

WSIB cuts average employer premiums

Compensation rates to drop with end of unfunded liability

Sep 27, 2018 5:49 PM by: Northern Ontario Business Staff



The retirement of a costly [Workplace Safety and Insurance Board](#) (WSIB) tax is being hailed by industry groups in Ontario.

The Crown agency announced Sept. 26 that it's reached a "historic financial milestone" by eliminating its unfunded liability (UFL) almost 10 years ahead of schedule.

The UFL is the shortfall between the money needed to pay future benefits and the money in the insurance fund. It existed for decades and reached a high of \$14.2 billion in 2011. Back in 2009, the Auditor General of Ontario warned that the UFL put the WSIB in danger of not being able to meet its obligations to people.

"This is the right decision," said Duncan Middlemiss, president-CEO of Wesdome Gold Mines and the Ontario Mining Association's board chair, in a statement. "For decades, employers have been paying a premium surcharge to retire the Unfunded Liability.

"It's estimated that Ontario's employers were contributing between 30 per cent and 50 per cent of their premiums towards paying down the UFL - money that could have gone to job creation and investments. "As far as our members are concerned, there is no better way to signal that Ontario is open for business," added Middlemiss.

Andrew Pariser, vice-president of the Residential Construction Council of Ontario (RESCON) vice-president, gave credit to WSIB for righting the financial ship.

"This exciting announcement means employers will keep more money in their businesses and can continue to invest in health and safety, good paying jobs and Ontario."

RESCON represents more than 200 of Ontario's residential builders.

Over the past 10 years, the construction industry has paid an additional \$15.2 billion in past claims costs to retire the UFL. RESCON said the money that was going to a payroll tax can be used by small and large businesses to invest in their workers and workplaces.

"This achievement safeguards Ontario's workplace health and safety system," said WSIB chair Elizabeth Witmer.

"People who are hurt or become ill as a result of their work can have confidence we will be here to help them now and always."

In a news release, WSIB said Ontario businesses will now see a significant reduction to the average premium rate. The 2019 average premium rate will decrease by 29.8 per cent from \$2.35 to \$1.65.

"Today's premium rate announcement leaves \$1.45 billion in the economy every year that businesses can invest in new jobs, new technology, and health and safety improvements," said Witmer.