Policy

The WSIB combines the insurable earnings and claims experience of associated employers for the purposes of classification and prospective premium rate setting.

Purpose

The purpose of this policy is:

- to outline when the WSIB will consider two or more employers associated, and
- to promote health and safety in workplaces by allowing for the transfer of employers' experience in limited circumstances.

Guidelines

Combining experience

If two or more employers meet **both** the tests of affiliation and cooperation noted in this policy, they are considered associated under this policy. Associated employers' entire operations are combined for the purposes of classification and premium rate setting.

An employer may not belong to more than one association.

If the WSIB determines two or more employers are associated in the current year, their current year premium rates are not adjusted due to the association. However, their premium rates for the upcoming year are calculated based on their combined classifications, prior premium rates, insurable earnings and claims experience, including when the association occurs after the cut-off date for premium rate setting.

1) Test of affiliation

Two or more employers are affiliated if **any** of the following criteria apply:

Family members

They are individuals who are **related to** each other as any of the following:

a. spouses (as defined in Part III of the *Family Law Act*)
b. parents and children
c. grandparents and grandchildren
d. father-in-law or mother-in-law, and son and/or daughter in-law
e. sibling or a spouse's sibling, or
f. a step or half relationship corresponding to one mentioned in clause b), c), d) or e).

Corporations

One employer is a corporation and another employer is:

- a person who **controls** the corporation, **or**
- a member of a **related group** that controls the corporation, **or**

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- an individual who is related to a person who controls the corporation, or to an individual who is related to a member of a related group that controls the corporation, **or**
- a partnership that controls the corporation, **or**
- the employers are both corporations, **and**
  - the corporations are controlled by the same person or group of persons, **or**
  - the corporations are controlled by individuals who are related to each other, **or**
  - one corporation is controlled by an individual who is related to a member of a related group that controls the other corporation, **or**
  - the corporations are controlled by related groups and a member of one of the related groups is related to a member of the other related group.

Partnerships

The employers are two or more partnerships, and there are persons who are general or limited partners of the partnerships and those persons are entitled to at least an equal share of the profits of each partnership.

For the purposes of this policy:

- A person, group of persons, or partnership **controls** a corporation if enough voting shares in relation to the holdings of other shareholders are held by or for the benefit of the person, group of persons or partnership, in order to elect a relative majority of the board of directors.
- A **related group** is a group of individuals each of whom is related to all the other members of the group.

An employer is affiliated with other employers that are affiliated with each other if the employer is affiliated with any one of the other affiliated employers.

2) Test of cooperation

Two or more affiliated employers are engaging in a cooperative business relationship if **at least one** of the following criteria is met:

- The operation of one employer is primarily ancillary to the operation of the other if both operations were carried out by a single employer. For a description of ancillary operations, refer to 14-01-01, The Classification Structure.
- The employers' business activities primarily form an integrated operation. For a definition of integrated operation, refer to 14-01-07, Single and Multiple Premium Rates.
- If one of the employers is a temporary employment agency (TEA) and it supplies workers to any employer to whom they are affiliated. The TEA is only considered to be in a cooperative business relationship for the portion of labour they supply to an employer to whom they are affiliated.

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Transferring experience

If an employer closes and then reopens a business within a 12-month period, the WSIB will transfer the insurable earnings and claims experience to the reopened employer.

The transfer of experience will occur if the **reopened** employer substantially retains the same of **any two** of the following:

- employees
- clients
- suppliers
- business processes and equipment
- health, safety and disability management programs, and
- management team.

Under this section, the transfer of experience will occur regardless of whether the employer registers the business under a new name, produces new articles of incorporation, or obtains a new WSIB account number.

The premium rate, insurable earnings and claims experience of the closed employer will be used to determine the premium rate of the reopened employer from the effective date of the transfer of experience.

Application date

This policy applies to all decisions made on or after January 1, 2027.

Document history

This document replaces 14-01-06 dated January 2, 2020.

This document was previously published as:
14-01-06 dated March 3, 2008
14-01-06, dated October 12, 2004
08-03-12 dated October 22, 2001.

References

Legislative authority

Workplace Safety and Insurance Act, 1997
Sections 12.2, 75(3), 77, 80, 81, 82, 83, 88, 118(2)1, 135

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Approval

Approved by the Chief Operating Officer, on behalf of the President and CEO, on October 27, 2026.

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