
WorkSafe Gain, Small Business Pain

New Brunswick's Small Business Perspective on WorkSafeNB 2017 Premium Increase

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In New Brunswick, all employers who pay into the workers' compensation system are being hit with a significant premium increase for 2017, on average of 33 per cent. This massive hike in premiums translates into higher payroll taxes for these businesses and has a major detrimental effect on employment and growth. This report finds, for 2017 alone, the additional premium costs for registered small and mid-sized firms add up to almost 18 million dollars. In response, many firms are being forced to reduce payroll costs by cutting back on staff and/or hours worked. The report also makes recommendations on how to mitigate future negative impacts of rate jumps on SMEs.

Introduction

Most businesses in New Brunswick are small. Ninety-five per cent of all firms in New Brunswick have fewer than 50 employees and an additional four per cent have between 50 and 499 employees.¹ Small- and medium-size enterprises (SMEs) employ half of the provincial workforce² and comprise nearly half of GDP. The strength of the economy as a whole depends upon the strength of the small business sector.

In New Brunswick, businesses do not pay provincial payroll tax, except workers' compensation premiums. The workers' compensation system is funded exclusively from employer premiums and these are based on employers' payroll. Some argue that workers' compensation premiums are not a tax; yet for smaller business owners these premiums have the same effect as a tax on payroll. Premiums are mandatory for firms with three or more people; hence a business owner does not have the option of seeking alternative coverage. In addition to that WorkSafeNB—the Commission charging the workers' compensation premiums—is a

¹ Statistics Canada, Table 552-0005, accessed online on April 12, 2017

² Source: Statistics Canada, Labour Force Survey, custom tabulation for CFIB

monopoly. This can result in excessive administration costs, overfunding or underfunding of investments, and a somewhat arbitrary process for risk pooling and premium setting.

Payroll taxes pose a particular challenge for businesses as they are insensitive to profit. Employers are subjected to payroll tax hikes even in times when they are not making a profit. Payroll taxes also tend to place a disproportionate burden on smaller firms, which are more likely to be labour intensive compared to large firms. In fact, two-thirds of SMEs in NB see payroll taxes as the form of taxation that affects the growth of their firm the most (see Figure 1).

Figure 1

In general, which forms of taxation affect the growth of your business the most? (% response)



Source: CFIB, 2017 New Brunswick Pre-budget Survey, November 2016, 173 responses

In October 2016, WorkSafeNB announced that, in 2017, the average assessment rate for New Brunswick employers will increase from \$1.11 per \$100 of payroll to \$1.48 per \$100 of payroll³, an average increase of 33 per cent. This does not mean that every registered employer’s premium will increase by 33 per cent, but rather that there will be a range of increases that will apply to employers. Some may see increases higher or lower than the average. **Given the \$0.37 (33%) increase in the 2017 average assessment rate from the 2016 level, only 160 (1%) employers will see a rate reduction. Meanwhile, 6,230 (44%) employers will see a rate increase of less than 33%, while the remaining 7,930 (55%) will see a net rate increase of 33% or more.**⁴

To put the 2017 premium increase in context, it’s worth noting that this is the first increase since 2010. Over the 2010-2016 time period, the average rate was almost cut in half (from \$2.08 in 2010 to \$1.11 in 2016). Based on its website⁵, the Board cited “recent benefit policy changes”, “a declining funding position”, “increasing claim costs”, and “a slight increase in accident frequency” among the reasons to increase the average assessment rate for 2017. Furthermore, the Commission has seen a jump in wage replacement and health-care benefits associated with each claim.

Looking ahead, the Board has also expressed the possibility of further premium increases for 2018.

“As a result, employer assessment rates have increased for the first time since 2010. If current trends continue, we will most likely see further increases in 2018 and beyond.”⁶

³ <http://worksafenb.ca/worksafenb-announces-increase-in-average-assessment-rate-for-2017>, accessed on April 12, 2017

⁴ 2017 Assessment rate, <http://www.worksafenb.ca/docs/2017IndustryAssessmentRates.pdf>, accessed on April 13, 2017

⁵ Idem 4

⁶ WorkSafeNB Board of Directors’ letter to Stakeholders, March 2017

Given this major increase and the strong likelihood for future hikes, the Canadian Federation of Independent Business (CFIB) has asked small and mid-sized business owners about how they plan on coping with these unexpected payroll costs. This report also presents the total financial impact on the SME sector caused by the premium jump.

Methodology

CFIB represents over 5,000 small- and medium-sized businesses in New Brunswick from all sectors of the economy. Policy positions are taken at the direction of our membership through surveys and discussions with members. CFIB surveyed its New Brunswick business members to measure the impact of the 2017 premium rate increase on small and medium-sized business owners. The WorkSafeNB Survey 2017 was distributed to New Brunswick members by password protected e-mail. The survey period was from March 30 to April 5, 2017. A total of 339 owners of small- and medium-sized businesses participated, which corresponds to an overall margin of error of ± 5.3 percentage points, 19 times out of 20. A copy of the survey is available in Appendix A. The survey also gathered approximately 120 comments which are presented in Appendix B.

As workers' compensation is not mandatory for all firms in New Brunswick, the surveyed identified those who pay premiums with the first question "Do you pay workers' compensation premiums?" **About 84 per cent responded yes, and therefore continued with the survey.** Those who answered "No" or "Don't know" have been excluded from the main questions. Unless stated otherwise, the figures and numbers used in this report are based on these 285 responses.

The survey also asked about the total assessable payroll amount and the number of employees subject to workers' compensation premium. These numbers, once cleansed of duplicates and of empty responses, were used to calculate the average payroll per employee. If the average payroll per employee was below \$5,000 per year, then the case was discarded. Also, if it was above the 2016 maximum assessable earnings (MAE) (\$61,800), then the MAE were used instead. The average assessable payroll per employee was calculated by size of business. This allowed to find out the difference between what the premiums are in 2017 (using the 2017 average assessment rate) and what the premiums were in 2016 (using the 2016 average assessment rate). The difference in premiums was then multiplied by the number of employees in each size category.

The model assumes that the 2017 payroll remained constant to its 2016 levels. As in the findings above, this model also assumes that 84 per cent of the workforce in the 0-4 employees is covered by workers' compensation.

