

# ONTARIO WSIB: Aug2011

## Clearance Certificate

VS

## “Independent Operator” Status Rulings

Employers can be liable for WSIB premiums on both their employees AND all/any subcontractors who they pay. Certain corporate officers and general managers can opt out of coverage.

Employers can avoid the risk of being assessed regarding subcontractors by obtaining either a clearance certificate or an Independent Operator Status Ruling from the WSIB. In both cases the certificate or ruling must be specific to them, with their name on it. Ideally this would be renewed annually where possible.

Independent Operator Status Rulings can be obtained where the subcontractor has no employees other than himself, and does not choose the “optional insurance” that the WSIB can provide. This status is available to all owner operators whether incorporated or sole proprietorship. WSIB requires the subcontractor to complete a questionnaire (there are various versions according to the industry in which the subcontractor operates) and include the name of the company(s) for which work will be done. The WSIB will then deem the subcontractor to be an Independent Operator (aka owner operator) and will issue a letter directly to the customer which can be kept on file for any WSIB audits to prove that no coverage is reqd. This letter is effectively the same as a clearance certificate from a regular WSIB registrant. Independent operators have no assessable earnings and pay no premiums to the WSIB.

If the Independent operators choose the optional WSIB insurance, then he becomes a registrant and can obtain clearance certificates. There is no requirement that the independent operator have insurance of any kind, private or WSIB.

All employers should review their WSIB status regarding both employees and subcontractors on a periodic basis to ensure that they are properly addressing the registration and premium/penalties risks.

### **Main Website:**

<http://www.wsib.on.ca/en/community/WSIB>

### **2011 WSIB Reconciliation Guide:**

<http://www.wsib.on.ca/files/Content/DownloadableFileReconciliationGuide/ReconGuide.pdf>

### **Sample Independent Contractor Questionnaire: Retail Industry:**

<http://www.wsib.on.ca/files/Content/FormsIndependentOperatorRetail/1155A.pdf>

(many other version by Industry are also available)