

## **Clearance Certificates**

In today's marketplace, there is a growing trend to hire contract personnel over permanent employees. If contract work is part of your business, you need to know about clearance certificates. The purpose of a clearance certificate is to provide financial protection for companies who hire contractors and sub-contractors to perform work.

### **What is a clearance certificate?**

A clearance certificate is a document issued free of charge by the Workplace Safety and Insurance Board (WSIB). It provides you assurance that the contractor or subcontractor:

- is registered with the WSIB
- has filed all premium remittance forms and reconciliation forms, and
- has paid all premiums owing to the WSIB based on payroll reported.

If the contractor or subcontractor you hire is not registered or not making its payments to the WSIB, you could be liable for the insurance premiums this company owes to the WSIB.\*

### **Why am I responsible for my contractor or subcontractor's unpaid premiums?**

Holding you responsible for unpaid premiums ensures the WSIB insurance fund is maintained at a sufficient level to pay worker benefits. Using clearances ensures that each employer contributes their fair share.

### **Can I hold back payment from a contractor or subcontractor?**

Yes. You have the right to maintain a "hold back" of up to 100% of the labour portion of the contract until the contractor or subcontractor provides you with a valid clearance certificate.

### **Will a clearance certificate protect me from lawsuits?**

No. A clearance certificate will not protect you from lawsuits. However, you are protected from lawsuits resulting from workplace injuries or illnesses if you hire a company who operates a business included in Schedule 1 of the *Workplace Safety and Insurance Act*.

### **Does a clearance certificate confirm that a company is covering their contractors or subcontractors, owners/partners or executive officers?**

No. A clearance certificate does not confirm that a company is covering their contractors or subcontractors. The WSIB or the Workplace Safety and Insurance Appeals Tribunal may have determined these individuals to be independent operators. In addition, the company may not have purchased optional insurance for their owners/partners or executive officers.

Independent operators, owners/partners or executive officers who do not have optional insurance and are injured on the job are not eligible for benefits and you are not protected against any lawsuits from these individuals.

### **Do I need to obtain a clearance certificate from my customers or suppliers?**

No. You do not need to request a clearance certificate from your customers, suppliers or anyone else who does not directly perform work for your business (e.g. a photocopy repair person).

\*Under Section 141 of the Workplace Safety and Insurance Act (WSIA)  
Clearance Certificates  
0124A (05/06) English

**When should I request a clearance certificate?**

Request a clearance certificate from a contractor or a subcontractor, who performs work for your business, before the work begins, and again before you release final payment on the contract. All clearance certificates are valid for 60 days so you may have to request more than one clearance certificate from your contractor or subcontractor.

**What is the difference between a generic and a specific clearance certificate?**

A generic clearance certificate is issued to contractors who, within the 60-day period, work for more than one person or company. The generic certificate is issued in the contractor's name. The contractor provides copies of the clearance as needed while retaining the original certificate.

Generally, a specific clearance certificate is issued to contractors who, within the 60-day period, work for only one company. The certificate lists the individual or company arranging the contract and the contractor or subcontractor name. It can be used for any contract(s) between the two parties during the 60-day period. The certificate can be issued to either party.

**How do I get a clearance certificate?**

You can get a clearance certificate by calling or writing to the WSIB office nearest to you. You will need to provide some details, such as your company name, the contractor name and account number, the business activity of the contractor, and the location where to send the certificate (fax or mailing address). For your local WSIB number, please check your phone directory.

Toll Free: 1-800-387-8638      Toll Free Fax: 1-877-849-4882

**Who can provide more detailed information?**

Check the WSIB web site at <http://www.wsib.on.ca>. Or, contact your account representative. If you do not know who this is, call 1-800-387-0750. Have your account number ready.

**Workplace Safety and Insurance Board**

Ontario's Workplace Safety and Insurance Board (WSIB) plays a key role in the province's occupational health and safety system. Funded by employers, the WSIB is one of the top 10 disability insurers in North America. In addition to a strong prevention mandate, the WSIB provides insurance for injuries and illnesses incurred in workplaces covered under the *Workplace Safety and Insurance Act* and supports early and safe return to work for injured workers.

**This information is available in several languages and formats. Call our information hotline at 416-344-4999 .... toll-free 1-800-465-5606 or Telephone Service for the Deaf (TTY): 1-800-387-0050  
Pour obtenir un exemplaire en français, composez le 1-800-465-5606.**