

WCB NS Stakeholders Coalition

Law Amendments Submission re: Bill 332 – October 2023

1. **Who we are:** a group of associations and individual employers comprising over 5,580 employers and employing over 70,000 Nova Scotians. List of members attached.

2. **Our Mandate:**
 - A. To advocate for an Independent Review Committee to implement fundamental changes to the Workers' Compensation system in the Province; and
 - B. To work collaboratively toward the necessary fundamental changes to the Workers' Compensation scheme – the legislation, administrative policies and procedures and the Workers' Compensation Appeals Tribunal as well as access to the health care system – as has been done in all other provinces in Canada.

3. **Background**
 - For 2023, the NS average rate of \$2.65 per \$100 of payroll is 79% above the national average (\$1.48) and 57% higher than the next highest province (Newfoundland & Labrador at \$1.69).
 - The rate charged to employers has been the highest or 2nd highest for at least 24 years. This is costing NS employers \$162 million more than they would pay on average in other provinces.
 - In key areas, employee benefits are the lowest or second lowest in the country.
 - Our funding ratio for future claims is the lowest in Canada and still below 100%, meaning that the WCB cannot fully meet its long term obligations to cover the costs of existing injuries.
 - Our neighbouring province (New Brunswick) undertook an independent task force review in 2017. Since 2018, their rate has dropped from \$2.65 to \$1.18, and they have funding required to

cover 153% of the future cost of claims. With this strong financial position, NB is considering improvements to benefits for injured workers.

- By contrast, NS's rate was \$2.65 in 2018 and is still at \$2.65 in 2023, yet our funding ratio is at 92%. NB has clearly addressed their workers' comp issues. NS needs to do the same.
- We are, however, very pleased that NS has now struck a Review Committee. This is a key first step.

4. **Bill 332**

The members of the Coalition support the intention of Bill 332 as introduced:

- A. We recognize that compensation for both traumatic stress and gradual onset stress arising out of and in the course of employment is an appropriate extension of compensable workplace injury.
- B. We support the inclusion of the key principles being included in the legislation under consideration.
- C. Proper implementation of this change by WCB is essential to ensure it is applied effectively for those who are eligible and does not result in increases in claims from non-work-related (or non-compensable work-related) stress. The proposed effective date of September 1, 2024 is the minimum we think will provide sufficient time for WCB to develop appropriate policies and procedures and hire specialized staff to process and assess this new category of claims.

5. **Our Concerns:** We do voice some cautionary concerns:

- A. Given the financial situation of WCB in NS, we are concerned about the financial impact of this change while rates are still the highest in the country and WCB is still not fully funded to cover the costs of claims already in the system.
Workers' compensation is an insurance plan for workers, paid for by employers. Unless fundamental changes are made, expanding benefits when the insurance plan is underfunded will only exacerbate

NOVA SCOTIA WCB STAKEHOLDERS COALITION

MEMBERS- OCTOBER 22,2023

A. ASSOCIATIONS

Canadian Federation of Independent Businesses

Merit Contractors

Nova Scotia Roadbuilders Association

B. Employers

Intertape Polymer

Kohltech International

JD Irving

Michelin Canada

Municipal Group of Companies

PCL Constructors

RelyOnNutec

Shannex Inc