

**Operational
Policy**Section
Employer ClassificationSubject
Single and Multiple Premium Rates**Policy**

Employers classified in a single 6-digit North American Industry Classification System (NAICS) code will pay a premium rate based on the class or subclass that corresponds to the NAICS code. See 14-01-01, The Classification Structure for more information.

Employers classified in more than one 6-digit NAICS code are assigned a predominant class and pay a single premium rate, unless the different business activities meet the criteria for multiple premium rates that are outlined in this policy.

Purpose

The purpose of this policy is to set out how the WSIB determines whether an employer with more than one 6-digit NAICS code is assigned a single premium rate based on predominant class, or is eligible for multiple premium rates.

NOTE

The assignment of premium rates for an employer that supplies labour to a client employer follows different rules.

Guidelines**Single premium rate****Single class**

An employer classified in one or more 6-digit NAICS codes in the same class is assigned a single premium rate.

For the purpose of this policy, references to classes should be read to include classes and subclasses unless otherwise specified.

Predominant class

If an employer is classified in more than one 6-digit NAICS code in different classes, they are assigned a single premium rate based on the employer's predominant class.

The predominant class is generally the class with the largest share of insurable earnings, over a three-year review period prior to the premium rate setting year, if available.

If the employer is registering with the WSIB for the first time and has not reported actual insurable earnings, or there is no reported insurable earnings over a three-year review period prior to the premium rate setting year, the predominant class will be determined by the WSIB using information such as:

- estimated insurable earnings
- business contracts
- direct competitors

Operational
PolicySection
Employer ClassificationSubject
Single and Multiple Premium Rates

- equipment used
- operational processes, and
- staff duties.

When determining what constitutes the largest share of insurable earnings, the WSIB considers the share of insurable earnings at the class level and then at the subclass level. For more information on the WSIB's classification structure (classes and subclasses), see Policy 14-01-01, The Classification Structure.

Multiple premium rates

An employer who is classified in more than one 6-digit NAICS code and is paying a single premium rate based on predominant class may have the NAICS codes assigned separate premium rates, provided the business activity in a 6-digit NAICS code is significant and is considered **not** integrated with the employer's other operations.

The business activity is **significant** if it meets one of the following conditions:

1. generates an annual insurable earnings of at least five times the maximum insurable earnings ceiling for the premium year, or
2. generates at least 20% of the employer's total annual insurable earnings.

The business activity is considered **integrated** with the employer's other operations and not eligible for a separate premium rate, if the business activity meets **any** of the following criteria:

1. A substantial share of either staff, supplies, equipment, or processes of one business activity are combined with those of another business activity.
2. The product or service of the business activity is primarily offered to external, unaffiliated clients together with the product or service of the employer's other operations.

If an employer is classified in more than one 6-digit NAICS code and only some of the NAICS codes qualify to be assigned a separate premium rate, the NAICS codes that do not meet the significance test and/or are integrated operations will remain assigned a single premium rate following the guidelines in the "Predominant class" section.

Separate NAICS codes that are integrated with each other

If two or more 6-digit NAICS codes are integrated with each other but not integrated with the employer's other operations, the combined insurable earnings of the integrated NAICS codes must meet the test of significance in order to be assigned a separate premium rate from the other operations.

**Operational
Policy**Section
Employer ClassificationSubject
Single and Multiple Premium Rates**Impact of business activity changes**

Changes to an employer's business activity may result in the addition, deletion or changing of 6-digit NAICS codes from the employer's account.

Adding NAICS codes to employer account

If the WSIB adds a 6-digit NAICS code to an employer's account, the criteria in this policy will not be immediately reviewed. The WSIB will consider changes to the employer's predominant class and/or their eligibility for multiple premium rates once insurable earnings are considered as part of the three year review period noted above.

Deleting or changing existing NAICS codes from employer account

If the WSIB deletes or changes a 6-digit NAICS code on an employer's account, the WSIB will reassess the predominant class assigned to the employer and/or their eligibility for multiple premium rates based on the remaining 6-digit NAICS codes. If the WSIB determines that a change is required, it will be applied from the effective date of the deletion or change, see 14-02-01, Employer Level Premium Rate Setting, and 14-02-06, Employer Premium Adjustments.

This approach also applies if the WSIB changes a 6-digit NAICS code of an employer assigned a single class.

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 document replaces 14-01-04 dated January 2, 2013.

This document was previously published as:

14-01-04 dated October 12, 2004

08-03-05 dated October 22, 2001.

References**Legislative Authority**

Workplace Safety and Insurance Act, 1997, as amended
Sections 75(3), 77, 80, 81, 118(2)1, 135

O. Reg 175/98

Operational
Policy

Section
Employer Classification

Subject
Single and Multiple Premium Rates

Minute

Administrative

#6, June 1, 2018, Page 560

ADVANCED COPY