

**Operational
Policy**

Section
Employer Classification

Subject
Temporary Employment Agencies Transition to the Rate Framework

Policy

The rate framework is effective January 1, 2020. It is a new classification and premium rate setting model for Schedule 1 employers.

The general rules to transition employers to the new model are outlined in 14-01-09, Transition to the Rate Framework. However, special rules to transition temporary employment agencies (TEAs) to the new model are outlined in this policy.

The special rules impact how TEA's insurable earnings and claims experience may transfer to the new model and how their premium rates are set.

Purpose

The purpose of this policy is to outline the special rules to transition TEAs to the new model. It should be read in conjunction with 14-01-09, Transition to the Rate Framework.

Guidelines

Classification

The classification rules applied to TEAs in the new model are outlined in 14-01-08, Temporary Employment Agencies.

The insurable earnings and claims experience associated with each classification unit (CU) a TEA was classified in before January 1, 2020 do not transfer to the new model.

The only exception is if a CU was exclusively or primarily related to the TEA performing non-supply of worker business activities. In such cases, the general rules to transition employers to the new model are applicable to the CU.

Premium rate setting

In the new model, a TEA is generally assigned a separate premium rate for each premium rate setting class to which they supply workers and for their operations classified in North American Industry Classification System (NAICS) code 561320 (Temporary Help Services).

If a TEA also performs non-supply of worker business activities, they are generally assigned a separate premium rate for those operations.

NOTE

For the purposes of this policy, references to classes should be read to include subclasses.

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2020

In 2020, the WSIB determines a net premium rate for TEAs in the same manner as other employers.

For each premium rate setting class to which TEAs supply workers, and for their operations classified in NAICS code 561320, they are assigned the lesser of their net premium rate or the class premium rate.

TEAs that first open in 2020 are assigned the class premium rate.

2021

TEAs' 2020 premium rates are generally assigned to them in 2021. However, 2020 class premium rates are assigned to any premium rate setting classes to which they begin supplying workers in 2021 (i.e., premium rate setting classes to which they did not supply any workers in 2020).

2022

For each premium rate setting class to which TEAs supply workers, and for their operations classified in NAICS code 561320, they move from their prior year risk band towards their projected risk band, based on the 2022 risk band movement rules outlined in 14-01-09, Transition to the Rate Framework.

TEAs that begin supplying workers to new premium rate setting classes in 2021 or 2022 are assigned the 2022 class premium rate for those operations.

TEAs that first open in 2021 or 2022 are assigned the 2022 class premium rate.

2023

For each premium rate setting class to which TEAs supply workers, and for their operations classified in NAICS code 561320, they move from their prior year risk band towards their projected risk band, based on the 2023 risk band movement rules outlined in 14-01-09, Transition to the Rate Framework.

TEAs' operations that meet the new employer definition are assigned 2023 class premium rates, see 14-02-01, Employer Level Premium Rate Setting. As a result:

- TEAs that began supplying workers to new premium rate setting classes in February 2021 or later are assigned 2023 class premium rates for those operations.
- TEAs that first opened in February 2021 or later are assigned 2023 class premium rates.

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Application date

This policy applies to all decisions made on or after December 1, 2022 ~~October 1, 2021~~.

Document history

This document replaces 14-01-10 dated ~~January 4~~ September 29, 2021.

This document was previously published as:

14-01-10 dated January 4, 2021
14-01-10 dated January 28, 2020.

References

Legislative authority

Workplace Safety and Insurance Act, 1997, as amended
Section 83
O. Reg. 175/98

Minute

Administrative
~~#1, September 24, 2021, Page 598~~