

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 70 – or less than one half of one percent (0.5 per cent) 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**.

Experience Rating Statement

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

For more information on the application of weighting factors, please see our website www.wcb.ns.ca

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Experience Rating Statement for 2013

ABC INDUSTRIES
123 SAFETY AVENUE
SAFETOWN, NS

Business No:	99999 9999 NW0001
Firm Number:	999999 99
Date:	31/08/2012
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Your 2013 assessment rate: \$3.71 per \$100 assessable payroll

SECTION A: Your Rate Components

Basic Industry Rate:	\$4.02	
Experience Rating Merit/Demerit:	-\$0.40	see details in Section D below
Rate Surcharge:	N/A	
Levy – Safety Association:	+\$0.09	Employers with consistently high claims <small>costs may be assessed a surcharge</small>

TOTAL RATE for 2013: **\$3.71** per \$100 assessable payroll

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 2013 rate could have been as low as: **\$2.89** or as high as: **\$6.60**.

SECTION B: SIC and Industry Group

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

Your Standard Industrial Classification (SIC) Code: **4299 OTHER TRADE WORK N.E.C.**

Your Industry Group for 2013: **4290 MISC. MAINTENANCE AND REPAIRS**

SECTION C: Cost and Payroll

Assessable Payroll	
2011	\$940,529
2010	\$510,907
2009	\$689,862
TOTAL	\$2,141,298

Cost of New Injuries from 2009 to 2011: **\$2,715.45**

Please review the detailed list of claims on page 2.

SECTION D: Your Experience Rating Details

Experience Rating for 2013 is calculated using injury and payroll data from the years **2009 to 2011**. The 3-year costs and payroll are weighted, and costs are weighted so that more recent experience has more impact on rates.

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

Your Cost Ratio is: **33.61% LOWER** Than Your Rate Group's Cost Ratio
 Resulting Merit/Demerit: **10.09% MERIT** Produces an Experience Rating adjustment of **-\$0.40**

This is the rate you will be assessed on for 2013

Employers with consistently high cost experience 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 Sec. D

This is the cost from 2009 to 2011 associated with injuries from 2009 to 2011

If you wish to see the mathematical details behind the calculation of your Experience Rating adjustment, ask us for an Experience Rating detail report

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.



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