



YUKON WORKERS'
COMPENSATION
HEALTH AND
SAFETY BOARD

SUBJECT: ASSESSMENTS POLICY NO.: AS - 06
BOARD APPROVAL: UNDER REVIEW
APPROVAL DATE: _____
BOARD ORDER NO.: _____
EFFECTIVE DATE: January 01, 1993

POLICY STATEMENT

SECTION
REFERENCE:

54

POLICY:

MANAGEMENT COMPANIES

PROBLEM: When to apply a Professional Business or Public Administration classification to a company that is a management/holding limited liability company.

- (a) If the management/holding company has only a direct relationship to a parent or a subsidiary company and no involvement with a second, third or fourth firm, the management/holding company should be classified the same as the active company.
- (b) If the management/holding company is engaged in business for itself and involved in managing or holding more than a parent or subsidiary company, a management classification (1988 - Class 3) should apply.
- (c) If a management/holding company services subsidiary or amalgamated companies and also performs services for additional or non-related companies, the payroll should be prorated over the classifications of the related companies and an additional Class 3 be established for earnings expensed servicing the others.

EXAMPLE:

- (a) If a director, officer, shareholder of a limited liability company incorporates and that corporation is paid by the original limited liability company the new incorporation should be classified the same as the original limited liability company.
- (b) A director, officer or shareholder of a limited liability company, incorporates and does business for more firms than the original limited liability company, then a management classification (1988 - Class 3) should apply.

The distinction should be on what does the management company do. Is it in business for itself by providing service to more than one customer, or has it been set up to provide service to just one company? "A limited liability company replacing the service of one individual to an existing company."

*REVOKED
January 21, 1998
JLL
25 Feb 98*

The onus must be placed on the management company to provide details as to whom it is working for, and a test of sources of revenues should be applied.

If field application can not be decided on at the time of auditing, full particulars should be noted on the audit report and referred to the Director of Assessments for decision.