittance slips. Then, it will send you an *Assessment notice* and you will be required to pay any balance indicated on that notice by the due date. At the same time, you will be invoiced for the premium for personal coverage subscribed for the current year and the applicable administration charges for this year.

6. BENCHMARK DOCUMENTS RELATED TO THE NEW INSURANCE PREMIUM PAYMENT METHOD

WHEN?	BENCHMARK DOCUMENT	NEW FEATURES
October 2010	You will receive your *2011 Classification decision*, which will indicate your premium rate (or rates) for 2011.	The *2011 Classification decision* will also indicate **your periodic payment rate to be used in 2011**.
November 2010		The CSST will send you a **detailed guide for calculating your periodic payments.**
January 2011	You will receive the *2010 Statement of wages* form for declaring insurable wages paid in 2010	**Estimated wages are not required.** As of January 2011, you will begin making **periodic payments using remittance slips sent to you by Revenu Québec.** **You must calculate the amount of your periodic payments** using the payment rate indicated in the *2011 Classification decision* and the wages paid to your workers.
March 2011	You will receive your *Assessment notice* detailing your 2010 insurance premium.	
October 2011	You will receive your *2012 Classification decision* indicating your premium rate (or rates) for 2012 and your payment rate.	
January 2012	You will receive the *2011 Statement of wages* form for declaring insurable wages paid in 2011.	
March 2012	You will receive an *Assessment notice* detailing your 2011 insurance premium.	**The notice will take into account the total periodic payments that you paid in 2011.**

Just one number for the CSST: 1 866 302-CSST (2778)

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www.csst.qc.ca:
a Web site linked to your needs!

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