

MEDIA RELEASE

Workers' Safety and Compensation Commission Release Assessment Rates for 2020

Yellowknife, NT (November 28, 2019) – The Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (WSCC) have announced the 2020 employer assessment rates.

The workers' compensation system provides a form of group insurance. The assessments employers pay are pooled into a fund called 'the Workers' Protection Fund'. This fund protects individual employers against lawsuits related to workplace injuries and is used to pay benefits and provide services to injured workers.

As the stewards of this fund, the WSCC evaluates and updates employer rates annually to ensure coverage of current and future claims costs for injured workers and to ultimately, sustain the Workers' Protection Fund for the future.

This year, the average provisional target assessment rate per \$100 of assessable payroll will be \$2.40, a \$0.30 increase from the average rate in 2019.

This provisional target rate is the rate employers would pay if there was only one rate for all employers. The amount each individual employer pays is based on their annual payroll and the group rate for their industry.

In 2020, the average rate is increasing by \$0.30 because of higher claims costs and the requirement to build reserves to ensure the long term sustainability of the Workers' Protection Fund.

WSCC's operating costs remain unchanged. However, beginning in 2020 the costs that are associated with WSCC administration, safety promotion, regulation and enforcement will be allocated equally across all employers to promote fairness and accountability within collective liability.

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Maggie Collins Communications Manager T: (867) 920-3854

TF: 1 (800) 661-0792 ext. 3854

E: Maggie.Collins@wscc.nt.ca

WSCC is an arm's length government agency responsible for administering the Workers' Compensation Acts, Safety Acts, Explosives Use Acts, the Mine Health and Safety Acts, and associated regulations.

Together with our partners, the WSCC provides services to almost 40,000 workers and 4,000 employers across the Northwest Territories and Nunavut. We process over 3,000 claims and conduct over 1,000 inspections annually to ensure the safety of Northern workplaces. The WSCC is unique in Canada as it is the only workers' compensation organization in the country to insure workers across more than one province or territory. We proudly offer services in the official languages of both territories.



BACKGROUNDER 2020 Assessment Rates

- All operations employing workers in the Northwest Territories and Nunavut must pay assessments to the WSCC.
- The WSCC uses assessment payments to provide compensation (wage replacement, medical aid, rehabilitation, and pensions) and cover the WSCC's operating costs.
- The Northwest Territories and Nunavut Health Care Plans do not pay doctor, hospital, or medical bills for work-related incidents and injuries; the WSCC pays.
- The WSCC calculates rates in consultation with independent actuaries through a review of target funding levels, anticipated operating expenses and past trend analysis. This determines the optimal rates required to cover all the current and future costs associated with workplace injuries.
- In setting Assessment Rates, the WSCC considers what is:
 - ✓ Sustainable for claim costs;
 - ✓ Reflective of industry experience;
 - ✓ Responsive to claims experience trends; and
 - ✓ Fair to employers.
- The 2020 Average Provisional Assessment Rate will be \$2.40
 - The average provisional assessment rate is the rate employers would pay if there was only one rate, consistent across all employers. The WSCC uses the provisional rate as a starting point when setting individual subclass rates.
 - The rates are calculated as a whole, and broken down by industry subclass. Assessment rates reflect each industry's actual claims cost experience. The claims cost experience used for developing 2020 rates is calendar years 2014 to 2018 for injuries that occurred during that same period.
- In 2020, the average rate is increasing by \$0.30 because of higher claims costs and the
 requirement to build reserves to ensure the long term sustainability of the Workers' Protection
 Fund. This requirement is outlined in our funding strategy Policy # 10.05. For more information
 about this policy please visit http://www.wscc.nt.ca/about-wscc/policy-and-legislation/policy-manual.
- WSCC's operating costs remain unchanged. However, beginning in 2020 the costs that are
 associated with WSCC administration, safety promotion, regulation and enforcement will be
 allocated equally across all employers. This equates to a fixed amount of \$.35 per \$100 of
 payroll. This methodology change promotes fairness and accountability within collective liability.
- As a result of the change in the way rates are set, a one-time suspension of the 20% annual rate change limit has been implemented.



Assessable Payroll:

 The WSCC calculates employer assessment payment by applying the specific industry subclass rate to every \$100 of the employer's assessable payroll.

Year's Maximum Insurable Remuneration (YMIR)

- The 2020 YMIR will increase from \$92,400 to \$94,500. YMIR is the maximum amount of earnings the WSCC uses to calculate compensation for injured workers per year.
- An employer's assessable payroll is the gross salary for each worker up to the YMIR limit.
- Employers can conveniently access the individual subclass rates for all industries for the
 upcoming year through the WSCC's online service <u>WSCC Connect</u>. You can view current and
 historical rates by <u>Class & Subclass</u> and by <u>Specific Industry</u>.

WSCC Connect is accessible through <u>wscc.nt.ca</u> or <u>wscc.nu.ca</u>. Click on the WSCC Connect logo located at the top of the page and follow the button to View Assessment Rates.

2020 ASSESSMENT RATES

Subclass	2019 Rate	2020 Rate
10 - Outdoor Recreation and Tourism	\$6.84	\$6.76
22 - Mining Operations & Oil and Gas Well Drilling	\$1.88	\$2.14
27 - Mining Services	\$4.26	\$3.61
41 - General Construction	\$5.70	\$5.63
43 - Mobile Equipment Operations, Logging and Marine Construction	\$4.24	\$4.27
46 - Mechanical Installation and Servicing	\$3.81	\$4.36
51 - Air Transportation	\$2.47	\$2.98
53 - Ground Transportation	\$2.77	\$2.66
54 - Trucking, General and Long Distance and Water Transportation	\$4.30	\$5.24
62 - Retail, Wholesaling and Light Manufacturing	\$2.34	\$2.55
66 - Automotive Sales & Services and Metal Fabrication	\$2.72	\$2.89
71 - Business, Communication and Amusement Services	\$0.67	\$1.08
74 - Health, Welfare and Emergency Services	\$2.25	\$2.50
76 - Accommodation, Catering, Food and Beverage Services	\$2.19	\$2.60
81 - Government of the NWT and Nunavut and Public Utilities	\$1.01	\$1.62
82 - Authorities and D.E.W. Line	\$2.32	\$2.39

^{*} Subclass 37, Oil & Gas Servicing, Development, Refining & Pipeline Operations – has merged with subclass 22, Mining Operations & Oil & Gas Operations.