

WSIB CLEARANCE CERTIFICATE PROCEDURE

PURPOSE

This procedure explains when the Municipality must obtain a WSIB clearance certificate or other WSIB documentation as a condition of entering into the Contract.

GENERAL COMMENT

In Ontario, the Workers Safety Insurance Act sets up a no-fault insurance program for certain categories of workers suffering a workplace injury.

Employers of such workers are legally required to pay premiums to the Workers Safety Insurance Board (WSIB) to ensure the insurance coverage is in place for its workers.

If the Municipality does not confirm the WSIB premiums have been fully paid before the commencement of services by a contractor, there is a risk the Municipality may do business with a supplier that has not fulfilled the legal obligation to keep up with WSIB premiums. In such cases, if one of the contractor's employees suffers an injury while performing work on the Municipality contract, the Municipality may be liable to pay the unpaid WSIB premiums.

For construction contractors, if work is authorized without first obtaining the WSIB certificate, the Municipality may be liable for fines and penalties of up to \$500,000 under the Workers Safety Insurance Act.

COMMENTARY AND GUIDELINES

1. **General Rule.** As a condition of the Municipality entering into a contract with a bidder or supplier who will be performing work on Town premises, the bidder/supplier must be asked to submit proof of good standing with the WSIB by providing a WSIB clearance certificate regardless of value. The Municipality will waive the requirement to produce a WSIB clearance certificate upon receiving proof satisfactory to the Municipality that WSIB coverage is either (a) not required or (b) not available to the contractor as set out in Section 3 below.
2. **Construction Contractors Must Always Provide WSIB Certificate.** The Municipality will not waive the requirement for any Ontario based contractor or Ontario workers performing construction work. The WSIB clearance certificate must be produced as a condition of authorizing the commencement of work. For work considered "construction" for WSIB purposes, see **Class G** in the [Classification Manual](#). If a construction contractor is from outside Ontario, they must provide proof that they are in good standing with the WSIB equivalent of that province or provide proof of employer's liability insurance

coverage, which might be included in the Comprehensive General Liability insurance coverage they are otherwise expected to have under the contract.

3. **Waiving the Requirement for WSIB Certificate.** The Municipality may waive the requirement for a certificate with the approval of the Treasurer in the following circumstances:
 - (a) **Self-Employed/Partner/Executive Officer:** If a contractor is not a construction contractor and is self-employed, a partner or an executive officer.
 - (b) **Excluded Industry:** No WSIB clearance certificate is required if a contractor operates in an excluded industry as listed in **Part II** of Schedule 1 of the WSIA regulations: [Schedule 1 Part II \(Excluded Industries\) - scroll down to see Part II.](#) When in doubt, request evidence from the contractor that the contractor's industry is listed in Part II of the regulations.
 - (c) **Out-of-Province Supplier/Workers:** Out of province contractors that are not construction contractors, with workers that do not normally reside in Ontario are not required to submit proof of good standing with WSIB as the Ontario regime does not apply to them.
 - (d) **Worker Not Working at or on Town Premises.** Contractors that work entirely remotely and who are not required to attend Town premises.

4. **Unsatisfactory Proof of Exemption or Exclusion.** If a supplier advises that they are exempt from WSIB but does not provide a satisfactory explanation, request that the supplier contact WSIB to obtain a letter of exemption before authorizing the commencement of work.

Note: Obtaining a WSIB letter of exemption process can take a few weeks so when demanding WSIB confirmation, Department Heads should expect a delay in the commencement of work. If the Municipality is not in a position to delay the work, then the Department Head may only proceed with obtaining contract signatures and issuing an authorization to commence work on the approval of the Treasurer or the CAO.