

Notice

An Act respecting industrial accidents
and occupational diseases
(R.S.Q., c. A-3.001)

Retrospective adjustment of the assessment

Notice is hereby given that the Commission de la santé et de la sécurité du travail, at its meeting of 17 September 1998, adopted the Regulation respecting retrospective adjustment of the assessment.

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft regulation was published in the *Gazette officielle du Québec* of 23 June 1998 with a notice that it would be adopted by the Commission, with or without amendments, upon the expiry of 45 days following the publication of that notice.

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*Chairman of the board and
chief executive officer
of the Commission de la santé
et de la sécurité du travail*

Regulation respecting retrospective adjustment of the assessment

An Act respecting industrial accidents
and occupational diseases
(R.S.Q., c. A-3.001, s. 454, paragraph 1, subparagraph 9)

CHAPTER I GENERAL PROVISIONS

DIVISION I STATEMENT OF PURPOSE

1. The purpose of this Regulation, as provided for in section 314 of the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001), is to prescribe the rules pertaining to retrospective adjustment of the assessment of an employer who meets the requirements prescribed for the assessment year.

DIVISION II GENERAL PROVISIONS

2. In this Regulation:

“reference period” means the assessment year and the three years subsequent thereto;

“insurable wages” means the gross wages taken into consideration, in accordance with sections 289 or 289.1 of the Act, up to the maximum yearly insurable earnings established under section 66 of the Act.

3. For the purpose of any calculation performed under this Regulation, where an employer is classified in several units, the aggregate of the results obtained for all such units shall be taken into account.

CHAPTER II REQUIREMENTS

4. An employer qualifies for retrospective adjustment of his annual assessment as provided for in section 314 of the Act for an assessment year if the product obtained by multiplying the insurable wages earned by the employer’s workers during the year prior to the year preceding the assessment year with respect to the unit in which the employer is classified for the prior year, by that unit’s rate according to risk for the prior year, is equal to or greater than the qualifying threshold determined in accordance with section 8 for the year prior to the year preceding the assessment year.

In this Chapter, “unit rate according to risk” means that portion of the general unit rate that corresponds to the financial requirements of the Commission de la santé et de la sécurité du travail apportioned according to risk at the time the rate is fixed under section 304 of the Act.

For the purposes of this Chapter, the insurable wages earned in respect of the unit includes the wages of auxiliary workers, as apportioned by the Commission pursuant to the Regulation respecting the classification of employers, the statement of wages and the rates of assessment adopted by the Commission de la santé et de la sécurité du travail by resolution A-73-97 of October 16, 1997 (*G.O.* 2, 5330)* in respect of the unit.

5. An employer may also, upon filing an application, qualify for retrospective adjustment of its annual assessment for an assessment year if the employer satisfies any one of the following conditions:

1) the product obtained by multiplying the insurable wages earned by the employer’s workers during the assessment year by the unit rate according to risk for the unit in which the employer is classified for that year must be equal to or greater than the qualifying threshold determined under section 8 for the assessment year; or

* The text of this Regulation was the subject of an *errata* published in the *Gazette officielle du Québec* of December 3, 1997, No. 50, at pages 5743 to 5781 and in the *Gazette officielle du Québec* of February 25, 1998, No. 9, at pages 1193 to 1197.

2) the employer qualifies for retrospective adjustment of its assessment for the year preceding the assessment year and the product obtained by multiplying the insurable wages earned by the employer's workers during the year prior to the year preceding the assessment year by the unit rate according to risk for the unit in which the employer is classified for that prior year must be at least equal to 75 % of the threshold determined under section 8 for the year prior to the year preceding the assessment year.

6. An employer who qualifies for retrospective adjustment of its assessment for an assessment year pursuant to section 4 may request that the qualification be determined anew for the assessment year by applying instead the condition stipulated in subparagraph 1 of section 5.

An employer who does not qualify for retrospective adjustment of its annual assessment for an assessment year but who becomes so qualified under section 4 after the date prescribed for notifying the Commission of the election contemplated in section 16, is deemed to have filed an application under the first paragraph, unless the employer has filed an application under section 5 for that year.

7. An application made by an employer under section 5 and under the first paragraph of section 6 must reach the Commission before December 15 of the year preceding the assessment year; the request is irrevocable for that assessment year from that date forward.

8. The qualifying threshold for the year prior to the year preceding 1999 is \$310,000.

For every subsequent year, the threshold shall be determined by applying the following formula, the result of which shall be rounded up to the nearest \$100:

$$\text{threshold for the year} = \frac{\text{threshold for the preceding year} \times \frac{\text{maximum yearly insurable earnings for the year}}{\text{maximum yearly insurable earnings for the preceding year}} \times \frac{\text{average general rate adjusted according to risk for the year}}{\text{average general rate adjusted according to risk for the preceding year}}}{1}$$

The average adjusted rate according to risk is the rate established by the Commission at the time of fixing the rate of assessment applicable to units of classification for an assessment year in accordance with section 304 of the Act.

CHAPTER III RETROSPECTIVE ADJUSTMENT OF THE EMPLOYER'S ANNUAL ASSESSMENT

DIVISION I PROVISION OF GENERAL APPLICATION

9. The Commission shall retrospectively adjust an employer's annual assessment after the expiry of the reference period, in accordance with the rules stipulated in this Chapter.

DIVISION I DETERMINATION OF THE ADJUSTED ASSESSMENT

10. The Commission shall, in accordance with this Division, determine an employer's adjusted assessment by taking into account every industrial accident that has occurred and every occupational disease reported in that year and for which accidents and diseases the cost of benefits was imputed to the employer in full or in part.

§1. *Determination of the total cost*

11. For each accident and disease contemplated in section 10, the Commission shall determine the compensation cost in accordance with the rules stipulated in this Subdivision. The cost corresponds to the amount required to pay all benefits arising from the accident or disease with the exception of the portion imputed, under sections 327, 328 or 329 of the Act, to another employer, to the employers of one, several, or all the units or to the reserve provided for in subparagraph 2 of section 312 of the Act.

The Commission shall then apply, in accordance with this Subdivision, the factors that allow for the determination of the total cost of such accidents or diseases.

12. The compensation cost of an accident or disease contemplated in section 10 shall be determined as follows:

1) Add up the results obtained from performing the following calculations:

a) the total cost of rehabilitation benefits to which the worker is entitled under Chapter IV of the Act (with the exception of reimbursements made under s. 176 of the Act), the cost of medical aid benefits to which the worker is entitled under Chapter V of the Act for services rendered or items received during the reference period, and the cost of services provided by a health professional designated by the Commission under section 204 of the Act in respect of services rendered for that period.

b) the total income replacement indemnities to which the worker is entitled under Division I of Chapter III of the Act and which relate to a period included in the reference period;

c) the total lump sum death benefits to which the beneficiaries are entitled under the second paragraph of section 102 and under section 103 of the Act, where the minor child of the deceased worker reaches the age of majority in the reference period, notwithstanding that the decision granting such benefits has not yet become final;

d) the total amount of indemnities paid in the form of a pension to which the beneficiaries are entitled under section 101 and the first paragraph of section 102 of the Act and which relate to a period included in the reference period;

e) the total expenditures repayable under section 111 of the Act for services rendered or items received in the reference period;

f) the total amount of all other indemnities to which beneficiaries are entitled under Division III of Chapter III of the Act where the death occurred during the reference period, notwithstanding that the decision granting the indemnities has not yet become final;

g) the total amount of other indemnities to which the beneficiaries are entitled under Division IV of Chapter III of the Act for services rendered or items received during the reference period, or, in the case of a benefit contemplated in section 116 of the Act, where the date on which the assessments are payable falls within the same period.

