

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

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

Employers classified in more than one 6-digit classification 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 classification 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, see 14-01-08, Temporary Employment Agencies.

The rules that follow do not apply to the classification of non-exempt partners and executive officers in construction. Employers that are classified in any of the non-exempt partner and executive officer in construction codes are assigned a separate premium rate for that portion of their reported insurable earnings, irrespective of their predominant class or eligibility for multiple premium rates.

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

An employer classified in one or more 6-digit classification 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 classification 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

Operational
PolicySection
Employer ClassificationSubject
Single and Multiple Premium Rates

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
- 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 classification code and is paying a single premium rate based on predominant class may have the classification codes assigned separate premium rates, provided the business activity in a 6-digit classification 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 classification code and only some of the classification codes qualify to be assigned a separate premium rate, the classification 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 classification codes that are integrated with each other

If two or more 6-digit classification codes are integrated with each other but not integrated with the employer's other operations, the combined insurable earnings of the integrated

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

classification codes must meet the test of significance in order to be assigned a separate premium rate from the other operations.

Impact of business activity changes

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

Adding classification codes to employer account

If the WSIB adds a 6-digit classification 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 classification codes from employer account

If the WSIB deletes or changes a 6-digit classification 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 classification 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 classification 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.

Operational
Policy

Section
Employer Classification

Subject
Single and Multiple Premium Rates

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

Minute

Administrative
#1, October 22, 2019, Page 567

ADVANCED COPY