

WCB coverage of volunteers and unpaid workers for the Live Theatre/Ballet Industry (85918)

On January 1, 2014 WCB policy changes will come in effect to more clearly distinguish between unpaid workers and volunteers. The changes will impact employers in compulsory industries as well as employers in exempt industries who have elected to purchase coverage.

Theatre companies operate in a compulsory industry under the *Workers' Compensation Act*—there will be no change to the requirement for them to open WCB accounts to cover paid workers. There will, however, be impacts to coverage for volunteers as outlined in this document.

How does this WCB policy change impact theatre companies/Theatre Alberta members?

Paid workers are covered by WCB: If a paid worker is injured while working for the theatre company, the WCB provides wage loss, medical treatment and vocational rehabilitation benefits to help the worker recover and return to work. The theatre company is protected from lawsuits related to the worker's injury.

Volunteers are not covered by WCB: For not-for-profit theatre companies, any individuals providing services without pay are considered to be volunteers and are not covered by WCB for injuries arising from volunteer services. Injured volunteers are not entitled to receive WCB benefits and theatre companies do not have lawsuit protection under the *Act*.

Optional WCB coverage is available for volunteers: Not-for-profit theatre companies can submit a written application to WCB to cover volunteers. Once approved, all volunteers are covered for work related injuries and theatre companies are protected from lawsuits related to the worker's injury under the *Act*. Companies cannot select to cover select volunteers and not others. Selective coverage for some volunteers and not others is not available.

Theatre companies who elect to have this optional coverage are required to provide the WCB a fair market value of service for volunteers (hourly wage), keep records of volunteer hours, submit injury reports for injured volunteers and pay premiums to cover volunteers.

Excerpts from the updated policies that are most relevant to the Live Theatre Industry are included on p. 4 for reference. Updated policies will be available on the website Jan. 6, 2014.

Why do volunteers need WCB wage loss coverage?

In addition to their volunteer duties, most volunteers have careers with income from other jobs. WCB coverage provides benefits for wage loss from concurrent employment even if the volunteer is injured while doing volunteer work for the theatre company.

For example, a professional tradesperson works full-time for a construction company and volunteers evenings and weekends to build sets for a community theatre. While installing a set one evening, the tradesperson trips on a tool left on the stage and breaks his ankle, leaving him in a cast for four weeks and unable to do any paid or volunteer work. WCB coverage would provide compensation for lost wages from the tradesperson's construction job until he is able to return to work.

What benefits does WCB coverage provide to theatre company volunteers?

Compensation	Medical Expenses	Other
Disability benefits based on 90% of a worker's net earnings, up to a maximum amount set by WCB.	Approved health care treatments: chiropractic treatments, physiotherapy or counselling.	If an accident results in a fatality, limited expenses for transportation of body, burial, cremation, memorial services and benefits for eligible dependents.
Travel (if treatment is not available in worker's community).	Braces, crutches, canes, hearing aids, other aids.	
Lump sum payment for permanent disability or impairment.	Orthotic alteration of footwear.	Vocational rehabilitation services.
Clothing (damaged due to workplace accident).	Dental treatment prosthetics, eyeglasses or dentures.	
Self-care and home maintenance allowances.	Hospital expenses/medication costs.	

How much does WCB coverage cost?

WCB collects premiums to cover the costs of insuring work-related injuries. A premium rate is set annually based on the average losses in an industry. Employers who have similar operations and share similar risks are grouped for premium rate setting purposes.

The 2014 premium rate for Live Theatre/Ballet (Industry 85918) is \$0.62 per \$100 of insurable earnings.

Example: The Prime Time Players produce three plays a year with approximately 9,000 volunteer hours, valued at \$20 per hour, and has no paid workers. Optional coverage for volunteers would be \$1,116 for 2014.

Insurable Earnings: 9000 hours X \$20/hour = \$180,000

WCB Premium: \$180,000/100 X \$0.62 = \$1,116

How can a theatre company apply for optional coverage?

A theatre company can apply for optional coverage:

- on the WCB website through Online Services at www.wcb.ab.ca/employers/
- by phone in Edmonton at 780-498-3999, Calgary at 403-517-6000, or toll free at 1-866-922-9221
- by written application to a WCB office.

