

MEDIA RELEASE

Workers' Safety and Compensation Commission Release Assessment Rates for 2023

Yellowknife, NT (November 28, 2022) – The Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (WSCC) announces that the average employer assessment rate is remaining at \$2.40 per \$100 of assessable payroll, unchanged since 2020.

This is the base rate the WSCC uses as a starting point when setting individual subclass rates.

Subclasses are employers who have similar operations and share similar risks. Each employer pays a specific amount based on the group rate for their industry and the size of their payroll.

10 of the 16 subclasses of employers in the Northwest Territories and Nunavut demonstrated improvements in their claims costs, while 6 subclasses showed increases in their claims costs. As a result, those 10 subclasses will see rate decreases and 6 will see increases in 2023.

Examples of industries with rate increases for next year include Mining Services, General Construction, and Governments of the Northwest Territories and Nunavut and Public Utilities.

Examples of subclass groups with a decrease in rates include Outdoor Recreation & Tourism, and Accommodation, Catering, Food & Beverage Services.

Over the next four years, Subclass 10 (Outdoor Recreation & Tourism) is being combined into Subclass 76, (Accommodation, Catering, Food & Beverage Services) for determining an annual subclass assessment rate, as it became too small to consider on its own. Subclasses must be at sufficient size to reduce potential rate volatility from a small number of injuries.

"Assessment rates are a key element of collective liability, with employers sharing responsibility for current and future costs of workplace injuries," said Debbie Molloy, WSCC President and CEO. "The safer your company is, the more potential influence you have on your subclass. We encourage all employers to have effective safety programs in place to prevent work-related injuries and incidents."

These rates come into effect January 1, 2023.

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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 2023 Assessment Rates

- All operations employing workers in the Northwest Territories and Nunavut pay assessments to the WSCC to sustain the workers' compensation system.
- The assessments employers pay are pooled into a fund called the *Workers' Protection Fund*. This fund provides a form of group insurance and protects individual employers against lawsuits related to workplace injuries and is used to provide benefits (wage replacement, medical aid, rehabilitation, and pensions) to injured workers and cover the WSCC's operating costs.
- Assessment rates are set each year by the WSCC Governance Council. Rates are calculated 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 Governance Council considers what is:
 - ✓ Sustainable for claim costs;
 - ✓ Reflective of industry experience;
 - ✓ Responsive to claims experience trends; and
 - ✓ Fair to employers.

The 2023 Average Provisional Assessment Rate will remain at \$2.40. This rate has been unchanged since 2020.

- 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. When an employer registers with WSCC, they are classified according to their main business undertaking and placed in a Rate Group Subclass. The assessment rates collected from each rate group pay for the costs of injuries and diseases that arise from that particular group. Assessment rates reflect each industry's actual claims cost experience. The claims cost experience used for developing 2023 rates is calendar years 2017 to 2021 for injuries that occurred during that same period.
- The WSCC calculates employer assessment payment by applying the specific industry subclass rate to every \$100 of the employer's assessable payroll.

 The 2023 Year's Maximum Insurable Remuneration (YMIR) will increase from \$102,200 to \$107,400. 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.

ASSESSMENT RATES

Subclass	2022 Rate	2023 Rate
10 - Outdoor Recreation and Tourism → 76¹	\$5.23	\$4.18
22 - Mining Operations	\$2.35	\$2.24
27 - Mining Services	\$3.00	\$3.39
41 - General Construction	\$4.75	\$5.06
43 - Mobile Equipment Operations, Logging and Marine Construction	\$3.57	\$3.66
46 - Mechanical Installation and Servicing	\$4.39	\$4.02
51 - Air Transportation	\$3.18	\$3.09
53 - Ground Transportation	\$2.09	\$1.93
54 - Trucking, General and Long Distance and Water Transportation	\$6.46	\$6.66
62 - Retail, Wholesaling and Light Manufacturing	\$2.43	\$2.33
66 - Automotive Sales And Services	\$3.28	\$3.48

¹Indicates subclass being combined into other subclasses (e.g. 10-Outdoor Recreation and Tourism being combined with subclass 76-Accomodation. Catering, Food and Beverage Services)

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71 - Business, Communication and Amusement Services	\$1.06	\$1.03
74 - Health, Welfare and Emergency Services	\$2.68	\$2.56
76 - Accommodation, Catering, Food and Beverage Services	\$2.06	\$1.86
81 - Government of the NWT and Nunavut and Public Utilities	\$1.69	\$1.76
82 – Authorities and D.E.W. Line	\$2.48	\$2.36

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 wscc.nt.ca or wscc.nu.ca.