2) multiply the results obtained in subparagraph 1 by the applicable factor determined under Division III of Schedule 3;

3) add the result obtained in subparagraph 2, the total indemnities for bodily injuries to which the beneficiaries are entitled under Division II of Chapter III of the Act where the initial decision granting the indemnities was rendered during the reference period, notwithstanding that the decision has not yet become final, and the reimbursements made under section 176 of the Act made during the reference period.

The interest applicable to the benefits shall not be taken into account for the purpose of the first paragraph.

13. The compensation cost determined in accordance with section 12 shall be increased by the amount obtained by multiplying the cost by the unit share for the

unit in which the employer is classified. The unit share is established by applying the following formula:

$$\text{unit share} = \frac{\text{aggregate compensation cost determined on the basis of the cost of benefits imputed to all employers in the employer's unit or to all employers in the several units of which the employer's unit forms a part, excluding the cost of benefits imputed to employers in all units}}{\text{aggregate compensation cost determined on the basis of the cost of benefits imputed to each employer in the unit in which the employer is classified}}$$

14. The total cost of an accident or disease contemplated in section 10 is obtained by applying the following formula which allows for the coverage of financial requirements apportioned by the Commission according to risk at the time of fixing the rates applicable to the classification units for the assessment year pursuant to section 304 of the Act, which financial requirements are established on the basis of the Commission's financial statements, excluding however, the costs related to the distribution of surpluses or the recovery of deficits financed according to risk if such surpluses and deficits were previously considered in retrospective adjustments for prior years. The formula also allows for the coverage of the amount required to finance the employer's portion of the cost of benefits imputed to employers in all units, the taking into account of corrections to retrospective adjustments of qualifying employers and ensures equitable apportionment of assessments between those employers who qualify for retrospective adjustment of their assessments and other employers:

$$\text{total cost of an accident or disease} = \text{cost of compensation as increased under section 13} \times \text{factor established by the Commission after actuarial valuation}$$

§2. *Application of the assumption limit of the total cost*

15. For the purpose of determining the employer's adjusted assessment, the total cost of an accident or disease contemplated in section 10 shall not exceed the assumption limit elected by the employer or determined in accordance with this Subdivision.

16. An employer who qualifies for retrospective adjustment of its assessment or who requests that it so qualify pursuant to section 5 in respect of an assessment year, must forward to the Commission by December 15 of the year preceding the assessment year, a notice stating that, in respect of that assessment year, the employer elects to assume the total cost of benefits payable in respect of an accident or disease contemplated in section 10, up to a limit per claim of 1½, 2, 2½, 3, 4, 5, 6, 7, 8 or 9 times the maximum yearly insurable earnings for the assessment year.

Failing such notice, the employer is deemed to have elected the limit of 1½, 2, 2½, 3, 4, 5, 6, 7, 8 or 9 times the maximum yearly insurable earnings for the assessment year, on the basis of the election applicable to the preceding year. However, where no such limit applied to the employer for that year, it is deemed to have elected a limit equal to 1½ times the maximum yearly insurable earnings.

17. Where an employer does not qualify for retrospective adjustment of its annual assessment for an assessment year but who subsequently so qualifies for that year after the deadline prescribed for notifying the Commission of the employer's election, the employer is deemed to have elected a limit of 1½ times the maximum insurable earnings for that assessment year. However, where the employer qualified for retrospective assessment of its assessment for the year preceding the assessment year, the employer is then deemed to have elected a limit equal to 1½, 2, 2½, 3, 3½, 4, 5, 6, 7, 8, or 9 times the maximum insurable earnings, on the basis of the election applicable to the previous year.

18. Notice given under section 16 is irrevocable in respect of an assessment year from December 15 of the year preceding the assessment year.

§3. Calculation of the risk-related portion of the adjusted assessment

19. The Commission shall calculate the risk-related portion of the employer's adjusted assessment by totaling the following items:

- 1) the total cost of the accidents and diseases contemplated in section 10 as limited under Subdivision 2;
- 2) the cost of insurance determined by applying the following formula:

$$\text{cost of insurance} = \frac{\text{product obtained by multiplying the insurable wages earned by the employer's workers during the assessment year by the risk-related portion of the rate applicable to the employer for that year pursuant to section 305 of the Act}}{100} \times \text{insurance premium determined for the assessment year pursuant to section 314 of the Act}$$

Notwithstanding the foregoing, the total amount may not exceed 1½ times the product obtained by multiplying the insurable wages earned by the employer's workers during the assessment year by the risk-related portion of the rate applicable to the employer for that year pursuant to section 305 of the Act.

§4. Calculation of the adjusted assessment

20. The Commission shall determine the employer's adjusted assessment by totaling the following items:

- 1) the risk-related portion of the employer's adjusted assessment as calculated under section 19;
- 2) the portion of the employer's adjusted assessment that is used to finance the joint sector-based associations insofar as applicable to the employer;
- 3) the employer's portion of the cost of the financial requirements not apportioned according to risk, which portion shall be determined by applying the following formula:

$$\frac{\text{insurable earnings earned by the employer's workers during the assessment year}}{100} \times \text{the factor established by the Commission after actuarial valuation and which reflects the financial requirements not apportioned according to risk}$$

21. For the purposes of this Chapter and Chapter IV, in respect of the employers to which a specific unit rate applies, the cost of requirements not financed by the rate is excluded from the cost of the financial requirements considered in applying the provisions contained in this Chapter.

DIVISION II CALCULATION OF THE RETROSPECTIVE ADJUSTMENT OF THE ASSESSMENT

22. The Commission shall calculate the employer's retrospective adjustment of the assessment by calculating the difference between the assessment adjusted in accordance with section 20 and the assessment calculated using the rate applicable to the employer under section 305 of the Act for the assessment year, by taking into account, where applicable, the provisional adjustments provided for in Chapter IV.

CHAPTER IV PROVISIONAL ADJUSTMENTS

DIVISION I INITIAL PROVISIONAL ADJUSTMENT

23. The Commission shall, upon the expiry of the second year of the reference period, provisionally adjust an employer's assessment by performing the calculations stipulated in Chapter III, taking into account the following distinctions:

1) in applying section 12, the compensation cost is the cost determined for the first two years of the reference period, and, for the purposes of subparagraph 2 of that section, the applicable factor is the factor determined under Division I of Schedule 1. The cost is calculated on the basis of information for those years that is available on January 31 of the year following the second year of the reference period; and

2) in applying section 14, the formula also ensures that the aggregate risk-related portion of the adjusted assessment of all employers who qualify for retrospective adjustment of their assessments for that year approximates the total amount that the Commission anticipates receiving at the time of the retrospective adjustment.

DIVISION II **SECOND PROVISIONAL ADJUSTMENT**

24. The Commission shall, upon the expiry of the third year of the reference period, provisionally adjust an employer's assessment at the request of the employer by performing the calculations stipulated in Chapter III, taking into account the following distinctions and the provisional adjustment provided for in section 23:

1) in applying section 12, the compensation cost is the cost determined for the first three years of the reference period, and, for the purposes of subparagraph 2 of that section, the applicable factor is the factor determined under Division II of Schedule 1. The cost is calculated on the basis of information for those years that is available on January 31 of the year following the third year of the reference period; and

2) in applying section 14, the formula also ensures that the aggregate risk-related portion of the adjusted assessment of all employers who qualify for retrospective adjustment of their assessment for that year approximates the total amount that the Commission anticipates receiving at the time of the retrospective adjustment.