Policy Excerpts

The following WCB policies are impacted by the change and can be accessed Jan. 6, 2014 on the WCB website at www.wcb.ab.ca/public/policy/manual/table_contents.asp

- Policy 06-01, Part II - Insurance Coverage for Workers & Employers, Application 3 - Workers
- Policy 06-02, Part II - Insurance Coverage for Workers & Employers, Application 1 – Voluntary Coverage
- Policy 06-03, Part II - Insurance Coverage for Workers & Employers, Application 4 – Insurable Earnings

<p>Policy 06-01 Part II</p> <p>2. Must individuals be paid in order to be covered by workers' compensation?</p>	<p>No. Sections 14(5) and 103(2) refer to two different categories of individuals who provide services to an employer with nominal or no remuneration. These categories are volunteers [s.14(5)] and unpaid workers [s.103(2)]:</p> <ul style="list-style-type: none"> ▪ Volunteers are not covered by workers' compensation unless the employer specifically applies for coverage (see Questions 3 and 4). ▪ Unpaid workers are covered by workers' compensation on a mandatory basis and must be reported by the employer (see Policy 06-03, Part II, Application 4, Question 2). <p>Other individuals who, although not receiving any remuneration, are covered by workers' compensation include learners (see Question 6), emergency response volunteers (see Question 7), and any class of persons deemed to be workers of the provincial government under s.7(1) of the General Regulation. Unpaid workers include family members, apprentices, learners, and any other individuals who provide a service to an employer in an industry to which the Act applies (see Application 1, Q4).</p>
<p>3. What is the difference between a volunteer and an unpaid worker?</p>	<p>For workers' compensation purposes, volunteers and unpaid workers are defined as follows:</p> <ul style="list-style-type: none"> ▪ Volunteers are individuals who provide services with nominal or no remuneration to not-for-profit organizations ▪ Unpaid workers are individuals, including family members, who provide services without remuneration to any employer operating a for-profit organization to which the Act applies <p>For WCB purposes, a not-for-profit organization is an organization whose purpose is not to make money for members but, rather, to carry on some activity of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character, or the like.</p>

<p>4. Is coverage available for volunteers?</p>	<p>WCB may approve an application for optional coverage for volunteers when the volunteers are engaged in connection with an organized project, endeavor, or activity. The employer must ensure that:</p> <ul style="list-style-type: none"> ▪ a value is established for the service at an amount corresponding to an appropriate rate of pay for similar work, ▪ the individual or organization engaging the workers in that volunteer activity controls and records the hours of work for each volunteer, and ▪ the value of service is included with the organization’s reported insurable earnings to allow appropriate premiums to be collected. <p>In many cases, volunteers are working in industries exempted by the General Regulations. An employer in an exempt industry who wishes to provide coverage for its volunteers must also apply for optional coverage to have the Act apply to its operations. This means that all paid employees will also be covered by WCB while the approved application remains in effect (see Policy 06-02, <i>Optional Coverage</i>, Application 1)</p>
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<p>Policy 06-02 Part II</p> <p>3. Are all workers included when an employer applies for coverage for an exempt industry?</p>	<p>When an application for coverage for an employer in an exempt industry is approved, it brings the employer’s operations under the Act. This means that the same provisions that apply to mandatory industries also apply to the optional account:</p> <ul style="list-style-type: none"> ▪ If the employer is operating a for-profit organization, paid and unpaid workers are covered and must be reported by the employer (see Policy 06-01, Part II, Application 3, Questions 2 and 3, and Policy 06-03, Part II, Application 4, Question 2). ▪ If the employer is operating a not-for-profit organization, all paid workers must be covered. Volunteers are not covered unless the employer specifically applies for coverage (see Policy 06-01, Part II, Application 3, Questions 2, 3, and 4).
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<p>Policy 06-03 Part II</p> <p>4. What is a value of service and why is it used by WCB?</p>	<p>A value of service is the reasonable value for work or service provided by a worker who is unpaid, or who receives token remuneration. It provides a basis for determining premiums for covering unpaid workers.</p> <p>Employers must report this value of service to WCB for all unpaid workers. Employers, who have an approved application to cover volunteers, must report insurable earnings that reflect a reasonable value of service rendered by the volunteer workers.</p> <p>Each employer who exchanges labour with others must report a reasonable value for the labour exchanged (see Policy 06-01, <i>Employers & Workers</i>).</p> <p>If, in WCB’s opinion, the amount reported is not reasonable, it will use an amount based on the usual rate of pay for similar work.</p>
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