

**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 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 and future years

Starting in 2021, TEAs are assigned the class premium rate for each premium rate setting class to which they supply workers and for their operations classified in NAICS code 561320. Their 2020 premium rates are not considered.

Each component of a TEA's operations assigned a separate premium rate is treated like a separate employer for premium rate setting purposes.

When a component of a TEA's operations gains 11 months or more of coverage in the review period for a premium year, it moves from the class premium rate to a risk adjusted premium rate, see the "New employers" section of 14-02-01, Employer Level Premium Rate Setting.

In 2022, if a component of a TEA's operations is eligible for a risk adjusted premium rate, the special risk band movement rules outlined in 14-01-09, Transition to the Rate Framework are applicable.

In 2023 and future years, the regular risk band movement rules outlined in 14-02-01, Employer Level Premium Rate Setting are applicable.

Application date

This policy applies to all decisions made on or after January 1, 2020.

Policy review schedule

This policy will be reviewed within five years of the application date.

Document history

This is a new policy.

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References

Legislative authority

Workplace Safety and Insurance Act, 1997, as amended
Section 83

O. Reg. 175/98

Minute

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