**MEMBER BULLETIN**

September 27, 2018

**Substantial Declines Coming to WSIB Employer Premium Rates in 2019**

The WSIB announced that, after decades of over taxing employers in the name of Unfunded Liability (UFL) compensation, they are now operating without an UFL. The UFL – the shortfall between the money needed to pay future benefits and the money in the insurance fund – has existed for decades and reached a high of $14.2 billion in 2011. To pay down this debt, the WSIB began including a surcharge into all employer premium rates (know as Past Claims Cost), which peaked for the construction industry at close to 50% of the premium rate over the last decade. Now, with this debt paid off, Ontario businesses will see a significant reduction to their premium rates in 2019.

More specifically, employers in the rate groups of Roadbuilding and Excavating (711) and Heavy Civil Construction (732) will see their premium rates reduced by 33.8 percent and 38 percent respectively on January 1, 2019.

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| **Rate Group #** | **Description** | **2018 Premium Rate (%)** | **2019 Premium Rate**  **(%)** | **Percentage Change** |
| 711 | Roadbuilding And Excavating | 4.5 | 2.98 | - 33.8% |
| 732 | Heavy Civil Construction | 5.98 | 3.71 | - 38.0 % |
| 755 | Non-Exempt Partners and Executive Officers in Construction | 0.19 | 0.13 | - 31.6% |

The maximum insurable earnings (IE) ceiling will be increasing by 2.54% to $92,600 (up from $90,300 in 2018). However, due to the rate decrease, **a worker earning at or above the IE ceiling will see their overall dollar cost decrease by $1304.02 in RG711 and $1964.48 in RG 732.** For Executive Officers in RG 755, their overall cost will decrease by $51.19 per person.

As a member of the Construction Employers Coalition, OSWCA continues to advocate around establishing fair rates that are commensurate with the risk that a company brings to the insurance system. Significant reforms continue to be in the works at the WSIB, with a Rate Framework modernization expected by 2020.

If you have any questions about the 2019 Premium Rates or the upcoming Rate Framework modernization, please contact Patrick McManus at 905-629-7766 ext. 222 or [patrick.mcmanus@oswca.org](mailto:patrick.mcmanus@oswca.org).