

**Alberta WCB  
Policies &  
Information**

Chapter:

**INSURANCE COVERAGE FOR WORKERS AND  
EMPLOYERS**

Subject:

**EMPLOYERS AND WORKERS**

Authorization:

**BoD Resolution 98/03/13**

Date:

**March 24, 1998**

**APPLICATION 1: GENERAL**

**1. *Why are employers required to establish an account with WCB?***

All employers in industries to which the WCA applies share responsibility for fully funding the cost of workers' compensation insurance. Failure to establish an account may result in financial penalties (see Policy 06-03, *Premiums*).

Premiums are paid into the Accident Fund (see Policy 01-01, *Funding Policy*) to compensate injured workers for work-related injuries, regardless of who is at fault. In return, employers and their workers cannot be sued for these injuries.

Employers are required by law to pay the entire cost of workers' compensation coverage. Deductions from workers' earnings or reduced payment for workers' services are not permitted.

**2. *Are there different categories of workers?***

Yes. Workers covered under the WCA may be:

- paid
- unpaid
- volunteers

Employers have an obligation to provide coverage for unpaid workers such as family members, apprentices, and learners. Coverage is optional for workers involved in a volunteer activity (see Application 3, Questions 2, 3, and 4).

**3. *Can workers agree with an employer to give up benefits provided under the WCA?***

No. Any agreement between a worker and an employer to give up any benefits to which the worker or the worker's dependants may be entitled under the WCA is void.

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4. *Can employers operating in exempt industries obtain coverage for their workers?* Yes. Employers in exempt industries may apply for optional coverage. If the application is approved by WCB, all provisions of the WCA apply to the employer and workers of that employer (see Policy 06-02, *Optional Coverage*).
5. *Are there different categories of employers?* Yes. Typically employers are corporations, individuals, and partnerships that employ workers directly. Principals that hire a contractor or subcontractor to perform work or services may also be considered employers. In these instances, the contractors or subcontractors may be deemed to be workers of their principal under s.16 of the WCA (see Application 2, Question 5 and Application 4, Principals, Contractors, and Subcontractors).
6. *Are individuals who exchange labour services considered workers or employers?* Two or more individuals who work for each other on an exchange of labour basis in an industry to which the WCA applies are considered to be both workers and employers under the WCA (see Policy 06-03, *Premiums*).
- For example, John and Walter each own their own welding businesses. Occasionally, John will assist Walter with a job and Walter will assist John. Rather than paying each other for the work performed, they agree to reciprocate by exchanging labour. For WCB purposes, when Walter works for John, Walter is John's worker and when John works for Walter, John is Walter's worker.
7. *When is this policy application effective?* This policy application (Application 1 – General) is effective June 1, 1998 except when noted otherwise in a specific policy section(s).

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**Previous versions**

- [Policy 0601 Part II - August 2015](#)
- [Policy 0601 Part II - January 2014](#)
- [Policy 0601 Part II - July 2004](#)
- [Policy 0601 Part II - January 2004](#)
- [Policy 0601 Part II - June 2002](#)
- [Policy 0601 Part II - August 2000](#)
- [Policy 0601 Part II - July 1999](#)
- [Policy 0601 Part II \(consolidated manual 1st Issue\) - June 1998](#)