

**Operational
Policy**

Section
Employer Classification

Subject
Non-Profit Organizations 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. This policy outlines premium rate increase limits and special risk band movement rules that only apply to non-profit organizations (NPOs).

The special rules are used to set premium rates for NPOs from 2020 to 2029.

Purpose

The purpose of this policy is to outline the special rules to transition NPOs to the new premium rate setting model.

Guidelines

NPOs

An employer is considered an NPO if it falls under one of the following categories:

1. a registered charity, defined as a charitable organization, public foundation, or private foundation that is created and resides in Canada. It must use its resources for charitable activities and have charitable purposes that fall into one or more of the following categories:
 - the relief of poverty
 - the advancement of education
 - the advancement of religion
 - other purposes that benefit the community.
2. an association, club, or society that is not a charity and is organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit.

Premium rate increase limits

In 2020, an NPO's premium rate will not increase above their net premium rate. See 14-01-09, Transition to the Rate Framework, which outlines how the net premium rate is calculated.

In 2021 - 2024, an NPO's premium rate will not increase above the premium rate they were assigned the previous year.

While an NPO's premium rate will not increase in these years, it can decrease.

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Special risk band movement

Employers generally move a maximum of three risk bands each year from their prior year risk band towards their projected risk band, see 14-02-01, Employer Level Premium Rate Setting. However, for setting 2020 to 2029 premium rates for NPOs only, special rules apply that supersede those rules.

2020: NPOs move downward from their initial prior year risk band directly to their projected risk band, or no risk bands upward.

2021 - 2024: Each year, NPOs move downward from their prior year risk band directly to their projected risk band, or no risk bands upward.

2025 - 2027: Each year, NPOs move a maximum of three risk bands downward from their prior year risk band towards their projected risk band, or a maximum of one risk band upward.

2028 - 2029: Each year, NPOs move a maximum of three risk bands downward from their prior year risk band towards their projected risk band, or a maximum of two risk bands upward.

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.

References**Legislative authority**

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

Minute

Administrative
#2, September 23, 2019, Page 567