

**Operational
Policy**Section
Employer CollectionsSubject
Alternative Payment Arrangements**Law****s.137(1)**

~~The WSIB may require from an employer security for the payment of amounts that are, or may become, due under the insurance plan.~~

s.137(2)

~~The WSIB may specify the type and amount of security to be provided, and may vary the type and amount if it considers it appropriate to do so.~~

s.137(3)

~~The employer shall provide the security within 15 days after being directed to do so.~~

s.159(2)(a)

~~The WSIB has the powers of a natural person including the power to establish policies concerning the premiums payable by employers under the insurance plan.~~

Policy

The WSIB may consider alternative payment arrangements to an employer's account while a disputed premium amount is under appeal.

Guidelines**Definition**

"**a**Appeal" for the purpose of this policy means a reconsideration of a decision-maker's decision following an employer's objection, an appeal to the Appeals Branch or to the Workplace Safety and Insurance Appeals Tribunal (WSIAT).

In situations where an employer is appealing a WSIB premium issue or is unable to pay, the employer may:

- request to post an irrevocable letter of credit (LC) for the full amount of the disputed premium, or
- negotiate a phased payment plan. ~~(see OPM refer to 14-04-04, Collections Based on Financial Hardship).~~

By choosing a LC, the WSIB suspends and, the employer avoids collection activity on the disputed premium amount due.

Appeal **Decision**

If the employer's appeal is **successful**, the WSIB adjusts the employer's account accordingly:-

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- If the employer posted a LC as security, the LC is released and no credit interest calculation will apply for the LC's posted amount. Also, the WSIB does not reimburse administrative fees incurred by the employer for the original issuance or renewal of the LC.
- Credit interest will be calculated and paid on premiums (payments received) that became due during the course of the appeal, providing they were paid in full, until the date of the appeal decision.

If the employer's appeal is **unsuccessful**, the employer is required to pay all outstanding amounts immediately, including any accrued or applied interest charges. The WSIB will cash the LC immediately and pursue any remaining balance due.

For more information on credit and/or debit interest, [refer to see OPM-14-02-16](#), Credit Interest on Appeals and 14-02-07, Employer Non-Compliance Interest and Charges.

Letter of credit

The standard form of security considered acceptable by the WSIB is an irrevocable and renewable LC. It must be issued or guaranteed by a bank defined under Schedule 1 or Schedule 2 of the Canadian ~~federal~~ *Bank Act* and be issued for the duration of one year. The WSIB reserves the right to approve the format, content and issuer of LC.

WSIB ~~issued~~ ~~C~~certificates

Clearance certificates may be issued while a disputed premium amount is under appeal and a LC has been provided as security provided the employer complies with all requirements outlined in [OPM-14-02-04](#), Clearance Certificates.

Purchase ~~C~~certificates will not be issued by the WSIB while a disputed premium amount is under appeal and a LC has been provided as security. For more information, [see refer to OPM-14-02-03](#), Purchase Certificates.

Writ of ~~S~~seizure and ~~S~~sale certificates will not be filed by the WSIB where an employer provided a LC for security within 15 days of the request. [See Refer to OPM-14-04-03](#), Writs of Seizure and Sale.

Application date

This policy applies to all active appeals in progress on or after ~~April 7, 2008~~ [December 5, 2024](#), regardless of ~~whether~~ [when](#) the appeal was initiated ~~prior to April 7, 2008~~.

Document ~~H~~history

This document replaces 14-04-05 dated ~~October 12, 2004~~ [April 7, 2008](#).

[This document was previously published as:](#)

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[14-04-05 dated October 12, 2004.](#)

References

Legislative Authority

Workplace Safety and Insurance Act, 1997, ~~as amended~~
Sections 137, ~~159 (2)(a)~~

Workers' Compensation Act, R.S.O. Revised Statutes of Ontario 1997, ~~as amended~~
Section 72(1)

Minute Approval

Administrative
~~#10, March 17, 2008, page 460~~