

Schedule 2: The rate-setting cycle

Schedule 2 employers pay the full costs of their WSIB claims and an administration fee to manage their claims.

To calculate the administration fee for Schedule 2 employers, we estimate the annual costs of running the Schedule 2 system at the beginning of each year. That’s when we provide Schedule 2 employers with an estimated or “provisional” administration rate.

The following year, we provide employers with their actual rate based on final data from the previous year. At the time we either charge or credit employers any difference between the provisional and actual administration rates as a one-time adjustment.

<h1>1</h1>	<p>We communicate the Provisional Administration Rate for 2020 based on best estimates for the upcoming year. This is usually communicated by February. The rate is charged to employers on their monthly statements.</p>	<p>Early 2020</p>	<p>Provisional Administration Rates – Set at the end of each year based on forecasts for the year ahead and used to charge employers on a monthly basis for the following year. For example, the 2020 Provisional Administration Rates were set in 2019 and posted online in early 2020. This was the rate used to charge employers in 2020.</p>
<h1>2</h1>	<p>A latest forecast for 2020 is shared with employers to be transparent and provide an updated picture on how estimates are performing. This is usually communicated by February.</p>	<p>Early 2021</p>	<p>Latest Forecast – This is communicated at the beginning of the next year based on updated information about the prior year. It is a way to be transparent and keep employers informed about what to expect their actual rate will be. For example, when the 2021 Administration Rates were communicated, this was accompanied by an update with the latest forecast of the 2020 Administration Rates.</p>
<h1>3</h1>	<p>The Actual Administration Rate for 2020 is determined and we either charge or credit employers to make up for any difference between the estimated and final rates.</p>	<p>August 2021</p>	<p>Actual Administration Rates – This is communicated in August based on final financial figures of the year before. An adjustment may be made to reflect differences between the Provisional Administration Rate that was billed to employers. The Actual Administration Rate for 2020 will be communicated in the summer of 2021.</p>

A special treatment for COVID-19 claims was adopted in 2020 and 2021 years. Please refer to the FAQ to find more about such special treatment.