An application made by an employer under this section must reach the Commission before December 15 of the third year of the reference period and is irrevocable from that date forward.

CHAPTER V **BANKRUPTCY OF AN EMPLOYER OR** **DISCONTINUANCE OF AN EMPLOYER'S** **BUSINESS**

DIVISION I **BANKRUPTCY OF AN EMPLOYER**

25. The bankruptcy of an employer that occurs within the first 21 months of the reference period renders the employer ineligible for retrospective adjustment of its assessment for the assessment year, and, accordingly, the employer shall be assessed for that year at the rate that would otherwise have applied to the employer pursuant to section 305 of the Act.

26. The Commission shall calculate the retrospective adjustment of the assessment of an employer who qualifies for an adjustment for an assessment year and whose bankruptcy occurs after the 21st month of the reference period in accordance with the rules stipulated in this Division on the basis of the date the bankruptcy occurred.

27. Where the bankruptcy of an employer occurs:

1) after the 21st month of the reference period, retrospective adjustment of the assessment for the assessment year shall be calculated upon the expiry of the second year of the reference period, in accordance with section 23. In the event that the Commission has already made an initial provisional adjustment, such adjustment shall constitute retrospective adjustment of the assessment;

2) after the 33rd month of the reference period, retrospective adjustment of the assessment for the assessment year shall be calculated upon the expiry of the third year of the reference period, in accordance with section 24, notwithstanding that the employer has not requested a second provisional adjustment. In the event that the Commission has already made the second provisional adjustment, such adjustment shall constitute retrospective adjustment of the assessment;

3) after the 45th month of the reference period, the retrospective adjustment of the assessment for the assessment year shall be calculated upon the expiry of the reference period, in accordance with section 22, if the adjustment has not already been made.

DIVISION II DISCONTINUANCE OF EMPLOYER'S OPERATIONS

28. An employer who no longer employs any workers because its operations have been discontinued may request that the Commission apply all the rules prescribed in this Division.

An application made by an employer under this section must reach the Commission no later than the sixtieth day following the date of the discontinuance of the employer's operations, and is irrevocable from that date forward.

29. An employer who makes an application under section 28 does not qualify for retrospective adjustment of its assessment for the assessment year and shall be assessed for that year at the rate that would otherwise have applied under section 305 of the Act where the discontinuance of its operations occurs within the first 21 months of the reference period.

30. The Commission shall calculate the retrospective adjustment of the assessment of an employer who has applied under section 28, who qualifies for adjustment for a given assessment year and where the discontinuance of its operations occurs after the 21st month of the reference period, in accordance with the rules prescribed in this Division, on the basis of the date on which the discontinuance occurred.

31. Where the discontinuance of the employer's operations occurs:

1) after the 21st month of the reference period, retrospective adjustment of the assessment for the assessment year shall be calculated after the expiry of the second year of the reference period by totaling the initial provisional adjustment calculated in accordance with section 23 and the amount corresponding to 15 % of the product obtained by multiplying the insurable wages earned by its workers during the assessment year by the risk-related portion of the rate applicable to it for that year pursuant to section 305 of the Act. The total amount may not exceed $1\frac{1}{2}$ times the product thus obtained;

2) after the 33rd month of the reference period, retrospective adjustment of the assessment for the assessment year shall be calculated after the expiry of the third year of the reference period by totaling the second provisional adjustment calculated in accordance with section 24 and the amount corresponding to 10 % of the product obtained by multiplying the insurable wages earned by its workers during the assessment year by the risk-related portion of the rate applicable to it for that

year pursuant to section 305 of the Act. The total amount may not exceed $1\frac{1}{2}$ times the product thus obtained;

3) after the 45th month of the reference period, the retrospective adjustment of the assessment for the assessment year shall, if the adjustment has not already been made, be calculated in accordance with section 22 after the expiry of the reference period.

CHAPTER VI GROUP OF EMPLOYERS

DIVISION I PARENT CORPORATION AND ITS SUBSIDIARY

32. In this Division,

“control” means to hold shares, other than as a creditor, representing more than 50 % of the votes needed to elect a majority of the directors of a corporation;

“group” means a parent corporation and its subsidiaries;

“parent corporation” means a corporation that is not a subsidiary, and that controls, either directly or through its subsidiaries, each of the corporations forming a group;

“subsidiary” means a corporation controlled by a parent corporation directly or through subsidiaries.

33. For an assessment year, employers forming a group may file an application to be considered a single employer for the purpose of retrospective adjustment of the assessment.

34. The application referred to in section 33 shall be filed by all the employers in the group using the form in Schedule 2.

The application shall be accompanied by the following documents:

(1) a resolution from each employer in the group authorizing the application and designating one person to sign the application on the employer's behalf;

(2) a resolution from the parent corporation authorizing the application filed by its subsidiaries, if the parent corporation is not an employer;

(3) a resolution from the parent corporation or a sworn statement by an officer of that corporation attesting to the composition of the group and to its control of its subsidiaries; the resolution or statement may not be dated prior to August 1 of the year preceding the assess-

ment year and shall attest to the composition and to the control on the date of the resolution or statement.

35. Within 45 days following the request from the Commission to that effect, a group of employer shall send the Commission a security in the form in Schedule 3, signed by all the employers in the group, whereby they solidarily stand surety for each other respecting the assessment due by the group, including the adjustments, to a maximum of 50 % of the amount corresponding to the sum of the product of the estimated insurable wages for each employer in the group for the assessment year multiplied by the risk-related portion of the assessment rate applicable to the employer under section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission. The parent corporation shall, even when it is not an employer, sign the security.

Notwithstanding the foregoing, an employer is not required to stand surety for another member of the group where the employer is prohibited from doing so by the Act under which it was incorporated.

Failure by the group to submit the security, as well as any other document required under this Regulation, to the Commission within the prescribed time limit shall result in revocation of the application filed under section 33.

36. The group may, in order to take into account the security required under section 35, submit to the Commission an insurance contract, a security contract or a guarantee contract of a legal person governed by the Bank Act (R.S.C., 1985, c. B-1), the Quebec Savings Banks Act (R.S.C., 1970, c. B-4), the Savings and Credit Unions Act (R.S.Q., c. C-4.1), the Act respecting trust companies and savings companies (R.S.Q., c. S-29.01), the Act respecting Insurance (R.S.Q., c. A-32) or the Canadian and British Insurance Companies Act (R.S.C., 1979, c. I-15), whereby the person undertakes to pay the contribution due by the group, including adjustments, to a maximum of 50 % of the amount corresponding to the sum of the product of the estimated insurable wages for each employer in the group for the assessment year multiplied by the employer's risk-related portion of the assessment rate applicable to it pursuant to section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission.

The contract shall remain in force until the expiration of the second year following the year of retrospective adjustment of the assessment provided for in section 22.

37. The application referred to in section 33 shall be filed with the Commission prior to October 1 of the year preceding the assessment year and is irrevocable from January 1 of the assessment year.

The Commission shall rule on the admissibility of the application on the basis of the information included therein on September 30 of the year preceding the assessment year and on the information that the Commission has in its possession at the time.

38. For the purposes of this Chapter, a subsidiary in bankruptcy or being wound up at the time of the application provided for in section 33, is regarded as not controlled by its parent corporation.