Findings

WorksafeNB has officially announced in October 2016 the average rate increase for 2017⁷. Employers across the province received their notices in the following weeks. However, for many, it was already too late to make adjustments for 2017. Many employers have already announced their price structure for 2017 (e.g. contractors, tourism operators, restaurant owners, etc.). Many have also hired help to fulfill orders at the beginning of 2017. The adjustment period was very short between the time they received the notice and the beginning of 2017.



*Although our claims were below industry average, we have been assessed an increase of 51% in our rates this year. I find this unreasonable to suggest a business can simply absorb that. We received no advance notice except our annual rate assessment.
CFIB member; retail store*

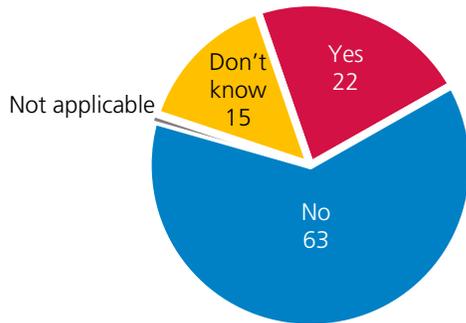
⁷ <http://worksafenb.ca/worksafenb-announces-increase-in-average-assessment-rate-for-2017>, consulted on April 10, 2017

Notice of the Premium Increase

Almost two-thirds of small business owners (63 per cent) said they did not receive enough notice of the increase in premiums planned for 2017. About one-in-five business owners said they have received enough notice, while another 15 per cent did not know when they received the notice (see Figure 2).

Figure 2

Did your business receive enough notice of the increase in your workers' compensation premiums for 2017? (% response)



This increase is not acceptable. Nothing increases by 33 per cent in one year. This will cost my business an extra 5 to 6 thousand this year alone.

CFIB member; Woods products manufacturer

Impact of the 2017 Premium Increase

Consequently, it's not surprising to see that most employers will be impacted by loss of profits as cited by most respondents, 80 per cent (see Figure 3). Employers will have to absorb the increased payroll costs without any price adjustments. Almost half of respondents cited that they will have to cancel planned pay increases or employees' benefits to reduce their payroll costs. Also, about half of business owners will have to increase prices and pass along the cost increase onto their customers.

Figure 3

What impact will this increase in workers' compensation premiums have on your business? (% responses)



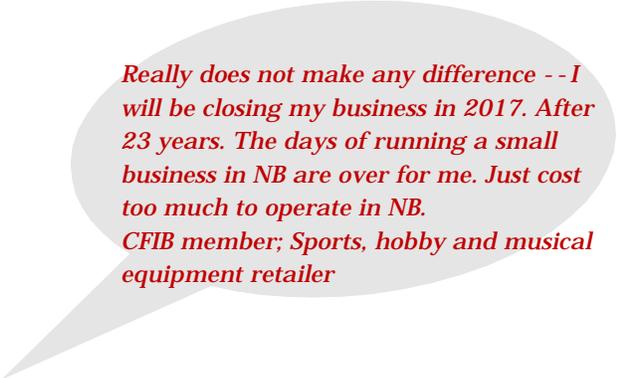
More than one-third of employers will also reduce the number of employees in their business. This is most likely due to the three-person rule in New Brunswick. When an employer has three or more employees on payroll, he/she has to register for workers' compensation and pay premiums per \$100 of payroll. If a firm

drops below the three-employee threshold, it has the option to close its workers' compensation account on December 31st of the current assessment year for the following year. Employers with fewer than three employees may opt for voluntary coverage. About one-quarter of respondents admit that they will put investments in their businesses on hold. This will affect negatively not only the business cancelling growth plans, but also its customers and suppliers, and ultimately the community in which the firm is based.

About six per cent of respondents consider closing the business. This will have a considerable impact on the employer who will lose his/her source of income, the employees losing their wages, on the community providing housing, goods and services as people will have lower disposable incomes, and finally, on governments which will ultimately receive lower tax revenues.

Not all sectors are affected equally. In fact businesses operating in labour intensive industry sectors are more likely to say that they did not have enough notice, and that it would be very difficult to adjust. Firms operating in agriculture, hospitality or construction are among these.

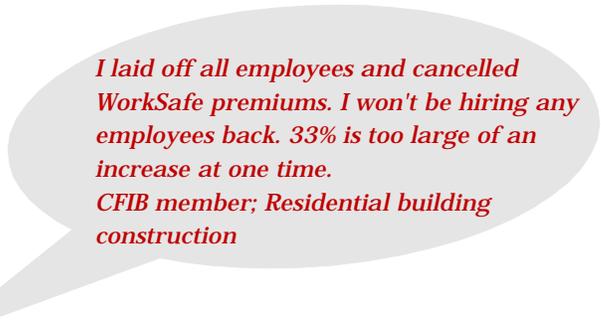
Businesses operating in construction, transportation or hospitality are more likely to say that they will increase prices, lose profits and that they may consider closing down their operations. These are important sectors for New Brunswick's economy, employing a vast number of people. Their economic health is congruent with the economic well being of the province.



*Really does not make any difference -- I will be closing my business in 2017. After 23 years. The days of running a small business in NB are over for me. Just cost too much to operate in NB.
CFIB member; Sports, hobby and musical equipment retailer*

Impacts of a Possible 2018 Premium Increase

As mentioned in the introduction, WorkSafeNB is considering "further increases in 2018 and beyond". However, almost every small and mid-sized business owner operating in the province (95 per cent) states that it will be very or somewhat difficult to absorb an additional increase in premiums in 2018 (see Figure 4). A mere three per cent do not see it as very difficult for their firm to absorb these increased operating costs. This is highly alarming considering the realities of the NB Workers' Compensation Commission.

