

No Minister! The real facts about injured worker benefits

In his May 30, 2103 Statement to the Legislature about injured workers day, the Minister of Labour said that the government has increased injured workers benefits by more than 9.5% since 2007:

“...Speaker, since 2007, every year, the government has ensured that injured workers’ WSIB loss-of-earnings benefits have increased. In fact, for injured workers on partial disability benefits—these are people who have some earning capacity but are not able to fully return to work—there has been a total increase in benefits of more than 9.5% since 2007. By next year, this will reach 10%...”

The Minister is technically correct.

Let’s take a look at the numbers, including the increase in the cost of living as measured by the WSIB’s inflation figures from the Consumer Price Index.

Fact sheet

	Inflation	WSIB Benefits
2004	1.60%	0.00%
2005	2.30%	0.20%
2006	2.60%	0.30%
2007	2.10%	2.60%
2008	2.00%	2.50%
2009	2.50%	2.50%
2010	0.40%	0.50%
2011	1.60%	0.50%
2012	2.80%	0.50%
2013	1.80%	0.50%
Total	19.7%	10.1%
Lost to Inflation:		9.60%

Injured workers have received so called “increases” in their benefits most years since the Liberal government came to power in 2003. These are more correctly called “adjustments” for the impact of inflation because injured workers benefits are not increasing. These “adjustments” have not been enough to keep pace with inflation, let alone catch up from the hit injured workers have taken since full cost of living adjustment was eliminated in 1995.

Since 2003, injured workers' benefits have actually shrunken by 9.6% due to the failure to protect against the rising cost of living. If you look at the period since 2007 raised by the Minister, it is true that benefits were adjusted upwards by 9.6% but at the same time the cost of living went up by 13.2%.

So injured workers incomes have actually been reduced by 3.6% since 2007 by the government's failure to ensure that workers' compensation is not eaten away by inflation.

In 2010, the Minister of Labour commissioned Professor Harry Arthurs to study a number of workers' compensation matters including indexation of benefits. In his April 2012 report to the Minister of Labour entitled "Funding Fairness", Prof. Arthurs recommended:

Beginning in the budget year following the release of this report, the benefits of both partially and fully disabled workers should be increased annually by 100% of the annual increase in the Consumer Price Index.

(Recommendation 8.2.1, page 103)

We are now in the second budget year since the report was released and the government has chosen to ignore the Report.