

Lower WSIB premiums will allow employers to invest more in health and safety

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Vaughan, Oct. 06, 2021 (GLOBE NEWSWIRE) — The Residential Construction Council of Ontario (RESCON) is pleased that the province is reducing WSIB premiums as it will enable construction employers to put the money towards making worksites safer.

“Today’s announcement will allow employers in the construction industry to increase their investment in health and safety and grow their businesses, allowing construction to continue to lead the economic recovery,” says RESCON VP Andrew Pariser, who is also chair of the organization’s health and safety committee.

“Premium rate decreases highlight that health and safety efforts in residential construction are working. RESCON supports the approach that the risk should be reflected in the rate. Lower rates show our safety improvements are working.”

Labour, Training and Skills Development Minister Monte McNaughton announced that the WSIB will cut premium rates in 2022 by \$168 million, bringing the total reduction in premiums since 2018 to \$2.4 billion. Legislation will also be introduced to allow for a significant portion of the WSIB’s current reserve, currently valued at about \$6.1 billion, to be distributed to safe employers.

RESCON supports the change as it will provide some relief to construction employers in Ontario who have been dealing with COVID-19 and ensuring that their worksites are safe for workers. It is equally important to note that these rate reductions are the direct result of tremendous improvements to the WSIB’s sufficiency ratio which once was below 80 per cent and is now well above 115 per cent. As a result, the WSIB system remains in a funding surplus and the change proposed by the government will have no impact on taxpayers or at the expense of injured workers.

Currently, the WSIB is not permitted to distribute surpluses to employers. New legislation intended to be introduced later in the fall would, if passed, require the WSIB to return excess funds to employers once the WSIB’s surplus reaches 125 per cent, with the option to do so earlier, thus ensuring premiums paid by employers reflect the risk associated.

“Linking the premium ceiling to inflation protects workers and gives construction employers the flexibility they need to invest in safety, their businesses and the Ontario economy,” Pariser adds. “RESCON applauds the funding corridor approach as it improves future rate predictability and balances the needs of employers and workers.”