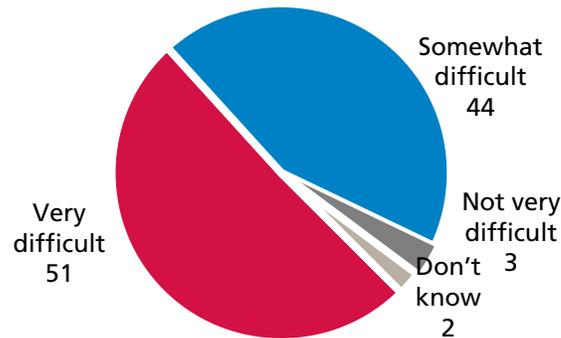


*I laid off all employees and cancelled WorkSafe premiums. I won't be hiring any employees back. 33% is too large of an increase at one time.
CFIB member; Residential building construction*

If premiums are set too high, employers operating on razor-thin margins already, will be forced to cut back on employee hours or on the number of employees. The latter is intended to either reduce payroll on which the employer is assessed or to fall below the three-people rule and not provide an accident coverage for the remaining employees. Therefore, a steep rise in premiums can have the unintentional effect of harming the people it is trying to protect.

Figure 4

How difficult would it be for your business to absorb an additional increase in workers' compensation premiums in 2018? (% responses)



In fact, similar to the responses to Figure 4, the vast majority of business owners, 83 per cent, would have to deal with a loss of profits; about 62 per cent would cancel pay increases or employees' benefits; and 60 per cent would have to increase prices for the goods and services they provide (see Figure 5). Slightly more than half of operators will have to cut back on the number of employees or the employees' hours, and 40 per cent will have to put investments on hold. If the Commission will implement significant premium increases two years in a row, about one-in-ten business owners will consider closing the business.

Figure 5

What impact would an additional increase in workers' compensation premiums in 2018 have on your business? (% responses)

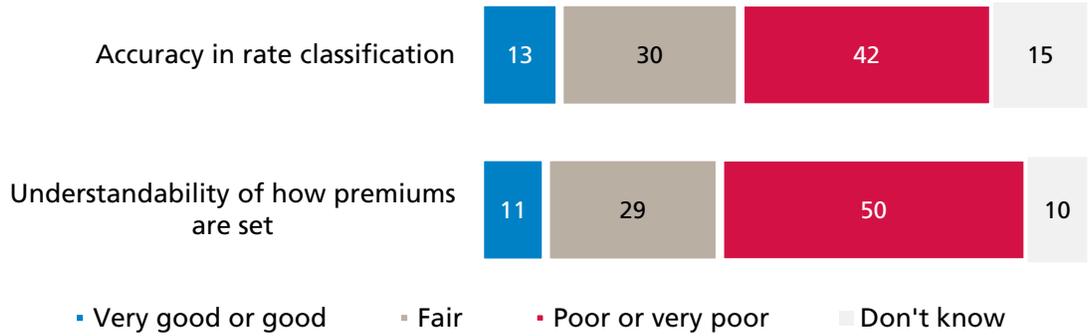


Classification and the understandability of premiums

About 40 per cent of business owners rate WorkSafeNB as poor or very poor in terms of accuracy in rate classification. One-third of respondents rate the Commission as fair, while about 13 per cent rate the Commission as good or very good. Similar results are found when it comes to understandability of how premiums are set. About half of business owners rate WorkSafeNB as poor or very poor, while one-third rate it as fair, and only 11 per cent rate it good or very good (see Figure 6). Recent changes to the industry structures and the number of classes has added to the confusion of business owners in terms of what class their firm falls into, and how premiums are set.

Figure 6

How do you rate WorkSafeNB on the following? (% responses)



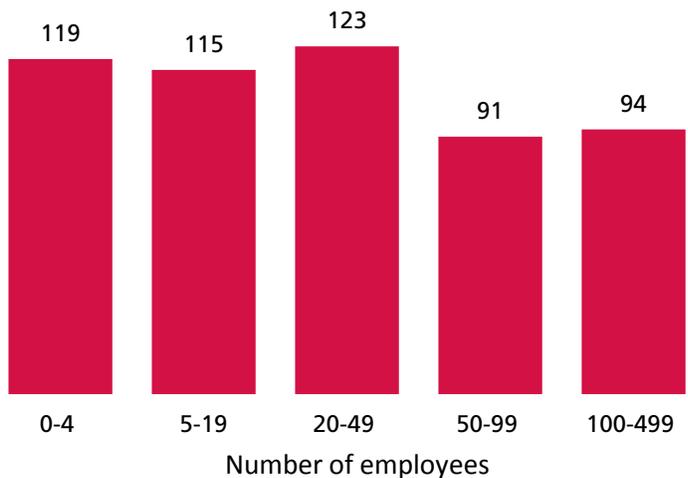
The Cost on the SME sector of the 2017 Rate Hike

CFIB estimates that the small and medium-size businesses operating in New Brunswick and paying into workers' compensation will have to spend about 17.7 million dollars in additional premiums in 2017 alone. This is a very conservative number that does not take into account the premiums paid for optional coverage by self-employed. It also assumes that the payroll remains the same in 2017 as it was in 2016. However, with the minimum wage increase in April 2017, some wages and salaries will raise. Finally, it uses the average premium rate rather than the actual premiums paid by each sector.

On average, a registered firm will have to pay an additional \$108 per employee for workplace accident insurance. However, this amount varies by size of firm (see Figure 7). For the smaller firms hiring three employees for example, this will mean about \$356 extra per year. For a medium-size firm, employing 20 people, the additional premium will cost about \$2,464 in 2017. For a larger business with 100 employees, the premium hike will mean an additional cost of almost \$9,400. These are significant amounts that SMEs will have a very hard time to come up with on such short notice. And one should not forget that 2018 may bring another significant cost increase on top of the current one.

Figure 7

Additional Premium Costs in 2017, by Size of Business (in dollars)



Source: CFIB calculation based on survey data and Statistics Canada data: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labr77e-eng.htm>

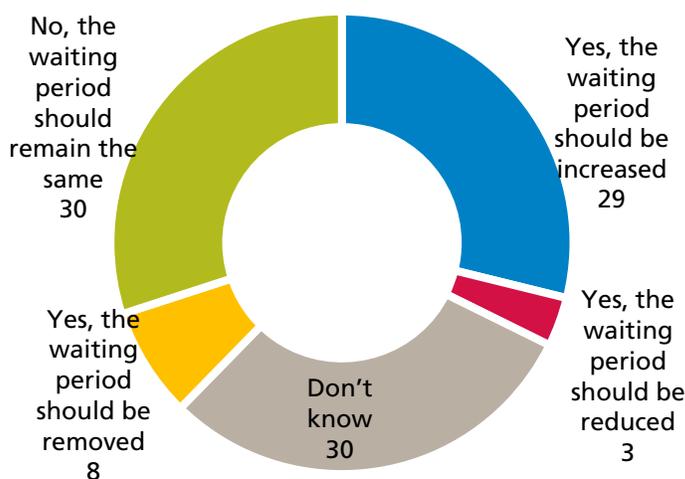
The three-day waiting period

Among other changes the Commission was considering implementing; one was to reduce the three-day waiting period before an injured worker can receive benefits. Currently, WorkSafeNB has a waiting period of three days before a worker can receive benefits. Two other provinces, Nova Scotia and PEI, have waiting periods equal to 2/5th of the work week. This measure is seen as a way to **limit** costs to the insurer and, through insurance rate-setting and experience-rating provisions, to the employer. Some are arguing that WorkSafeNB should reduce the waiting period. However, the vast majority of business owners disagree.

