

# How are my WCB assessment rates set?

The rate you pay for workplace injury insurance includes an Industry Rate and an Experience Rating adjustment. In many cases, it also includes an Industry Safety Association levy. Setting the rate involves a few steps.

## Step 1: Classify and Group Employers

- Employers are categorized by industry using Standard Industrial Classification (SIC) codes. Published by Statistics Canada, SIC codes are a recognized standardized method of classifying employers.
- SIC codes with similar types of activity and cost experience are grouped into Industry Groups.
- Some large industry groups stand alone. Smaller industry groups get combined further into Rate Groups, based on cost experience. This is the level at which Industry Rates are set.

## Step 2: Set Industry Rates

- The costs of new injuries over the most recent five years are compared with payroll over the same period. Costs are weighted so the industry's most recent experience has more impact on their rate.
- Rates are determined by costs per payroll dollar. For example, an industry with costs per payroll dollar three times the provincial average will pay about three times the average rate.

## Step 3: Make Experience Rating Adjustments

- Experience Rating adjusts industry rates based on an employer's experience. Like other forms of insurance, employers with higher claims costs pay higher premiums.
- Employers' costs over the most recent three years are compared with their payroll over the same period to create a cost ratio. Costs are weighted so the employer's most recent experience has more impact on their rate.
- Employers with low cost ratios relative to their industry peers receive rate merits, and will pay less. Those with higher than average cost ratios receive rate demerits, and will pay more.
- Experience Rating Adjustments range from -10% to +20% for small employers, and from -30% to +60% for large employers.

## Step 4: Safety Association Levy

The WCB collects levies on behalf of employers in several industries, to fund industry-based safety associations. Employers not in these industries do not pay a levy. Safety associations focus on improving the safety performance of the industry, and have proven effective in helping to lower assessment rates in several industries.

## Surcharges

Employers whose claims costs are significantly and consistently above industry averages may be assessed surcharges.

In a typical year, less than 1% of covered employers will be surcharged. This means that their claims cost experience has been at least 200% higher than their industry average for at least four consecutive years. Newly surcharged employers will receive warning notices.

The surcharge can be a significant cost, and it is cumulative year over year. It is intended as encouragement to improve, and to help to allocate the costs of workplace injury in Nova Scotia closer to the source of those costs. For more information about the surcharge program, contact us.

Get an up-close look at the claims costs affecting your rate. Updated in real-time, **MyAccount** gives you instant access, in detail, to workplace injury's impact on your workplace – and it's also a convenient way to fill out forms and paperwork, 24 hours a day, seven days a week. Sign up for online access to your WCB account at [my-account.ns.ca](https://my-account.ns.ca)

**To learn more:** Visit the Employer section of [wcb.ns.ca](https://wcb.ns.ca) or call us toll-free at **1-877-211-9267**.

# Experience Rating Statement

**WORK SAFE. FOR LIFE.**  
WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

Visit MyAccount at [wcb.ns.ca](http://wcb.ns.ca)

## Example Experience Rating Statement

**PRIVATE**

Mailing Address

Business No:	
Date:	
Page:	

**Your 2024 assessment rate: \$.63 per \$100 assessable payroll**

**SECTION A: Your Rate Components**

Basic Industry Rate:	\$0.70	
Experience Rating Merit/Demerit:	-\$0.07	see details in Section D below
Rate Surcharge:	\$0.00	
Levy	<u>\$0.00</u>	
<b>TOTAL RATE for 2024</b>	<b>\$0.63</b>	<b>per \$100 assessable payroll</b>

**Note:** Your company's workplace injuries and the associated costs determine your Experience Rating Adjustment. You can control your rate by eliminating workplace injuries and helping injured workers return to work in a safe and timely manner. **Your 2024 rate could have been as low as: \$0.64 or as high as: \$0.83**

**SECTION B: SIC and Industry Group**

To set rates, we classify employers by the industry in which they operate, and group industries with similar activities and risk into industry groups.

**Your Standard Industrial Classification (SIC) Code:**  
9821 Business Associations

Your Industry Group for 2024  
7600 General Services

**SECTION C: Cost and Payroll**

<b>Assessable Payroll</b>	
2022	\$182,880.00
2021	\$243,133.00
2020	\$159,805.00
<b>TOTAL</b>	<b>\$585,818.00</b>

  

<b>Cost of New Injuries</b> from 2020 to 2022	\$0.00
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**SECTION D: Your Experience Rating Details**

Experience Rating for 2024 is calculated using injury and payroll data from the years 2020 to 2022. The 3-year costs and payroll are determined, and costs are weighted so that the more recent experience has more impact on rates.

The key measure in determining your Experience Rating is the "cost ratio", which is your weighted cost figure divided by your payroll. The lower your cost ratio relative to your rate group, the lower your rate will be.

**Your Cost Ratio is:** **100% Lower** Than Your Rate Group's Cost Ratio  
**Resulting Merit/Demerit:** **-10.00% Merit** Produces an Experience Rating Adjustment of **-\$0.07**

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This is the rate paid by all employers in your industry, prior to Experience Rating adjustments.

Experience Rating adjusts rates based on your own cost experience, relative to your industry.

The WCB collects levies on behalf of employers to support safety training in certain industries.

Employers are classified by industry. All workers within an industry are assessed at the same rate regardless of occupation.

This is the rate you will be assessed on for 2024.

Employers with consistently poor performance (claims cost experience 200% higher compared to industry costs) will be assessed a surcharge.

This is the range of potential rates for an employer of your size operating in your industry.

This payroll information was used to calculate your cost ratio as explained in Section D.

This is the accumulation of costs between 2020 to 2022 associated with injuries that occurred between 2020 to 2022.

**A closer look.** Get an up-close look at what's driving your claims costs at [my-account.ns.ca](http://my-account.ns.ca). Updated in real-time, it gives you a detailed look at injury's impact on your workplace. Plus, you can report injuries and submit forms online, and it's available 24 hours a day, 7 days a week.