#### 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 three 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

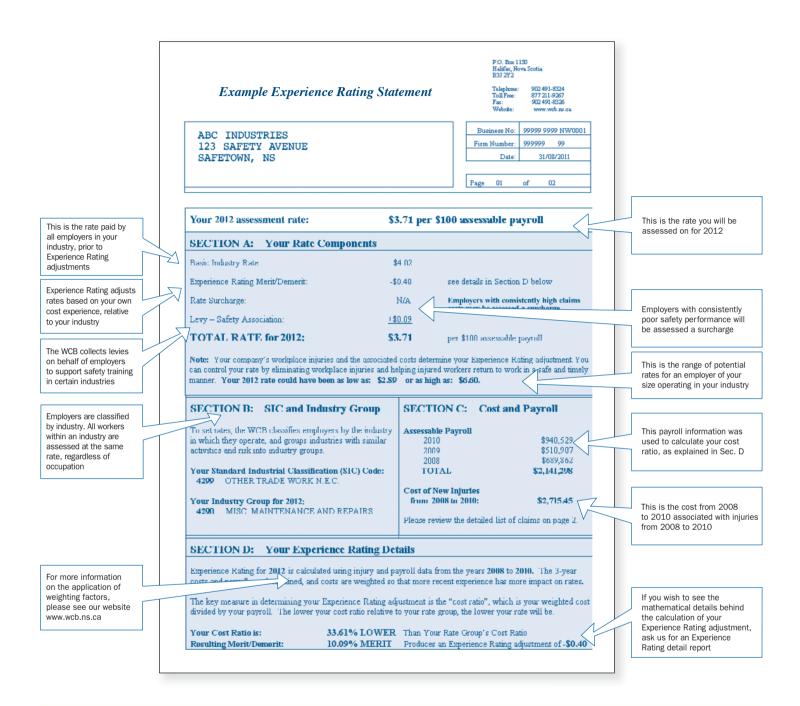
Employers whose claims costs are significantly and consistently above industry averages may be assessed surcharges.

In a typical year, about 120 employers – or less than 1% of employers – will be surcharged. This means that their claims cost experience has been at least 200 per cent higher than their industry average for at least four consecutive years. They will have received a warning notice in each of the preceding two rate announcement packages.

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

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



**A closer look.** Get an up-close look at what's driving your claims costs at **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.