In fact, only three per cent of respondents agreed that the waiting period should be reduced, and about eight per cent support removing altogether the waiting period. One-third of respondents support keeping the waiting period as is, while another 29 per cent support actually increasing the length of the waiting period before benefits are being paid. One-third of respondents did not know how or if the waiting period should be modified (see Figure 8).

Figure 8

Should the waiting period for benefits be changed? (% responses)



Conclusion

Over the last two years, all businesses in the province have had to deal with a heavier tax burden in the form of higher property taxes, increased gas and diesel taxes, higher personal income taxes, and hikes in the minimum wage and the Harmonized Sales Tax. Looking ahead, entrepreneurs know that there will be more minimum wage increases, along with Canada Pension Plan (CPP) premiums increases and Employment Insurance rate hikes. The potential of soaring workers' compensation rates adds to an already heavy tax burden. The payroll tax increase will affect firms' potential to hire and to keep staff, and their growth and investment plans.

Given the SMEs owners' concern over workers' compensation issues, in 2015, CFIB reiterated, in its second edition, an in-depth look at provincial/territorial workers' compensation systems through the lens of the SME owner. Using 35 indicators in seven major areas of focus, the report ranked the small business friendliness of workers' compensation systems across Canada based on their best and worst practices. The 35 indicators were regrouped in a unique index that ranked all provinces.

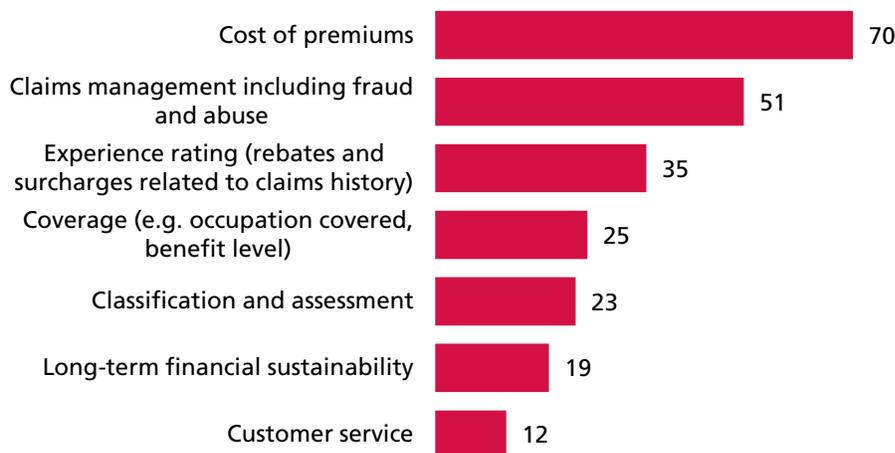
The Workers' Compensation Index was designed as a relative index rather than an absolute index. Each scalar indicator was ranked relative to the indicator's range in other jurisdictions. The relative scoring scale was from 0 to 10, with zero meaning worst among boards, and 10 meaning best. Assessing boards relative to the best performer allowed for fractional scores that are sensitive to the range of differences, and allowed for a more accurate assessment of relative performance.

New Brunswick's system topped the 2015 Small Business Workers' Compensation Index, receiving an overall score of 7.00 out of 10. The NB system's top ranking was helped in part by having some of the lowest industry-specific premium rates relative to other systems, its use of a three day waiting period to discourage frivolous and minor claims, and by providing an employer advocate to help employers with issues related to workers' compensation. The 2015 results suggested that, from a small business perspective, all systems, New Brunswick's included, still had work to do to improve their performance.

The workers' compensation system is not only very costly but also very complex. This is highlighted by the prevalent opinion of business owners who point to workers' compensation and occupational health and safety requirements as the most burdensome area of provincial/territorial regulation (see Figure 9).

Figure 9

What should be the top priorities for CFIB action regarding workers' compensation board? (% response)



Source: CFIB, *Point of View: Workers' Compensation 2015*, based on 501 responses, May 2015.

While the workers' compensation system poses a significant cost to small business owners and adds to their paperwork load, it is also responsible for overseeing safety in the workplace, which is very important to small business owners, as they care about the safety of their workers. Given the costs and the complexity of the workers' compensation system, and its impact on employers and employees alike, having an efficient and effective Commission is critical for the provincial economy and the small businesses in particular, which usually are more labour intensive than their larger counterparts.

Recommendations

Based on this data and analysis, one must realize that the implications of increasing workers' compensation premiums are significant for the SME sector. From reducing the number of employees or cutting back on hours, to increasing prices or even considering closing down the business, SMEs will have to take major steps to adjust to unexpected costs. Among the measures, the Commission should consider, CFIB suggests the following to mitigate the impact of future rate hikes.

