

Who do I have to cover?

Most employers in Alberta are required by law to have workers' compensation insurance for their workers, both paid and unpaid.

Deductions made by an employer from a worker's earnings expressly to pay for any portion of a premium owed to WCB-Alberta are illegal under Section 139 of the Workers' Compensation Act.

If you operate in a compulsory industry, you are required to cover all your workers. For WCB-Alberta purposes, a worker is any person who enters into or works under a contract of service or apprenticeship, written or oral, expressed or implied, whether by way of manual labour or otherwise. A worker is anyone who works:

- Full-time
- Part-time
- Temporary or casual (including foreign workers)
- Contract/subcontract, unless they are operating through a corporation or they maintain their own WCB-Alberta account (see Contractor/subcontractor section)
- As a volunteer (see volunteer section)

Unpaid workers (for-profit)

The definition of a worker also applies to family or unpaid workers. With the exception of proprietors, partners in a partnership or directors of a corporation, all individuals actively providing a service to the business are workers.

If you are a for-profit organization and have any individuals providing services who are not paid, these individuals are considered unpaid workers and are automatically covered in the event of a workplace injury or illness. You are required to report a value for their services with the insurable earnings information you submit for your workers. This value of service should represent a fair market value for the services provided.

Volunteers (not-for-profit)

If you are a not-for-profit organization and have any individuals providing services who are not paid, these individuals are considered to be volunteers and are not automatically covered. These individuals can only be covered through a special request for coverage.

Once your application to cover the volunteers is submitted and approved, you must include a value for their services with the insurable earnings information you submit for your workers. This value of service should represent a fair market value for the services provided.

Directors/shareholders

If you are operating as a corporation, you do not have to cover the directors of your corporation. Directors are persons elected by shareholders to manage the business and financial affairs of a corporation. The Alberta Corporate Registry officially records the names of all directors.

In order to be covered by workers' compensation, directors need to purchase optional Personal Coverage. Directors who do not have Personal Coverage are not protected from legal action resulting from workers' injuries and may be personally sued.

You are required to cover your shareholders who work for the corporation. However when shareholders are elected directors of the corporation, they are not covered by workers' compensation unless they obtain Personal Coverage.

Corporations

If you hire a corporation, you do not cover their workers or directors.

Partnerships

If you hire a partnership that has no workers, you must cover the partners if none of them have Personal Coverage. If, however, any partner has Personal Coverage, you do not cover any of the partners. The partner(s) without Personal Coverage will not receive compensation benefits if injured.

Proprietors

If you hire proprietors who do not have Personal Coverage, you must cover them as your workers. For WCB-Alberta purposes, a proprietor is an individual who owns and operates a business and does not employ any workers. Proprietors usually perform work for more than one principal concurrently.

Contractors/subcontractors

If you hire contractors or subcontractors you must cover them, except when these individuals:

1. Have their own WCB-Alberta account
2. Are operating as a corporation
3. Are performing the work as:
 - An employer in that industry
 - A worker of another employer
 - A director of a corporation
 - A proprietor with Personal Coverage
 - A partner in a partnership with Personal Coverage

For contractors/subcontractors earnings, you report 100% of the amount paid if only labour is supplied. If equipment is involved, contact WCB-Alberta for assistance in determining the amount to report.

You can find the *Alberta Workers' Compensation Act* at:
<http://www.wcb.ab.ca/public/policy/legislation.asp>