39. An employer who, after the date of the resolution or statement prescribed in subparagraph 3 of the second paragraph of section 34, becomes a subsidiary of the parent corporation of a group of employers who have filed an application under section 33 is considered part of the group for that year for the assessment year from the date on which the employer becomes a subsidiary. The same applies to a subsidiary that later becomes an employer, from the same date.

The election made by the group under Subdivision 2 of Division I of Chapter III is applicable to the employer.

40. An employer who has filed an application under section 33 and who ceases to be controlled by the parent corporation after the date of the resolution or statement prescribed in subparagraph 3 of the second paragraph of section 34 is no longer considered part of the group, from the date on which the employer ceases to be so controlled.

If the employer then qualifies for retrospective adjustment of the assessment under section 4 for the assessment year, it is then considered to have elected the assumption limit applicable to the group unless the employer sends to the Commission the notice provided for in section 16 within the prescribed period.

41. A group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 33 and that ceases to qualify for or be subject thereto for a year may not file a new application under that section before the expiry of a 5-year period from that year.

Notwithstanding the foregoing, the first paragraph does not apply to a group of employers that ceases to qualify for or be subject to retrospective adjustment because it no longer satisfies the requirements stipulated in section 4, except if it does not file an application under section 33 for a year as soon as it meets again the requirements provided for in section 4.

42. A group of employers that qualifies for or is subject to retrospective adjustment of the assessment for a given year pursuant to an application filed under section 48 and that ceases to so qualify or be subject thereto for a year may not file an application under section 33 before the expiry of a 5-year period from that year.

43. A group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 48 may not file an application under section 33 before the expiry of a 5-year period during which it continually qualified therefor or was continually subject thereto, pursuant to an application filed under section 48.

Notwithstanding the first paragraph, a group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 48 and that may not, for a year, submit an application under that section because it cannot form subgroups, including a residual subgroup where applicable, or because it cannot form more than one subgroup, including the residual subgroup, reaching the threshold for the year prior to the year preceding the assessment year, may file an application under section 33 for that year, and, if it qualifies for or is subject to retrospective adjustment, it is considered, for the purpose of the first paragraph, to have qualified for or been subject thereto for that year pursuant to an application filed under section 48.

Notwithstanding the foregoing, as soon as the group referred to in the second paragraph can form subgroups again for a given year, including a residual subgroup where applicable, or form more than one subgroup, including the residual subgroup, reaching the threshold for the year prior to the year preceding the assessment year, for one year, it shall file an application under section 48 for the same year, unless the period prescribed in the first paragraph has expired.

A group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 48 and that may not, for one year, qualify for retrospective adjustment of the assessment pursuant to applications filed under sections 33 and 48 is, for the purpose of the first paragraph, considered to have so qualified or been subject thereto for that year pursuant to an application filed under section 48, except if that group does not file an application under that section 48 for one year, as soon as it can form subgroups again, including a residual subgroup where applicable, or form more than one subgroup, including the residual subgroup, reaching the threshold for the year prior to the year preceding the assessment year, or if it does not file an application, for one year, under

section 33 in compliance with the second paragraph as soon as it meets the requirements of section 4.

For the purposes of this section, any group having the same parent corporation as the group that ceased to qualify for or be subject to retrospective adjustment is deemed to be the same group.

A parent corporation is deemed to be the same parent corporation as that of a group that previously qualified for or was subject to retrospective adjustment, if it is controlled by the same person or group of persons or by related persons or related groups within the meaning of sections 17 to 21 of the Taxation Act (R.S.Q., c. I-3) with the exception of paragraph b of section 20 of that Act.

44. Employers considered one and the same employer for the purpose of retrospective adjustment of the assessment for a given year shall furnish, prior to March 1 of the following year, a certificate from an outside auditor attesting to the composition of the group, to the parent corporation's control of its subsidiaries during the assessment year, and to any change in the group having occurred during that given year.

45. A group that files an application under section 33 is regarded as having filed an application under section 5. The group is not entitled to have its qualification for retrospective adjustment of its assessment determined on the basis of subparagraph 1 of section 5.

Section 6 does not apply to a group.

46. For the purpose of apportioning the retrospectively adjusted assessment among the employers in the group, the Commission shall calculate the adjusted assessment of each employer.

The risk-related portion of each employer's adjusted assessment is then multiplied by the result obtained by applying the following formula:

$$\frac{\text{risk-related portion of the group's adjusted assessment}}{\text{aggregate risk-related portions of the adjusted assessment of each employer in the group}}$$

DIVISION II SECOND-LEVEL PARENT CORPORATION AND ITS SUBSIDIARIES

47. In this Division,

“control” means to control as defined in section 32;

“group” means a group as defined in section 32;

“parent corporation” means a parent corporation as defined in section 32;

“residual subgroup” means a parent corporation and the corporations it controls directly or indirectly and that are not part of a subgroup;

“second-level parent corporation” means a corporation controlled directly by the parent corporation and that controls, either directly or through its subsidiaries, each of the corporations forming a subgroup;

“subgroup” means a second-level parent corporation and its subsidiaries;

“subsidiary” means a corporation controlled by a second-level parent corporation directly or through its subsidiaries.

48. For an assessment year, employers belonging to the same group may form subgroups, including a residual subgroup where applicable, and may file an application requesting that each subgroup of employers, and the residual subgroup of employers thus formed where applicable, be considered one and the same employer for the purpose of retrospective adjustment of the assessment.

49. The application referred to in section 48 shall be filed by all the employers in the group in the form in Schedule 4.

50. First, when filing an application, the employers forming a subgroup not reaching the qualifying threshold referred to in section 4 for the year prior to the year preceding the assessment year or, 75 % of the threshold in the case contemplated in subparagraph 2 of section 5, shall be grouped with the employers of the residual subgroup, if any.

Secondly, the employers of the residual subgroup not reaching the threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold, shall be grouped with the employers of a subgroup reaching the threshold or, where applicable, 75 % of the threshold.

51. When filing an application, if there is no residual subgroup, the employers of a subgroup not reaching the qualifying threshold or, where applicable, 75 % of the threshold, shall be grouped with the parent corporation that is an employer.

If the subgroup formed under the first paragraph does not reach the threshold for the year prior to the year preceding the assessment year or, where applicable, 75 %

of the threshold, all the employers of that subgroup shall be grouped with the employers of a subgroup reaching the threshold or, where applicable, 75 % of the threshold.

52. When filing an application, if no residual subgroup or parent corporation is an employer, the employers in a subgroup not reaching the qualifying threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold, shall be grouped in a single subgroup if there are several subgroups.

If only one subgroup not reaching the threshold or, where applicable, 75 % of the threshold, or if the subgroup formed under the first paragraph does not reach the threshold or, where applicable, 75 % of the threshold, all the employers of any of those subgroups shall be grouped with the employers of a subgroup reaching the threshold or, where applicable, 75 % of the threshold.

53. Subject to the first paragraph of section 51, the parent corporation that is an employer when the application referred to in section 48 is submitted shall be grouped, if there is no residual subgroup, with a subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold.

54. The parent corporation that is not an employer when the application referred to in section 48 is submitted shall, if there is no residual subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold, designate the subgroup reaching the threshold or, where applicable, 75 % of the threshold, and with which the parent corporation will form a group if it later becomes an employer.

55. The parent corporation shall designate, through a resolution, one and the same subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold, for the purposes of the second paragraph of section 50, the second paragraph of section 51, the second paragraph of section 52 and sections 53 and 54.