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1. If the Commission needs to implement further premium rate increases, there should be an independent cost-impact analysis of this premium increases on payroll and the province. The Commission should be mindful that premium increases have an impact on employment, economic output and ultimately the wellbeing of communities.
 2. If further premium increases are announced, the Commission should communicate this possibility and at least a range of the increase to employers as soon as possible. If possible six months ahead of the increase. Or at least announce employers whose rates are augmenting significantly.
 3. The Commission should provide better explanation of premiums and classification to all employers. This can be done via direct mail, a dedicated 1-800 number, business associations or the Commission's website.
 4. The premiums need to be set in a clear, fair and just way. As employers are fully paying for the workers' compensation premiums, the rates and classification system need to be clear to all employers. The premium rates need to be fair for employers paying for wage replacement benefits for injured workers. They need to be fair for WorkSafeNB who has costs to cover and to maintain itself in a financial viable condition. Also they need to be fair for employees to cover their work-related injury costs and wage replacement costs. But also, the premiums cannot be too high as to put firms out of business or result in employees losing their employment or on reduced hours. The premiums need to be set in a just way as to be similar for industry classes with similar injury risks or similar claim cost profiles. But they should differ for occupations or industry classes which are different in injury risk. Therefore, many employers suggest that staff be assessed into which class they fall not based on the sector in which the business operates, but based on the staff's direct occupation: e.g. office staff should pay different premium rates than those operating heavy machinery, even when working for the same firm, as the accident risk is different for these employees.

Also the Commission should consider allowing self-employed with no staff to purchase voluntary coverage if they choose. In fact, in a CFIB survey from 2007, the majority of respondents (81 per cent) supported such an idea while only 13 per cent disagreed and six per cent were undecided⁸.

5. The waiting period should remain the same for the foreseeable future. If changes are considered, both options should be equally considered - either lengthening or shortening the waiting period. Consequently, the Board of Directors should hold consultations with stakeholders and do a cost-impact analysis on premiums. The results of this analysis should be shared with stakeholders and carefully analysed.
6. Since WorkSafeNB is 100 per cent employer funded and 74 per cent of CFIB members say that "cost of premiums" is their top priority in regards to workers' compensation issues, CFIB supports the request made by the Minister of Post-Secondary Education, Training and Labour that a value-for-money audit be performed by the Auditor General's office. The audit should encompass several areas such as the legislative amendment process applied by WorkSafeNB to the resolution of decisions made by the Workers' Compensation Appeals Tribunal, the internal process adjustments applied by WorkSafeNB following the 2015 legislative changes structurally separating the Workers' Compensation Appeals Tribunal from WorkSafeNB and key performance indicators used by WorkSafeNB.

⁸ CFIB, New Brunswick Workplace Health, Safety and Compensation Commission (WHSCC) Survey, Oct.-Nov. 2007, 222 responses in NB

Appendix A

New Brunswick WorkSafeNB Survey 2017

Method: online survey

Period: March 30 - April 5, 2017

Responses: 339

1. Does your firm currently pay workers' compensation premiums? (Select one answer only)

Yes	84%
No (end the survey)	15%
Don't know (end the survey)	1%

2. WorkSafeNB has increased the average premium for 2017 by 33 per cent. What impact will this increase in workers' compensation rates have on your business? (Select as many as apply)

No impact	2%
Increased prices	49%
Cutback on number of employees or employee hours	39%
Cancel planned pay increases or employees' benefits	53%
Loss of profits	79%
Put investments in my business on hold	26%
Consider closing business	6%
Don't know	2%
Other (please specify)	4%

3. Did your business receive enough notice of the increase in your workers' compensation premiums for 2017? (Select one only)

Yes	22%
No	63%
Don't know	15%
Not applicable	0%

5. Approximately what was the total assessable payroll amount (i.e. payroll reported to WorkSafeNB) for your business in 2016? (Enter \$ amount)

6. Approximately how many employees in your business are subject to workers' compensation in 2016? (Enter approximate number)

7. How difficult would it be for your business to absorb an additional increase in workers' compensation premiums in 2018? (Select one answer only)

Very difficult	51%
Somewhat difficult	44%
Not very difficult	3%
Not difficult at all	0%
Don't know	2%

8. What impact would an additional potential increase in your WorkSafeNB rates in 2018 have on your business? (Select one answer only)

No impact	0%
Increased prices	60%
Cutback on number of employees or employee hours	55%
Cancel planned pay increases or employees' benefits	62%
Loss of profits	83%
Put investments in my business on hold	41%
Consider closing business	10%
Other (Please specify)	3%
Don't know	3%

9. Should the waiting period for benefits be changed? (Select one answer only)

Yes, the waiting period should be increased	29%
Yes, the waiting period should be reduced	3%
No, the waiting period should remain the same	30%
Don't know	30%
Yes, the waiting period should be removed	8%

10. Please describe any other changes you think should be made to NB workers' compensation system, and why.

11. General comments:

4. How do you rate WorkSafeNB on the following? (Select one for each line)

	Very good	Good	Fair	Poor	Very poor	Don't know
Understandability of how premiums are set	2%	9%	28%	29%	22%	10%
Accuracy in rate classification	1%	12%	30%	24%	18%	15%

Appendix B

Please describe any other changes you think should be made to New Brunswick's workers' compensation system, and why.

Firstly employees need protection but so also does the employer and Work Safe NB cares nothing about the people who pay the premiums and ultimately pays their wages and benefits. Furthermore from our own experience there is a great deal of fraud within the system. Dr's and therapists have no accountability when it comes to claims and Work Safe NB does little to ensure all claims are justified and or work related. By their own admission they put very little effort into the appeal process especially when involving employers. We need equal representation at the director level to ensure this cash cow doesn't explode even further and to protect the interests of the people who fund these programs. Shame on the overseers to allow these people to run rough shot over our hard earned dollars. No Claims by a company should be rewarded not an increase of 33% for no reason. This company has never had a workers' comp claim. It is unfortunate that some are abusing the system.

Ways to decrease rates - as it is becoming more & more difficult to pay these crazy rates!!

I am assuming workers comp is based on your industry (unlike EI). Workers comp should be working to manage expenses/payouts to maintain cost effective coverage. High risk industries should be absorbing the expenses they put on the system. We don't have claims, the same as regular insurance you should have a reduction if you don't have claims.

Avoir la chance de payer en plusieurs versements sans avoir à payer les intérêts. On doit quand même payé l'année en cours alors pourquoi payer pour un service que l'on a pas encore?

A total, independent audit should be completed on the entire compensation system, from bottom to top, to assess its viability and expenditure weaknesses. The report should be made public obviously and those administering this program held accountable.

