

Approved Rate Range

Our goal is a financially sustainable workers' compensation system that provides workers and employers with the benefits and rates they need and deserve.

The Approved Rate Range Framework will help achieve this goal.

What is the Approved Rate Range?

It is a Nova Scotia model that enables the system to consider necessary changes and balances those changes with the principle of long-term sustainability.

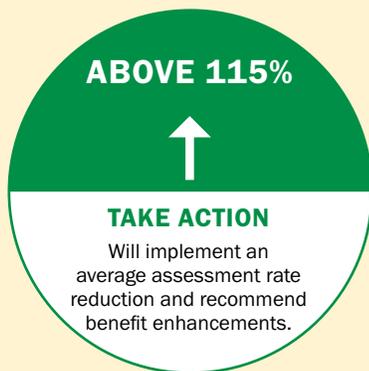
The framework:

- Defines the funding level where changes can be made sustainably.
- Sets upper and lower thresholds for the system's funded percentage to guide when adjustments are made to the average assessment rate for employers or recommendations made to Government to improve benefits for workers.
- Ensures long-term system sustainability so we can continue to deliver more value to workers and employers while ensuring a financial imbalance never happens again.

APPROVED RATE RANGE FRAMEWORK

The WCB Nova Scotia is committed to a balanced approach to reducing employer rates and improving worker benefits, with implementation over time and in a sustainable manner.

Funded percentage:



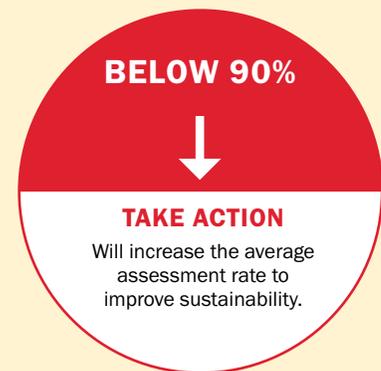
UPPER THRESHOLD >115%

Improvements actioned will utilize the amount in excess of 115% (i.e., if the upper range is 120%, 5% would be used to make improvements to average rates/benefits).



WITHIN FUNDED RANGE BETWEEN 90% AND 115%

May consider a reduction in the average assessment rate and/or recommend improving benefits in a balanced way while considering the factors influencing stability and sustainability of the System.



LOWER THRESHOLD <90%

The average assessment rate would increase to achieve financial sustainability, and it would be spread over five years to enable a return to the minimum of 90%.

Factors that influence the Approved Rate Range:

- The draft funded position for the preceding fiscal year, as known on March 31, will be considered in determining whether action will be taken each year per the framework.
- In accordance with the legislation, assessment rates must continue to cover the current and future costs of claims incurring in the year.
- Calculation of the funded ratio will be based on the going-concern method, which considers the long-term expectations of the investment fund to value benefits liability.
- The average employer assessment rate is set annually in September. All other existing factors considered as part of the rate-setting model continue to apply.