The subgroup designated under the first paragraph is deemed to be the subgroup designated for the purposes of the second paragraph of section 50, the second paragraph of section 51, the second paragraph of section 52 and sections 53 and 54 for the three following consecutive years when such designation is necessary, except if that subgroup no longer reaches the threshold for the year prior to the year preceding the assessment year or, where applicable, 75 % of the threshold.

For the purposes of the second paragraph, any subgroup of employers having the same second-level parent corporation as the designated subgroup is deemed to be the same subgroup as the designated subgroup.

A second-level parent corporation is deemed to be the same second-level parent corporation as that of the designated subgroup if it controls, directly or through subsidiaries, the second-level parent corporation of the designated subgroup.

56. The application referred to in section 48 shall be accompanied by the following documents:

(1) a resolution from each of the employers in the group authorizing the application and designating one person to sign the application on the employer's behalf;

(2) a resolution from the parent corporation authorizing the application filed by the employers where the parent corporation is not itself an employer;

(3) a resolution from the parent corporation or a sworn statement by an officer of that corporation attesting to the composition of the group, of each subgroup and of the residual subgroup as well as to the parent corporation's control of each corporation in the group and to the second-level parent corporation's control of its subsidiaries; the resolution or statement may not be dated prior to August 1 of the year preceding the assessment year and shall attest to the composition and to the control on the date of the resolution or statement;

(4) if necessary, a resolution from the parent corporation designating a subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year, in accordance with the first paragraph of section 55.

57. The application referred to in section 48 shall be filed with the Commission before October 1 of the year preceding the assessment year and is irrevocable from January 1 of the assessment year.

Subject to the following provisions, the Commission shall rule on the admissibility of the application on the basis of the information included therein on September 30 of the year preceding the assessment year and on the basis of information in the possession of the Commission at that time.

Within 45 days following the request by the Commission to that effect, each subgroup of employers, and, where applicable, the residual subgroup of employers, shall send the Commission a security in the form in Schedule 5, signed by all the employers in the subgroup

or in the residual subgroup, whereby they solidarily stand surety for each other respecting the assessment due by the subgroup or the residual subgroup, including adjustments, up to a maximum of 50 % of the amount corresponding to the sum of the product of the estimated insurable wages for each employer in the subgroup or residual subgroup for the assessment year multiplied by the risk-related portion of the assessment rate applicable to the employer under section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission. The second-level parent corporation shall, even when it is not an employer, sign the security of the subgroup it is considered part of under section 64; the same applies to the parent corporation that is not an employer for the subgroup it is considered part of under section 65.

Notwithstanding the foregoing, an employer is not required to stand surety for another member of the subgroup or residual subgroup where the employer is prohibited from doing so by the Act under which it was incorporated.

Following the examination of the application, if a resolution from the parent corporation designating a subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year is required under the first paragraph of section 55, the resolution and any other document required by the Commission, shall be submitted within the period prescribed in the third paragraph.

The failure by a subgroup, the residual subgroup or the parent corporation to submit the documents required under this Regulation to the Commission within the period prescribed shall result in the revocation of the application filed under section 48.

58. The subgroup or residual subgroup may, in order to take into account the security provided for in section 57, submit to the Commission an insurance contract, a security contract or a guarantee contract of a legal person governed by the Bank Act (R.S.C., 1985, c. B-1), the Quebec Savings Banks Act (R.S.C., 1970, c. B-4), the Savings and Credit Unions Act (R.S.Q., c. C-4.1), the Act respecting trust companies and savings companies (R.S.Q., c. S-29.01), the Act respecting Insurance (R.S.Q., c. A-32) or the Canadian and British Insurance Companies Act (R.S.C., 1979, c. I-15), whereby the person undertakes to pay the contribution due by the group, including adjustments, to a maximum of 50 % of the amount corresponding to the sum of the product of the estimated insurable wages for each employer in the subgroup or residual subgroup for the assessment year multiplied by the risk-related portion of the assessment rate applicable to the employer under

section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission.

This contract shall remain in force until the expiry of the second year following retrospective adjustment of the assessment provided for in section 22.

59. For the purposes of this Chapter, a corporation in bankruptcy or being wound up when the application provided for in section 48 is submitted is not considered to be controlled by its second-level parent corporation or its parent corporation.

60. An employer who, after the date of the resolution or statement prescribed in subparagraph 3 of section 56, becomes a subsidiary of a second-level parent corporation of a subgroup of employers is considered part of the same subgroup or residual subgroup as those employers for the assessment year from the date on which the employer becomes a subsidiary. The same applies to a subsidiary that later becomes an employer, from the same date.

The election made by the subgroup or residual group under Subdivision 2 of Division I of Chapter III is applicable to the employer.

Notwithstanding the foregoing, if the employer was already controlled by its parent corporation or was a subsidiary of another second-level parent corporation, it shall continue to be part of the same subgroup or residual subgroup to which it belonged for the assessment year.

61. Subject to the first paragraph of section 60 and section 64, an employer who, after the date of the resolution or statement prescribed in subparagraph 3 of section 56, becomes controlled by the parent corporation is considered part of the same subgroup or residual subgroup as the parent corporation for the assessment year from that date or is considered part of the subgroup designated by the parent corporation in accordance with section 54. The same applies to a corporation controlled by the parent corporation that later becomes an employer from the same date.

The election made by the subgroup or residual subgroup under Subdivision 2 of Division I of Chapter III is applicable to the employer.

62. An employer who, after the date of the resolution or statement prescribed in subparagraph 3 of section 56, ceases to be a subsidiary of a second-level parent corporation is no longer considered part of the subgroup or residual group to which it belonged, from the date on which the employer ceases to be so controlled.

Notwithstanding the foregoing, if the employer is still controlled by the parent corporation or becomes a subsidiary of another second-level parent corporation, it shall continue to be part of the subgroup or residual subgroup to which it belonged for the assessment year.

63. An employer who, after the date of the resolution or statement prescribed in subparagraph 3 of section 56, ceases to be controlled directly or indirectly by the parent corporation, is no longer considered part of the subgroup or residual subgroup to which it belonged from the date on which the employer ceased to be so controlled.

If the employer subsequently qualifies for or becomes subject to retrospective adjustment of the assessment for the assessment year under section 4, it is then deemed to have elected the limit applicable to the subgroup or the residual subgroup to which it belonged unless it sends to the Commission the notice provided for in section 16 within the prescribed period.

64. A second-level parent corporation that is not an employer when the application prescribed in section 48 is submitted and that later becomes an employer is then considered part of the same subgroup or residual subgroup as its subsidiaries from that date and for the assessment year. The election made by the subgroup or residual subgroup under Subdivision 2 of Division I of Chapter III applies to it.

65. A parent corporation that is not an employer when the application prescribed in section 48 is submitted and that later becomes an employer is, if there was a residual subgroup reaching the qualifying threshold for the year prior to the year preceding the assessment year when the application was submitted, considered part of the residual subgroup or, where applicable, the subgroup designated under the first paragraph of section 55, from that date and for the assessment year.

The election made by the subgroup or residual subgroup in accordance with Subdivision 2 of Division I of Chapter III is, in the case referred to in the preceding paragraph, accordingly applicable to the parent corporation.

66. A group of employers that, under this Division, qualifies for or is subject to retrospective adjustment of the assessment and that ceases to so qualify or be subject thereto for one year, may not file a new application under section 48 before the expiry of a 5-year period from that year.

The first paragraph does not apply to a group of employers that ceases to qualify for or be subject to

retrospective adjustment for one year because it cannot form subgroups, including a residual subgroup where applicable, or because it cannot form more than one subgroup, including the residual subgroup, reaching the qualifying threshold for the year prior to the year preceding the assessment year and that files an application under section 33 for that year and qualifies for or is subject to retrospective adjustment for that year.