More transparency of their office

Our system of Provincial Government can't adjust to change themselves and they expect us to do so!! In my industry I pay a lot of government fees and licences and they turn blind eye to other regions in this Province. Our Province is making the small entrepreneur suffer in cost and there is not much relief. When I saw my over \$12000 in WorkSafe fees and last year \$6000 made me wonder what are we really paying for. I'm sure I can get other form of insurance that will not be subject to surprises and big increase. I am very frustrated with this issue and many more in this province. We are lucky in this province as there is much more that we can prosper on but unfortunately politics puts it in the best interest for themselves. And no longer for the greater good of the province. Sorry for the long message. Thank you for letting us express ourselves here as we don't have no where else to go. Really safety is a core value in most companies now why are we paying more? Is it because they miss manage there funds the same as they always have? Maybe somebody should really look into this. I am sick and tired of paying more this more that this country is becoming anti business real fast. Governance and accountability model appear flawed. There should be consequences to the NB Safe organization when employers are being assessed the unreasonably large increases of 2017. I believe that clarity on premiums should be provided to Employers about premiums. I also believe that when you under estimate your next year wages you should not be penalized for this. Our sales demand can fluctuate from season to season and is dependent upon the construction industry which makes it very difficult to predict our seasonal staffing needs.

More effort to combat false claims, the program is there for those who need and deserve it. For our business specifically we need to ensure we are in the correct category, we have been very fortunate with respect to employee injury on the job and it is slim to none, we are being penalized because of others. What happened from 2015 to 2017 and again to 2018 that the increase is required, how is it justified ?? How do we hold WHSCC accountable, we are buying insurance with no say.

le taux de cotisation est trop haut

It is our experience that WorkSafeNB does not try to get employees that are out on compensation back to work. We have had instances where we had to push and push WorkSafe to get someone back to work. The employee was very capable of returning but WorkSafeNB has nothing to win or lose by getting people of compensation. Too easy to accept a doctors' note saying the person has a sore back or shoulder. Does WorkSafeNB get multiple opinions? Does WorkSafe aggressively work at getting people back to work? Not likely as their job is always there waiting for them and if costs go up...oh well just increase the rates. Terrible system.

Although our claims were below industry average, we have been assessed an increase of 51% in our rates this year. I find this unreasonable to suggest a business can simply absorb that. We received no advance notice except our annual rate assessment. Clearly this increase is due to NB Workers Comp decisions and activities and not us, in this case. These increases are material in nature and should have required a special explanation and special notice, AND shared amongst all participants. It is evident some industries are paying more than their share. It is hard to accept this, particularly seeing cases where the employer could not have prevented the injury (or in some cases it is questionable where the injury happened). It is the doctors' decision as to the cause and there is little an employer can do to refute it. As this is mandated by law, we have no option but to swallow what they give us!

I am for one refusing to pay the increase. I have written letters to both the CEO and the Premier and have taken position that I am not paying the increase. I mean absolutely. They have mismanaged the WHSCC and they can figure it out. I paid over \$80,000 with only 2000 in claims and have 27 percent increase. I do not think so.

It should be more fair and based on better industry standards (& your personal record). There is no incentive for me to take care of my employee's and train them to be safe at work.

Stronger efforts to eliminate people from abusing the system, when it is not necessary.

There needs to be a complete revamp of the system. In our experience with them, there is a large disconnect in communication between the case managers and employers and in the return-to-work program. The appeals process is severely flawed resulting in a large percentage of claims being re-opened, resulting in increased costs to the system and employers. Employer advocates are not knowledgeable enough in many aspects and fail to answer many of our questions regarding our rights as employers. More education is needed for the WorkSafe employees so that they can help employers understand the process and their rights.

Repeat offenders and abuse is systematic. When it comes to cost, they do not care. It's not their money.

Be flexible with the rules. Every business, employer and industry is different.

Claims should be fully investigated before providing benefits as in my experience most claims are the result of the employee simply not wanting to work. The employer must be listened too and not ignored. Bogus claims cost the system a great deal of money but also its integrity.

The businesses that never used workers comp should have some kind of discount since we have never used them and probably won't as we have a small office. The chances of someone getting hurt in our office is very small

We have had a BIG issue with HEARING AIDS (very expensive) and batteries. A real rapid increase in the last few years due to employees being advised by Ear specialists that they can make a claim with WorkSafe. Cost of hearing aids greatly inflated (as per W5 - CBC Canada)

There needs to be more classifications. We are classified with motor mechanics and only install after market accessories.

Companies should not receive penalties or increases for injuries on individuals due to negligence on the employees part, if they had to pay a portion maybe they would be more causes.

Benefits are paid and charged to our acct for too long a period on ex employees with previous injuries from another workplace

The rate should reflect the number of claims that each individual business has. Making all businesses pay for the increase of 33 percent of their payroll. Especially when never having a claim.

I think for certain industries in VERY low risk environments that the premiums assessed should be more representative of the workplace at risk. For those that are totally administrative in nature, the chance of a workplace claim is virtually non-existent, yet we pay more than what I would deem fair.

None at this time as it will fall on deaf ears.

We have a zero experience rate and our premiums were increased incredibly. Experience should be a deciding factor

Unless the claim is for a major injury like a loss of limb or other sever injuries Claims should be limited to a max. of one year with up to 2 years of re training for a new job, but not until they are 65 because they are stressed out and just want to stay home and collect a pay check to do nothing. If this was cut out we would not need an increase. To many people are taking advantage of the system

This is just a basic thing but every year this bugs me as it is such a waste of \$. You submit your form 100 by Feb 28th, they mail an invoice to you and the very next day they mail you a statement. So stupid, why not give companies a chance to pay, and if they don't, mail the statement. I processed a lot of form 100's and it happens every year. Might seem like a small thing but that's a lot of wasted \$ in postage. Too many individuals working the system ...having witnessed soft tissue accidents and the healthcare system is only too eager to access new funds from WSNB or fears litigation if claimant is denied expensive care. More people need to be investigated and if offside then they should be prosecuted for fraud. This happens more often as EI. have lessened over the years.

Employers with no accidents like myself should not be penalized for other peoples negligence

Many small business owners operate more than one business and take income out of more than one. There is no maximum annual payable in respect of an individual, across businesses, resulting in much higher amounts being paid into the program than is justified. Besides that, it is highly questionable whether a business owner would be permitted to make a claim on her/his own business.

