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FOR IMMEDIATE RELEASE

Yukon Chamber of Commerce Reacts to the Yukon Workers' Compensation Average Assessment Rate for 2018

The Yukon Chamber of Commerce (YCC) is generally positive about the Yukon Workers' Compensation Health and Safety Board (YWCHSB) announcement that the average workers' compensation assessment rate for employers in 2018 will be \$1.93 per \$100 of payroll. That is an increase of 3%, which amounts to six cents over this year's existing rate.

For seven years in a row, up to 2016, the average assessment rate decreased from the previous year's rate. During those years, the rates were significantly subsidised resulting in the gradual reduction of a large surplus in the compensation fund. The surplus was a result of significantly high returns on the YWCHSB funds that were invested. The rate was increased in 2017 and the rate announcement today translates into a sustained upward trend in higher rates.

These are average rates; the actual rates to be paid next year in specific industry groups will be determined over the next several months.

YCC supports reducing the subsidy gradually so the assessment rates eventually reflect the actual cost of running the compensation system. This increase moves in that direction. According to YWCHSB, the actual cost of operating the system is \$2.30, meaning the 2018 rate is subsidised by approximately 37 cents. To put this in perspective, the average rate in 2009 was \$3.00.

The subsidy on rates is a way of reducing the surplus in the workers' compensation fund. As YWCHSB succeeds in reducing the size of the surplus, less money is available for subsidies. For this reason, the subsidy will be smaller next year. That is one reason for the increase in the average rate for 2018.

Two years ago YCC approached YWCHSB and proposed they deliver some of the surplus in a timelier manner than a gradual subsidy on rates. YWCHSB agreed. 2015 and 2016 saw YWCHSB sending rebate cheques to almost every Yukon employer. A total of \$20 million went back into the Yukon's economy.

YWCHSB's funded position in 2015 was 155%. That number went down to 150% in 2016. That is an improvement but it is still higher than it should be. The subsidy for 2018 will not reduce the surplus in a major way. Accordingly YCC recommends additional rebates to Yukon Employers.

Other important observations that the YCC would like to highlight to employers and the Yukon public, between 2015 and 2016:

- The lost-time injury rate per 100 covered workers stayed the same at 2.1
- The number of lost-time claims rose very slightly from 444 to 454
- Most importantly, there were three deaths at work in 2016. This is up from zero in 2015.



- Investment-fund market returns were positive for the seventh year in a row.

Quotes from Yukon Chamber of Commerce Executive

YCC Board Chair Stanley Noel said, “Yukon employers and employees share YWCHSB view that we want every Yukon worker to be safe on the job and to go home at the end of the day healthy and whole. We do not forget the devastating impact workplace injuries can have on workers and their families.”

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

Stanley Noel added, “We all recognise the importance of safe and healthy workplaces. Employers are benefitting from low rates due at least partially to good rates of return on YWCHSB’s investments. We cannot control that. But we can all work to ensure safe workplaces. That reduces injury rates and claims costs, and ultimately assessment rates. We are saddened that there were three workplace fatalities last year. Any death in the workplace is a terrible loss.”

Yukon Chamber of Commerce Background

Incorporated in 1985, the Yukon Chamber of Commerce is the collective voice of Yukon's business community, working to create a climate conducive to a strong private-sector economy by providing leadership and representation on issues and projects affecting business. The Chamber works with over 700 Yukon businesses, through either direct or Community Chamber membership, as well as the five Community Chambers of Dawson City, Silver Trail, St. Elias, Watson Lake and Whitehorse.

For further information contact:

Stanley Noel
Chair
Yukon Chamber of Commerce
334-9432

Mal Malloch
Employer Advisor
Yukon Chamber of Commerce
667-6061