

Arbitrary Assessment

What is an arbitrary assessment?

An arbitrary assessment is a measure used to estimate and calculate employer premiums when the employer hasn't provided the necessary information to the WCB. An arbitrary assessment is used when an employer doesn't register or doesn't provide an estimate of assessable payroll to the WCB by the **February 28 registration renewal deadline**. When an arbitrary assessment is used to calculate employer premiums, the employer's payroll from the previous year is adjusted by an additional 25%.

What happens if I don't renew my annual registration by the February 28 deadline?

As an employer, you're required to renew your registration with the WCB each year by the February 28 deadline. When you complete your registration renewal, you'll provide your actual assessable payroll from the previous year, plus an estimate of assessable payroll for the upcoming year. If you don't provide this information by February 28, an arbitrary assessment will be applied to your account.

Here's an example of how an arbitrary assessment impacts your WCB employer account:

Employer ABC and Employer XYZ both have an estimate of assessable payroll in 2025 of \$300,000 and both have a rate of \$1.25 per \$100.

Employer ABC completed their registration renewal by the February 28 deadline. They provided their actual assessable payroll for 2025 and an estimate of their assessable payroll for 2026. Employer ABC renewed their registration on time and provided the required information to the WCB. An arbitrary assessment won't be applied to Employer ABC's account.

Employer XYZ failed to renew their registration by the February 28 deadline. They didn't provide their actual assessable payroll for 2025 or an estimate of assessable payroll for 2026. An **arbitrary assessment** will be used to calculate Employer XYZ's premiums. This adds an extra 25% to Employer XYZ's payroll which will be charged to Employer XYZ's account. Outstanding balances are subject to an interest rate of 1.5% per month on any overdue balance.

Example	Employer ABC	Employer XYZ
2025 Assessable Payroll	\$300,000	\$300,000
2026 Estimate of Assessable Payroll	\$310,000	Did Not File
2026 Arbitrary Assessment of 25%	\$0	\$75,000
2026 Assessable Payroll	\$310,000	\$375,000
2026 Assessment Due	\$3,875	\$4,688

FREQUENTLY ASKED QUESTIONS

February 2026

By not filing an estimate of assessable payroll by the February 28 registration renewal deadline, Employer XYZ will be billed \$813 more than Employer ABC for 2026. Additionally, the WCB will apply a late filing penalty of 5% to Employer XYZ's annual assessment. This example shows the importance of submitting your registration renewal before the February 28 deadline.

Can I still get a clearance letter if my account is arbitrarily assessed?

No. If the WCB arbitrarily assessed your account, you can't get a clearance letter. To be eligible for a clearance letter, you must be registered with the WCB and have paid your assessment. If your account has been arbitrarily assessed, you haven't met the clearance letter eligibility requirements.

Semi-annual billing and payment option

If you file your annual assessable payroll estimate with your registration renewal before the February 28 deadline, and your assessment is \$1,000 or more, your assessment will be divided into two equal billings. The first bill is issued in March, just after you have filed your assessable payroll estimate. The second bill is issued in August. If your account has been arbitrarily assessed, you don't qualify for the semi-annual billing and payment option.

Will interest and penalties be applied to my account if it's been arbitrarily assessed?

Yes, interest and late filing penalties are applied to arbitrary assessments. If you submit your actual payroll information after the deadline, your assessment can be adjusted, but interest and penalties charged on the arbitrary assessment will still remain on your account.

For more information:

If you have questions that aren't covered here or you need more information, please contact the WCB's Employer Services at **902-368-5680** or toll-free in Atlantic Canada at 1-800-237-5049. You can also reach us by email at safetymatters@wcb.pe.ca