Notwithstanding the foregoing, as soon as the group referred to in the second paragraph may, for one year, form subgroups again, including a residual subgroup where applicable, or form more than one subgroup, including the residual subgroup, reaching the qualifying threshold for the year prior to the year preceding the assessment year, it shall file an application under section 48 for the same year, failing which the exclusion provided for in the first paragraph will be applicable to it.

Notwithstanding the foregoing, the first paragraph no longer applies to a group of employers that ceases to qualify for or be subject to retrospective adjustment for one year because it may not qualify for or be subject thereto pursuant to applications filed under sections 33 and 48.

Subject to the third paragraph, as soon as the group of employers referred to in the fourth paragraph meets again, for one year, the requirements provided for in section 4, it shall file an application under section 33 for the same year, failing which the exclusion provided for in the first paragraph will be applicable to it.

67. Subject to the exceptions provided for in section 68, a group of employers that qualifies for or is subject to retrospective adjustment of the assessment for one year pursuant to an application filed under section 33, and that ceases to so qualify or be subject thereto for one year, may not file an application under section 48 before the expiry of a 5-year period from that year.

68. A group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 33, may not file an application under section 48 before the expiry of a 5-year period during which it continuously so qualified or was subject thereto, pursuant to an application filed under section 33.

Notwithstanding the foregoing, the first paragraph does not apply to a group of employers that, when the initial application under section 33 was submitted, could not file an application under section 48 because it could not form subgroups, including a residual subgroup where applicable, or because it could not form more than one

subgroup, including the residual subgroup, reaching the qualifying threshold for the year prior to the year preceding the assessment year.

Notwithstanding the foregoing, as soon as the group referred to in the second paragraph can form subgroups, including a residual subgroup where applicable, for one year, or can form more than one subgroup, reaching the threshold for the year prior to the year preceding the assessment year, it shall file an application under section 48 for the same year, failing which the provisions of the first paragraph shall apply.

Notwithstanding the foregoing, a year for which a group of employers does not file an application under section 33 because it no longer meets the requirements prescribed in section 4 is, for the purposes of the first paragraph of this section, deemed to be a year during which a corporation qualifies for or is subject to retrospective adjustment pursuant to an application filed under section 33, except if that group does not file an application under that section as soon as it meets again the requirements prescribed in section 4, unless the period prescribed in the first paragraph has expired.

69. For the purposes of sections 66 to 68, any group having the same parent corporation as that of a group that ceased to qualify for or be subject to retrospective adjustment or having filed an application under section 33 is deemed to be the same group.

A parent corporation is deemed to be the same parent corporation as that of a group that previously qualified for or was subject to retrospective adjustment, if it is controlled by the same person or group of persons or by related persons or related groups within the meaning of sections 17 to 21 of the Taxation Act (R.S.Q., c. I-3), with the exception of paragraph b of section 20 of that Act.

70. Employers that qualify for or are subject to retrospective adjustment of the assessment for a given year pursuant to an application filed under section 48 shall furnish, prior to March 1 of the following year a certificate from an outside auditor attesting to the composition of the group, of each subgroup and the residual subgroup as well as to the parent corporation's control of the group corporations, to the second-level parent corporation's control of its subsidiaries during the assessment year, and to any change in a group, subgroup or residual subgroup having occurred during the year.

71. A group that files an application under 48 is regarded as having filed an application under section 5 with regard to a subgroup or residual subgroup. However, the group is not entitled to have the qualification

for retrospective adjustment of the assessment of that group or residual subgroup determined on the basis of subparagraph 1 of section 5.

Section 6 does not apply to a group with regard to a subgroup or residual subgroup.

72. For the purposes of apportioning the retrospectively adjusted assessment among the employers in the group or residual subgroup, the Commission shall calculate the adjusted assessment of each employer.

The risk-related portion of each employer's adjusted assessment is then multiplied by the result obtained by applying the following formula:

$$\frac{\text{risk-related portion of the adjusted assessment of the subgroup or residual subgroup}}{\text{aggregate risk-related portions of the adjusted assessment of each employer in the subgroup or residual subgroup}}$$

DIVISION III HEALTH AND SOCIAL SERVICES PUBLIC INSTITUTIONS

73. In this Division,

“board of directors” means a board of directors established under sections 119 to 125, 127, or 128 of the Act respecting health services and social services (R.S.Q., c. S-4.2);

“group” means a set of institutions administered by the same board of directors; and

“institution” means a public institution covered by section 98 of the Act respecting health services and social services (R.S.Q., c. S-4.2).

74. For an assessment year, employers belonging to the same group may file an application to be considered a single employer for the purposes of retrospective adjustment of the assessment.

75. The application provided for in section 74 shall be filed by all the employers in the group in the form in Schedule 6.

The application shall be accompanied by the following documents:

(1) a resolution from the board of directors authorizing the filing of the application in respect of all the employers in the group and designating one person to sign the application on the group's behalf;

(2) a resolution from the board of directors, attesting to the composition of the group; the resolution shall not be dated prior to August 1 of the year preceding the assessment year and shall attest to the composition on the date of the resolution.

76. The application provided for in section 74 shall be filed with the Commission before October 1 of the year preceding the assessment year and is irrevocable from January 1 of the assessment year.

The Commission shall rule on the admissibility of the application on the basis of the information contained therein on September 30 of the year preceding the assessment year and on the basis of the information in the Commission's possession at that time.

77. An employer who, after the date of the resolution provided for in subparagraph 2 of section 75, comes under the administration of the board of directors of a group that has filed an application under section 74 is considered part of that group for the assessment year from the date on which such administration begins. The same applies to an institution that is administered by that board of directors and that subsequently becomes an employer, from the same date.

The election made by the group under Subdivision 2 of Division I of Chapter III is applicable to the group.

78. An employer who, after the date of the resolution provided for in subparagraph 2 of section 75, ceases to be administered by the board of directors of the group is no longer considered part of that group, from the date on which that administration ceases.

If the employer is thus subject to or qualifies for retrospective adjustment of the assessment under section 4 for the assessment year, it is accordingly regarded as having elected the limit applicable to the group unless the notice stipulated in section 16 reaches the Commission within the prescribed time limit.

79. A group of employers that qualifies for or is subject to retrospective adjustment of the assessment pursuant to an application filed under section 74 and that ceases to so qualify or be subject thereto for a year shall not file a new application under that section before the expiry of a 5-year period from that year.

Notwithstanding the foregoing, the first paragraph does not apply to a group of employers that ceases to qualify for or be subject to retrospective adjustment because it no longer meets the requirements provided for in section 4, unless it does not file an application under section 74, for one year, as soon as it again meets those requirements.

For the purpose of this section, any group having the same board of directors as the group that ceased to qualify for or be subject to retrospective adjustment is deemed to be the same group.

80. The employers in the group shall file, prior to March 1 of the year following the assessment year, a resolution of the board of directors attesting to the composition of the group during the assessment year and to any change in the group having occurred during that year.

81. A group that files an application under section 74 is regarded as having filed an application under section 5. However, the group is not entitled to have its qualification for retrospective adjustment of its assessment determined on the basis of subparagraph 1 of section 5.

Section 6 does not apply to a group.

82. For the purposes of apportioning the retrospectively adjusted assessment among the employers in the group, the Commission shall calculate the adjusted assessment of each employer.