Are they measuring their cost of administration versus assessments? The first thirty years of business, we would pay our assessment each year and they were there. There was a requirement. Now they are in your face. Inspections.... Training.... First aid training. For what? I have to pull two staff members and pay for them to get 5 hours of first aid training? And what capabilities does this build? We have a police substation across the street, a fire station up the street, a paramedic field office within a km. The net effect of this will be fewer opportunities for New Brunswickers to work. And the greatest negative effect will be upon youth and the disadvantaged seeking employment.

In New Brunswick, it should be possible for employers to self-insure or go to the market to be covered by insurance for the workers compensation system. I believe I could get insurance on my own for my employees at a fraction of the cost, if we could do so. They are just making another cash grab since they are running an inefficient system.

There should NEVER be a reason to increase premiums by such significant amounts if they are managing their affairs correctly. There would have to be a catastrophe in the workplace for such an

increase to be warranted. Even then the increase should only pertain to the class in which the catastrophe took place so as not to penalize everyone. WorkSafe should be made to show and explain why this has happened.

I've been involved with two claims in the past with people from other companies. These people are just making work for themselves by making everything complicated. I have never spoken to one employee from WorkSafeNB that had an ounce of common sense. It's a requirement for working there. I think it needs a major overhaul. They're just wasting business owners' money. I have to deal with these people but I want nothing to do with them.

I've never had any accident or any compensation claim for WorkSafe for whole 6 years in my business. However, I have to pay same percentage of premium with the other companies which have claims. This is unfair and the percentage for which the WorkSafeNB asks is increased too much. And they are going to increase it again. I almost decided within a couple of years to sell this business and property and leave NB. This is not a good place to do business.

There should be WCB consolidation between Maritime provinces. I have to file separate monthly reports and payments in all 3 provinces! Ridiculous.

The government does not give two shits what we want or think. I have no idea why I even bother with these surveys anymore.

I truly feel that low income sectors, such as agriculture, should have lower rates than the higher income sectors. People are not willing to pay more for food, especially local food so the increase is putting huge burdens on farmers. We cannot simply raise our prices, as other industries like electronics, automotive, etc can.

I believe that lifetime benefits for PTSD shouldn't be allowed. It should be carefully monitored. Or it should be separate from seasonal workers or labour jobs. It is said that is why our rates are going up so drastically.

Reduce the cost to employers and put take it out of employees wages.

The system should be run privately as governments don't know how to run anything.

Comparison to other workers compensation boards across the country and other countries

Independent contractors should have to provide their own coverage...not the company using their services.

L'utilisateur payeur devrait être appliqué.

As a small Special Care home licensed for only 9 residents I am getting lumped into the whole industry where obviously there are more incidents in the bigger homes , etc.. So I end up paying higher rates that I can't control, plus I have no control of my revenue as my home runs on the monthly Government per diem which is already ridiculously low.

They need to do more to eliminated fraudulent claims.

They should cut back on their spending with excess mailings, fancy websites etc to eliminate some of their costs so they won't be passed along to the employers.

Not quite sure, I have no clear understanding as to how they operate.

There are many operators not able to get workers comp if do not have three employees but are independent installers flying under the radar..yet companies are paying wcb...

There should be a better system to determine if an employee qualifies for compensation benefits. I know firsthand of 3 claims which are false, yet are being paid out. Even in the ER when someone goes in hurt, the first question they ask is: Is this a workers' compensation claim. Even if you say no, they fill out the form "just in case". ABSOLUTELY RIDICULOUS! There needs to be some sort of "integrity test" before claims are approved. I am involved in a second "rotator cuff replacement due to being worn out". The claims arose from a bump on the shoulder. OK. They were hurt. But that particular "accident" did NOT wear out the rotator cuff. That happens over time. Why should WorkSafe be paying for that repair????? ABSOLUTELY RIDICULOUS!!!!

The way workers comp. just increased our rates was simply unfair. We haven't seen this method of calculation increase in 17 years of owning our business. They created a high and a low risk sector the high risk was raised by 30% and the low risk was lowered by 30%. We are a Home Health care business which fell into high risk. Our rates jump from 1.6% to 2.14% at no fault of our own. Costing us \$18K per year. Another Liberal tax increase is how we see this.

Seems like they approve all claims even when we have employees discuss with us that it is a previous condition. The companies end up penalized. Every claim has a story and they don't listen to the full information.

Another government tax on small business

WorkSafe should be made to work within the current rates and make awards accordingly.

Hire professional investors. Plug the hole. Let them know the cup is lost empty.

Find another way to gain additional revenue; this is too much for businesses to absorb. Businesses propel the economy and taxing them financially is extremely unwise.

Firstly: rates should not have been able to increase 47% in my case from year to the next. As I just joined WorkSafeNB last year, and have had no claims, there should not be any increase in my premium. Should there be a necessity for a premium increase; then a minimal increase each year of a couple percent is tolerable. Second: I believe there should be some sort of a tiered program for employers based upon the number of employees and a flat rate or average cost premium, based on the primary work being done at my business. A small business of just 3 employees should not have to pay the same rates as a corporation of many hundred employees.

Workers compensation either should be completely done away with or completely overhauled. The way it is now if a person gets hurt the company gets fined so they might as well pay the claim. Also the person if they should get compensation they try not to pay them. The other question I have is the Government taking money out of workers compensation for other things.

Avoir une meilleure variété de classement et ne pas pénaliser tous les secteurs pour un seul qui fait défaut.

Rates should not be categorized simply by industry also there should not be monopolized by government it should be an open market to by workers compensation insurance

Feels as they simply download the costs to the employer without working on their cost structure first.

It should be based on industry average And a consideration of claims made as we have never made a claim in 35 years

For over 25 years we have not made a claim. it is another insurance policy that seems very high. They say that the rate is set by the industry but we have no information how that is determined.

Stress and back issues are items that should be look at more closely

To strict on certain safety issues. Getting a bit ridiculous.

Blanket categories are too vague. I don't think the category we fall under is a true reflection of our environment risk factor.

It's a great make work project to try and put small business bankrupt with people that have no idea about doing the actual job . Before you drink the glass of water, inspect the glass. Also have the water tested before drinking to make sure it's safe. Also you should pay your mother every two years on a refresher course on how to dress yourself (safety gear) as you may forget how. Sick and tired of money being wasted on courses to employees every 2 years for something they should retain for many years without being refreshed. If this is how the government is creating jobs, it not showing much thought. It is too much of a financial burden overall on small business. It has been for years and definitely has a negative impact. We have been established for over 34 years. It affects the # of employees we hire.

