

What is the Wage Earner Protection Program?

The Wage Earner Protection Program (WEPP) is a statutory federal program that improves the protection of workers whose employers become bankrupt or subject to a receivership under the *Bankruptcy and Insolvency Act (BIA)*. It compensates eligible workers for wages and vacation pay owed to them up to an amount equalling four weeks' maximum insurable earnings under the *Employment Insurance Act* (currently about \$3000). The WEPP does not cover termination and severance pay, or other employee benefits.

The *Wage Earner Protection Program Act (WEPP Act)* works in concert with amendments made to the *BIA* that place wage claims ahead of secured creditors, up to a \$2000 limit, over the "current" assets of the bankrupt employer. The new limited super-priority will improve the Government's ability to recover amounts paid under the Program.

When a worker applies for payment from the WEPP, the worker agrees to sign over their wage claim against the bankrupt employer's estate (up to the amount of payment that he or she receives from the WEPP) to the Government of Canada. The Government will then take the place of the worker and make a claim against the bankrupt employer's estate to recoup the payment made from the WEPP as fully as possible, when assets are distributed through the bankruptcy process.

What is my role as a trustee or receiver?

In order for Service Canada to proceed with an application from a potential WEPP client/applicant, a trustee or receiver must have been appointed to administer the bankruptcy or receivership under the *BIA*. The *WEPP Act* specifies the duties that are to be performed by trustees and receivers under the WEPP.

These duties include:

1. Identifying workers who are owed wages;
2. Determining the amounts owed to workers;
3. Informing workers of the existence of the WEPP;
4. Providing Service Canada and applicants with information necessary to establish eligibility for payment; and
5. Informing Service Canada of when the trustee is discharged or when the receiver completes their duties, as the case may be.

What information am I required to submit to facilitate applications to WEPP?

You must submit, to Service Canada, a Trustee/Receiver Information Form for each employee owed wages under the bankruptcy or receivership for which you are the appointed trustee/receiver. The form details:

- ⇒ the date of bankruptcy or receivership
- ⇒ the name, address, telephone number, social insurance number, and
- ⇒ employee number of the individual
- ⇒ the wages that were earned and are owed to the individual within six months preceding the date of bankruptcy or receivership
- ⇒ whether or not the individual submitted a proof of claim for wages owing under Section 124 of the *BIA*;
- ⇒ the names of the company's officers, directors and owners; and
- ⇒ any amount owing to the client/applicant that was paid from the estate prior to the application being made.

Is there a prescribed manner in which the information is to be submitted?

Yes. The prescribed manner is the on-line *Trustee Information Form*. In order to facilitate the submission of *Trustee Information Forms* Service Canada has established a secure web page where trustees and receivers can submit the forms on-line.

How do I access the *Trustee Information Form*?

In order to access the forms, you must first complete a *Registration Form* on-line. The *Registration Form* is available at the Service Canada main page www.servicecanada.gc.ca.

The information provided will be validated and you will be contacted by phone to verify that the information originated from you. During the phone call you may specify to the Service Canada Agent your preferred method for receipt of the agreement. The agreement may be mailed, faxed, or sent to you via email.

The agreement sets out the terms under which you can submit the *Trustee Information Forms* electronically. By signing the agreement you accept the responsibility as the trustee license holder to control your employees' access to the secure site.

When Service Canada receives the signed copy of the agreement the secure site address will be provided via the email address you provided on the *Registration Form*

(Please note: electronic signatures will not be accepted – agreements must be returned via mail).

Will I have to register every time?

No, you will only have to do this registration/authentication once. In the event of a registration/authentication failure Service Canada will contact you to advise you of the actions which must be completed to successfully register. This could include updating your information on the OSB Trustee directory.

What information is requested/contained on the *Registration Form*?

The information consists of mostly contact information. In order to validate your authenticity as a licensed insolvency professional the corporate license number is required. This information will be verified against the Trustee Directory and Insolvency Name Search Database maintained by the Office of the Superintendent of Bankruptcy (OSB).

The registration form contains the following fields:

- ⇒ Name of Trustee/Receiver: (Corporate Name)
- ⇒ Trustee Number: (Corporate License Number)
- ⇒ Street Address:
- ⇒ City:
- ⇒ Province:
- ⇒ Postal Code:
- ⇒ Telephone Number:
- ⇒ Contact Name: (Name of Trustee/Receiver)
- ⇒ Contact Telephone number (if different):
- ⇒ Email address:

The corporate and not individual license number is requested. Does this mean that only one registration and agreement is needed per company?

No. Each trustee/receiver who submits information to the WEPP must complete the form. The agreement outlining the terms and condition for use of the on-line *Trustee Information Form* does allow you to share the secure website with your staff as necessary for submission of the forms. Keep in mind you are responsible for ensuring that your staff adheres to the terms and conditions.

Is the WEPP retroactive?

No. The WEPP is not retro-active and came into effect on the day the WEPP Act was brought into force, July 7, 2008. Only employees owed wages under bankruptcies and receiverships registered on or after July 7th will be eligible for WEPP payment.

Can my staff complete and submit the on-line forms on my behalf?

Yes. By signing the Agreement, you have accepted responsibility for all actions of your employees with respect to access and use of the WEPP on-line *Trustee Information Form*. Access should be granted on an as needed basis and be limited only to those employees who require it for submitting the on-line forms. It is your responsibility to ensure the employees who are given access have read and understand the terms and conditions as set out in the agreement.

What can I do if I am experiencing technical problems while submitting forms on-line ?

If you have any questions or problems related to the WEPP on-line application service, please call our dedicated WEPP information service.

Toll-Free: 1 866 683-6516

TTY: 1 866 926-9105

What happens if I cannot submit the required information within the established timeframes?

Extensions may be granted upon request, on condition that a valid reason is given for the delay, and that the extension is requested prior to the expiration of the prescribed timeframe. To request an extension contact the WEPP program directly at 1-866-683-6516.

What if an employee who is owed wages is deceased? Must a *Trustee Information Form* be submitted to Service Canada?

Yes. Rather than informing the applicant of the WEPP you should notify the estate of the deceased employee. More information on the requirements for applying on behalf of a deceased or medically incapacitated individual is available on-line at <http://www.servicecanada.gc.ca/en/sc/wepp/index.shtml>

Where an employee of a bankrupt company has filed a proof of claim will it still be necessary to advise them of WEPP and provide the WEPP program with the *Trustee Information Form*?

Yes. All employees' owed wages from a bankrupt employer must file a proof of claim in order to be eligible for a WEPP payment. This does not apply in the case of receiverships.

What if the employee disagrees with the amount owing to them as indicated on the *Trustee Information Form*?

Service Canada will determine WEPP payments on the information you have submitted. Applicants will be encouraged to speak with you prior to submitting their application should they be in disagreement with the amount owing to them. Should this result in modified information regarding the wages owed, you may submit an additional Trustee Information Form for this employee in the same manner as the first form. When submitting a second form, you will indicate that the information is "amended" in the appropriate space on the on-line form.