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 TEAs' 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.

Starting on January 1, 2025, TEAs that supply administrative, clerical and knowledge-based labour to client employers are classified in classification code 001281 (Supply of administrative, clerical and knowledge-based labour) and are assigned a separate premium rate for those operations. They continue to be assigned separate premium rates for their other operations (e.g., their operations classified in NAICS code 561320).

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

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~~ refer to 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.

2024

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 risk band movement rules outlined in 14-02-01, Employer Level Premium Rate Setting.

TEAs' operations that meet the new employer definition are assigned 2024 class premium rates, ~~see~~ refer to 14-02-01, Employer Level Premium Rate Setting. As a result:

- TEAs that began supplying workers to new premium rate setting classes in February 2022 or later are assigned 2024 class premium rates for those operations.

- TEAs that first opened in February 2022 or later are assigned 2024 class premium rates.

2025

For each component of a TEA's operations assigned a separate premium rate, they move from their prior year risk band towards their projected risk band, based on the risk band movement rules outlined in 14-02-01, Employer Level Premium Rate Setting.

TEAs' operations that meet the new employer definition are assigned 2025 class premium rates, ~~see~~ refer to 14-02-01, Employer Level Premium Rate Setting.

Due to the introduction of the new classification code for the supply of administrative, clerical and knowledge-based labour, a TEA may close some, or all, of their existing supply of labour operations in 2025. In such cases, the closed ~~6~~six-digit classification codes generally transfer to the component of their operations that contains the new classification code. Usually, TEAs waited 12 months before closed ~~6~~six-digit classification codes transfer to another component of their operations~~, see 14-02-05, Closures~~. However, in 2025 that waiting period may be waived.

The premium rates of the closed ~~6~~six-digit classification codes that transfer in 2025 to the component of a TEA's operations that contains the new classification code are generally used to calculate the prior year risk band. However, if the calculation results in a prior year risk band that is greater than the class risk band, the class risk band is used instead.

2026 and beyond

For each component of a TEA's operations assigned a separate premium rate, they move from their prior year risk band towards their projected risk band, based on the risk band movement rules outlined in 14-02-01, Employer Level Premium Rate Setting.

TEAs' operations that meet the new employer definition are assigned the applicable class premium rates, ~~see~~ refer to 14-02-01, Employer Level Premium Rate Setting.

Application date

This policy applies to all decisions made on or after January 1, ~~2025~~2027.

Document history

This document replaces 14-01-10 dated January 2, 2025~~December 1, 2023~~.

This document was previously published as:
14-01-10 dated December 1, 2023
14-01-10 dated November 17, 2022
14-01-10 dated September 29, 2021
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

Ontario Regulation 175/98

Approval

~~Approved by the President and CEO on July 15, 2024.~~