Split rates within one company for office staff versus labourer.

people should be screened more to make sure injuries are legit

Never had a claim. Not happy about paying for a system that we don't dare use. System is completely flawed and we as employers have to pay for it

On last visit, the agent from WorkSafeNB was very rude. He had an attitude that he could make any order he wanted without any regard for written legislations. I contacted his superior and was told there are many complaints about his work. Some shops are never visited, and we get very frequent visits even though we never had a claim. There are unsafe work environments, but they seem focused on the places that are easy to find. As I had suggested, they need to look closer at the smaller places that are not on the highly visible streets!

Some of there on sight employees have the little man power syndrome.

trop de paperasse

Allow business the option of having a private insurance plan instead of WCB

All businesses with employees should be required to register. There should not be a minimum number of employees required.

Etre plus ouvert et informer nos blesse du travail de leurs droits .oui certains sont au courant et abuse du système mais certains blesse ne sont pas au courant et se retrouve dans une situation personnelle et familial très négative et destructrice.

My understanding is that it is a very difficult process to get claims from this insurance. Is that fair, to be taking advantage of an injured person?

We have never had a claim of any kind. Our premiums should not have increased at all. The rates should be reduced for accident free businesses.

Je n'ai pas étudié en profondeur ce qui comporte le "compensation" mais après avoir lu la documentation sur leur site web, j'ai fait une recherche pour savoir si il y n'y avait pas un groupe de travailleurs autonomes qui s'opposait à eux. - J'ai aussi connu quelqu'un qui était sur "la board" ...c'était quelqu'un de juste avec des bonnes valeurs et à chaque fois qu'il revenait d'un meeting, il était visiblement dérangé de la façon qu'opérait cette organisation. Personnellement, ils ne m'inspirent pas confiance. - Alors je ne sais pas, peut être devraient-ils laisser les petites petites entreprises tranquilles et demander de l'argent aux plus grosses...genre 25 employés et plus...

It should be privatized and run by small businesses people who know how to run a profitable organization.

The classification of business does not apply to all types of stores, depending on size, area, and number of employees as well as the type of store like a grocery or gift store.

Faudrait plus porter attention aux fraudeurs! Avoir moins de dépenses sur des traitements au loin pour des blessures mineurs.

It is tough enough to run a small business in NB. This is depressing and of all those who never use it should, like any other insurances, make up for those who do. Accidents will happen and all employers should have, like car insurance, their first incident free!

General comments:

we are too small ...only me and partner...owners/workers

Some industries pose a much higher risk of injury than others and should be barged different rates. Perhaps this is already the case but I don't feel the type of business I am owner of poses much health risk, if any at all, to my employees yet I still pay thousands a year into this system. I don't feel my money is well-spent AT ALL...

I feel that WorksafeNB is a well run company that has their hands tied by the provincial government regarding rate increases.

Thanks for the survey.

A huge investment in better recovery plans and medical help for concussions is needed. This is a poorly understood medical condition and employees suffer greatly because the medical professionals and Worksafe employees often disagree or just don't know how to treat them. This is a serious problem and from our experience the "treatment plan" provided by Worksafe for this condition is completely useless.

we pay workman's compensation but we do not pay the workers

Stop raising premiums! It's difficult enough to earn a profit in New Brunswick, small business needs a break. We can't continue to absorb increased employment taxes from WSNB, EI, CPP, etc. Tax the employee, they are the ones receiving the benefit, not the employer.

We have never had any claims in 39 years and our rate went up 45% from \$1.20 in 2016 to \$1.73 in 2017 and you said there is to be another increase in 2018! This is outrageous!!!!

I laid off all employees and cancelled WorkSafe premiums. I won't be hiring any employees back. 33% is too large of an increase at one time.

We have worked very hard to make sure that we have safe workers and then this happens anyway. It is astronomical

mine was not 33% it is about 60% which sucks when you never have a claim

My business has not had a lost time injury for a long time and nothing major in its total history yet I get penalized

As we only have 2 employees, we voluntarily pay into WorksafeNB for them. If the premiums continue to rise, that's a luxury we will not be able to afford.

I think we should not have to register with these CLOWNS as long as we carry our own insurance to cover issues should they arise.

Trying to come to terms with just existing, sad but true. I paid my full time staff-member more than I paid myself last year.

I tried getting coverage for myself and one employee the woman at work safe said I had to pay a large sum of money up front (quite large) and wasn't very helpful on explaining why , it seems they like taking your money but don't like paying claims and the ones that get paid easily are the ones using the system.

Starve us until the entire work force flops and they ll be no one left to sponge off of. Wake up and clear the greed from your eyes !!!!!

We do not see the need to have work comp with our type of work. And as a small business the fees can be a lot more cost.

Too much increase all at once, they should have had a better handle on it before this.

Really does not make any difference --I will be closing my business in 2017..after 23 years. The days of running a small business in NB is over for me. Just cost too much to operated in NB.

Avoid at all costs. Payroll deductions are job killers and biggest detriment to job creation.

I feel, like EI benefits and social assistance, the system is being abused. The people who actually NEED the help, are disqualified and those that are abusing these benefits are being approved. I do not base this remark on hearsay, but on actual cases I have been involved with in the last 20 years. I just don't see the fairness.

There are never any positive items that government does for small business

I am very dissatisfied with the lack of appreciation for small business in this province with regard to Worksafe NB premium increases.

This increase is not acceptable nothing increases by 33 percent in one Year this will cost my business an extra 5 to 6 thousand this year alone

I have my own insurance

Insurance is self funding, and the funds belong to the customers and their employees and should not be risked on the stock market

Until now we have tried to do all our company's' labor ourselves to avoid the extra costs. However, we are growing and will need to hire employees in the near future and find these increased costs disheartening. I have written to Mat Decourcey about this subject with the usual political response. I am extremely distressed that our leaders are playing politics with our most vulnerable age group (working class) and allowing them to be unaccountable for misuse of funds.

Are there other options for businesses? Perhaps a good disability insurance? Is this something that CFIB could find out for us?

merci de combattre les hausses de tarifications

Only have 1 full time employee and 3 casual employees