The risk-related portion of each employer's adjusted assessments is then multiplied by the result obtained by applying the following formula:

$$\frac{\text{risk-related portion of the group's adjusted assessment}}{\text{aggregate risk-related portions of the adjusted assessment of each employer in the group}}$$

DIVISION I **BANKRUPTCY OF AN EMPLOYER THAT IS PART OF A GROUP, SUBGROUP OR RESIDUAL SUBGROUP**

83. The bankruptcy of an employer that is part of a group, subgroup or residual subgroup contemplated in Divisions I and II and which bankruptcy occurs within the first 21 months of the reference period, renders the employer ineligible for retrospective adjustment of its assessment for the assessment year, and accordingly, it shall be assessed for that year at the rate that would otherwise have applied to it under section 305 of the Act.

Accordingly, the employer is considered never to have been part of the group, subgroup or residual subgroup for the purpose of calculating, for the assessment year, any adjustment of the assessment of the other employers in the group, subgroup or residual subgroup.

84. The Commission shall calculate the retrospective adjustment of the assessment of an employer who is part of a group, subgroup or residual subgroup for an assessment year and whose bankruptcy occurs after the 21st month of the reference period in accordance with the rules stipulated in sections 26 and 27, with the necessary changes being made.

The employer is accordingly considered never to have been part of the group, subgroup or residual subgroup for the purpose of calculating, for the assessment year, any adjustment of the assessment of the other employers in the group, subgroup or residual subgroup, subsequent to the adjustment made under the first paragraph.

85. Section 83 does not operate so as to reduce the obligations stipulated in the security signed by the employers in a group, subgroup or residual subgroup or the obligations in the security substituted for such security pursuant to sections 35, 36, 57 or 58.

CHAPTER VII **FINAL AND TRANSITIONAL PROVISIONS**

86. Notwithstanding section 4, the employer who, for the 1999, 2000, 2001, 2002 and 2003 assessment years, does not satisfy the conditions stipulated in this section in order to qualify for retrospective adjustment of its assessment, may so qualify if it files an application with the Commission under section 5 and satisfies either of the conditions of that section or the following two conditions:

1) the employer must have qualified for retrospective adjustment of its assessment for at least one of the two years preceding the 1999 assessment year and, for the 2000 to 2003 assessment years, it must have qualified for the adjustment continuously from the 1999 assessment year up to the year preceding the assessment year; and

2) the product obtained by multiplying the insurable wages earned by the employer's workers during the year prior to the year preceding the assessment year by the unit rate in which the employer was classified for that prior year must be equal to or greater than the transitional threshold for the year prior to the year preceding the assessment year.

For the purposes of this section, the transitional threshold of the year prior to the year preceding 1999 is \$440,000 and is established for each subsequent year by applying the following formula and rounding up the result thus obtained to the nearest \$100:

$$\text{transitional threshold for the year} = \text{transitional threshold for the preceding year} \times \frac{\text{maximum yearly insurable earnings for the year}}{\text{maximum yearly insurable earnings for the preceding year}} \times \frac{\text{average provincial rate for the year}}{\text{average provincial rate for the preceding year}}$$

The average provincial rate for a given year is the rate calculated by the Commission at the time of fixing the assessment rates of classification units for that year under section 304 of the Act.

This section applies to a group of employers that files an application under sections 33, 48 or 74 even if they have not filed an application with the Commission under section 5.

87. For the 1999 assessment year, an employer who fails to send the notice provided for in Subdivision 2 of Division I of Chapter III is deemed to have elected an assumption limit equal to the product obtained by multiplying 3 by $\frac{1}{2}$, 1, 2 or 3, depending on the election made for 1998, and by the maximum yearly insurable earnings for 1999. However, where no assumption limit applied to an employer for 1998, that employer is deemed to have elected a limit equal to $1\frac{1}{2}$ times the maximum yearly insurable earnings for 1999, for the 1999 assessment year.

88. For the 1999 assessment year, applications provided for in sections 33, 48, and 74 shall be filed no later than the forty-fifth day following the day of the coming into force of this Regulation and are irrevocable upon the expiry of the forty-five days or as of January 1, 1999, whichever of the two dates is the later.

89. For the 1999 assessment year, the notice stipulated in Subdivision 2 of Division II of Chapter III must reach the Commission before the forty-fifth day following the day of the coming into force of this Regulation or before December 15, 1998, whichever of the two dates is the later.

90. This Regulation replaces the Regulation respecting retroactive adjustment of the assessment enacted by Order-in-Council 262-90 of February 28, 1990. However, the replaced Regulation continues to apply to assessment years prior to the 1999 assessment year.

91. This Regulation has effect from the 1999 assessment year.

92. This Regulation comes into force on the day of its publication in the *Gazette officielle du Québec*.

SCHEDULE 1

(ss. 12, 23 and 24)

DIVISION I

1. For the purpose of section 23, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the corresponding factor indicated below:

1) Death: accident or disease resulting in death before the end of the second year of the reference period:

$$1 + (0.300 \times A);$$

2) Inactive: accident or disease that does not give rise to any income replacement indemnity in respect of the final quarter of the second year of the reference period:

$$1 + (0.200 \times A);$$

3) Active: accident or disease that gives rise to income replacement indemnities in respect of the final quarter of the second year of the reference period:

$$1 + (3.400 \times A);$$

where A corresponds to the coefficient determined by the Commission after actuarial valuation for the purposes of this Division to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the first two years of the reference period.

DIVISION II

2. For the purpose of section 24, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the corresponding factor indicated below:

1) Death: accident or disease resulting in death before the end of the third year of the reference period:

$$1 + (0.210 \times B);$$

2) Inactive: accident or disease that does not give rise to any income replacement indemnity in respect of the third year of the reference period:

$$1 + (0.120 \times B);$$

3) Active: accident or disease that gives rise to income replacement indemnities in respect of the third year of the reference period:

a) where no income replacement indemnity relates to either one of the final two quarters of that year:

$$1 + (0.450 \times B);$$

b) where the income replacement indemnities relate to either one of the final two quarters of that year:

$$1 + (2.160 \times B);$$

where B corresponds to the coefficient determined by the Commission after actuarial valuation for the purposes of this Division to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the first three years of the reference period.

DIVISION III

3. For the purposes of section 12, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the factor indicated below:

1) Death: accident or disease resulting in death before the end of the reference period:

$$1 + (0.150 \times C);$$

2) Inactive: accident or disease that does not give rise to any income replacement indemnity in respect of the final two years of the reference period:

$$1 + (0.100 \times C);$$

3) Active: accident or disease that gives rise to income replacement indemnities in respect of the final two years of the reference period:

a) where the income replacement indemnity relates to only one quarter of the two years:

$$1 + (0.275 \times C);$$

b) where the income replacement indemnities relate to two quarters of the two years:

$$1 + (0.450 \times C);$$

c) where the income replacement indemnities relate to three quarters of the two years:

$$1 + (0.625 \times C);$$

d) where the income replacement indemnities relate to four quarters of the two years:

$$1 + (0.800 \times C);$$

e) where the income replacement indemnities relate to five quarters of the two years:

$$1 + (0.975 \times C);$$

f) where the income replacement indemnities relate to six quarters of the two years:

$$1 + (1.150 \times C);$$

g) where the income replacement indemnities relate to seven quarters of the two years:

$$1 + (1.325 \times C);$$

h) where the income replacement indemnities relate to eight quarters of the two years:

$$1 + (1.500 \times C);$$

where C corresponds to the coefficient determined by the Commission after actuarial valuation for the purposes of this Division to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the reference period.

