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PRESS RELEASE

2017 Detailed Workers-Compensation Assessment Rates

The Yukon Workers' Compensation Health and Safety Board (YWCHSB) announced today the assessment rates for 2017 for each of the industries and rate groups.

As was announced early in June, the average rate for 2017 will be \$1.87 per \$100 of payroll. This is an insignificant increase of about 1% over the corresponding number of \$1.85 in 2016. To put this in perspective, the rate in 2009 was \$3.00.

Several factors led to this:

- The lost-time injury rate per 100 covered workers fell from 2.4 in 2009 to 2.0 in 2015
- The number of lost-time claims fell from 473 to 434 in that same time frame
- YWCHSB has enjoyed strong investment-fund market returns since 2009
- YWCHSB's decision, prompted by efforts on the part of the Yukon Chamber (YCC), to issue \$10 million in rebates to employers in late 2015 resulted in a significant decrease in the surplus in the YWCHSB compensation fund; this reduces the amount available to subsidise assessment rates.

YCC believes it is important for employers to understand that YWCHSB has enjoyed excellent returns on its investments and this in turn has resulted in a large surplus, and allowed YWCHSB to subsidise the average rates paid by employers over the last several years by about \$0.50 per \$100 of payroll. This significant subsidy on all rates has been part of efforts by the YWCHSB to reduce its growing surplus. Without these subsidies funded by surplus funds, employers would have paid higher assessments over the past several years. For example, to cover actual claims costs and administration without that subsidy, the average rate in 2016 would need to be about \$2.31 per \$100 of payroll, or about \$0.46 more than it is.

In 2017, the average rate is subsidised by about \$0.43. In other words, the true cost of workplace injuries is \$2.30 but the average rate is \$1.87.

These are all average rates. The new rates by industry for 2017 can be found on the YWCHSB website at <https://wcb.yk.ca/rates> The rates to be paid next year in specific industry groups changed in the following ways.



Eight rate groups cover all non-government employers. The assessment rates for three of these rate groups (covering almost 1400 employers) decrease anywhere from 0.7% to 1.6%. Those rate groups are Services-Low, Services-High, and Resources and Transportation-Low.

The Chamber is disappointed that the rates for four rate groups: Construction-High, Resources and Transportation-High, Resources and Transportation-Medium, and Services-Medium, (together covering about 1700 employers) increase by 2.8% to 5% respectively.

The rate for the last group, Construction-Medium, (covering close to 600 employers) remains unchanged.

The reason for the changes is almost entirely the claims experience in each industry; higher claims costs mean higher assessment rates; while lower claims costs mean lower assessment rates.

YCC Board Michael Pealow said, "This underlines once again the importance of safe and healthy workplaces. All Yukon workers need to be, and deserve to be, safe at work. When they are, assessment rates go down. Decreased costs to employers make it easier for businesses to invest resources in ways that grow the economy and create wealth."

YCC President Peter Turner pointed out, "Employers cannot count on good rates of return on YWCHSB's investments to continue to subsidise assessment rates as has been the case over the last five years, but we can all contribute to reduced injury rates and claims costs by ensuring safe workplaces."

The Chamber encourages all employers, managers, supervisors and workers to work together to ensure everyone is safe at work.