DIVISION IV

4. For the purposes of this Schedule, "quarter" means:

1) the period commencing January 1 and terminating March 31;

2) the period commencing April 1 and terminating June 30;

3) the period commencing July 1 and terminating September 30;

4) the period commencing October 1 and terminating December 31.

5. For the purposes of this Schedule, an income replacement indemnity does not include an income replacement indemnity provided for in section 61 of the Act.

SCHEDULE 2

(s. 33)

APPLICATION TO FORM A GROUP FOR THE PURPOSE OF RETROSPECTIVE ADJUSTMENT OF THE ASSESSMENT

(Regulation respecting retrospective adjustment of the assessment)

The employers designated below apply to be considered one and the same employer for the purpose of retrospective adjustment of the assessment for the _____ assessment year.

They declare that they form a group within the meaning of Division I of Chapter VI of the Regulation respecting retrospective adjustment of the assessment.

They appoint _____ (insert name of employer) to inform the Commission of the employer's assumption limit elected under Subdivision 2 of Division I of Chapter III.

Designation of each corporation with the signature of the person authorized to sign the application:

"employer" _____ (designation)

Signature (duly authorized person) _____
Date

"employer" _____ (designation)

Signature (duly authorized person) _____
Date

SCHEDULE 3

(s. 32)

SECURITY

APPEARING:

_____, represented by _____, (name and address of parent corporation even if not an employer) duly authorized by a resolution of its board of directors attached hereto;

_____, represented by _____, (name and address of employer) duly authorized by a resolution of its board of directors attached hereto;

(as indicated above, list the names and addresses of all the employers in the group as well as the name of the person duly authorized under a resolution of the employer's board of directors and attach that resolution hereto)

DECLARING AS FOLLOWS:

The above corporations hereby bind themselves severally toward the Commission de la santé et de la sécurité du travail to pay the assessment up to a maximum of 50 % of the amount corresponding to the aggregate products obtained by multiplying the total estimated insurable wages for the assessment year for each employer in the group by the risk-related portion of the rate applicable to the employer under section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission for the _____ assessment year if any of the parties hereto is the object of a certificate deposited with the clerk of the court of competent jurisdiction under section 322 of the Act.

An employer who ceases to form part of a group remains bound by the security for the assessment relating to the part of the year during which it formed part of the group.

An employer who is unable to stand surety for another member of the group because it is prohibited from so doing by the Act under which it was incorporated must indicate below the name of the member of the group in question:

_____ is unable to stand surety for (name of employer)

_____ (name of member of the group)

_____ is unable to stand surety for (name of employer)

_____ (name of member of the group)

The parties hereto waive the benefits of discussion and division.

IN WITNESS WHEREOF the parties have signed through their duly authorized representatives:

(name of the parent corporation)

Per: _____
(signature of duly authorized person) (date)

(name of employer)

Per: _____
(signature of duly authorized person) (date)

(name and signature of any other employers)

SCHEDULE 4

(s. 48)

APPLICATION TO FORM A GROUP FOR THE PURPOSE OF RETROSPECTIVE ADJUSTMENT OF THE ASSESSMENT

(Regulation respecting retrospective adjustment
of the assessment)

The employers designated below, forming subgroups, including a residual subgroup where applicable, hereby request that each subgroup of employers, and the residual subgroup of employers thus formed where applicable, be considered one and the same employer for the purpose of retrospective adjustment of the assessment.

They declare that they form a group within the meaning of Division II of Chapter VI of the Regulation respecting retrospective adjustment of the assessment.

They appoint the following person to act as the group's representative with the Commission.

Name of the representative _____
Title _____
Corporation _____
Legal entity No. _____
Address _____

Telephone _____

Designation of employers in every subgroup and, where applicable, in the residual subgroup, with the signature of the person authorized to sign the application, and designation of the employer authorized to inform the Commission of the limit elected under Subdivision 2 of Division I of Chapter III. For each subgroup and residual subgroup, specify if it is the parent corporation or the second-level parent corporation.

Subgroup

“employer” _____
(designation)

Signature Date
(duly authorized person)

They designate the following employer _____
_____ to inform the
Commission of the election made under Subdivision 2
of Division I of Chapter III.

Subgroup

“employer” _____
(designation)

Signature Date
(duly authorized person)

They designate the following employer _____
_____ to inform the
Commission of the election made under Subdivision 2
of Division I of Chapter III.

Residual subgroup

“employer” _____
(designation)

Signature Date
(duly authorized person)

They designate the following employer _____
_____ to inform the
Commission of their election under Subdivision 2 of
Division I of Chapter III.

SCHEDULE 5

(s. 54)

SECURITY

(Regulation respecting retroactive adjustment
of the assessment)

**Subgroup (or residual subgroup where applicable)
(Specify if it is the parent corporation or the
second-level parent corporation that must sign this
security notwithstanding that it is not an employer)**

APPEARING:

 represented by _____,
 (name and address of employer)
 duly authorized by a resolution of its board of directors
 attached hereto;

 represented by _____,
 (name and address of employer)
 duly authorized by a resolution of its board of directors
 attached hereto;

(as indicated above, list the names and addresses of
 all the employers in the subgroup or, where applicable,
 in the residual subgroup, as well as the name of the
 person duly authorized under a resolution of the
 employer's board of directors and attach that resolution
 hereto)

DECLARING AS FOLLOWS:

The above corporations hereby bind themselves severally toward the Commission de la santé et de la sécurité du travail to pay the assessment up to 50 % of the amount corresponding to the aggregate products obtained by multiplying the total insurable wages for each employer in the subgroup or residual subgroup for the assessment year by the risk-related portion of the rate applicable to the employer under section 305 of the Act for the year preceding the assessment year, and any interest due to the Commission for the _____ assessment year if any of the parties hereto is the object of a certificate deposited with the clerk of the court of competent jurisdiction under section 322 of the Act.

An employer who ceases to form part of a subgroup, or, where applicable, of a residual subgroup, remains bound by the security for the assessment relating to the part of the year during which it formed part of the subgroup or residual subgroup.

An employer who is unable to stand surety for another member of the subgroup or the residual subgroup because it is prohibited from so doing by the Act under which it was incorporated must indicate below the name of the member of the subgroup or of the residual subgroup in question:

_____ is unable to stand surety for
 (name of employer)

 (name of member of the subgroup or
 of the residual subgroup)

_____ is unable to stand surety for
 (name of employer)

 (name of member of the subgroup or
 of the residual subgroup)

The parties hereto waive the benefits of discussion and division.

IN WITNESS WHEREOF the parties have signed through their duly authorized representatives:

 (name of the corporation)

Per: _____
 (signature of duly authorized person) (date)

 (name of employer)

Per: _____
 (signature of duly authorized person) (date)

(name and signature of any other employers)

SCHEDULE 6

(s. 71)

**APPLICATION TO FORM A GROUP FOR THE
 PURPOSE OF RETROSPECTIVE ADJUSTMENT
 OF THE ASSESSMENT**

(Regulation respecting retrospective adjustment
 of the assessment)

The employers designated below hereby apply to be considered as one and the same employer for the purposes of retrospective adjustment of the assessment for the _____ assessment year.

They declare that they form a group within the meaning of Division III of Chapter VI of the Regulation respecting retrospective adjustment of the assessment.

They appoint _____ (insert name of person) to inform the Commission of the assumption limit elected under Subdivision 2 of Division I of Chapter III.

Designation of each institution, with the signature of the person authorized to sign the application:

“institution”: _____

“institution”: _____

 Signature of duly authorized person Date