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June 14, 2017

Mr. Kevin Flynn
Minister of Labour
400 University Avenue, 14th Floor
Toronto ON
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Dear Mr. Flynn:

Re: Avoiding Disaster:

Can you prevent the minimum wage increase hurting injured workers?

The Ontario Network of Injured Workers' Groups welcomes the announcement that you will be introducing a significant increase to the minimum wage, of up to \$15 per hour by 2019. We support this measure, which will help many vulnerable workers. However, we want to warn you that this measure, paradoxically, will hurt many permanently disabled injured workers - unless you intervene with the WSIB. You will agree with us that it would be most unjust for injured workers and become a public relations disaster if this were to take place. We request an urgent meeting to discuss this important matter.

How could this happen? Because of the WSIB's policy and practice of "deeming", or "pretending" that permanently disabled workers can work, and have earnings, even if they do not actually work or receive any earnings from work.

Here is one example. Mary was a factory worker earning \$20/hour but developed bilateral arm problems as a result of repetitive work. The WSIB sees few options for retraining, given her education and age. But they think she can work at minimum wage as a customer service representative without much retraining. Her compensation is based on the difference between the \$20/hour she used to earn in the factory and the current minimum wage of \$11.40. Mary's WSIB cheque is now \$218.00 per week.

This would not be so bad if Mary actually did work and earn \$11.40 an hour. But injured workers often do not find work for a number of reasons, mostly due to the reluctance of employers to rehire injured workers and the general unemployment situation for people with disabilities. Your cabinet colleague Tracy MacCharles, Minister Responsible for Accessibility, on June 5, 2017, announced a new employment strategy to help disabled workers, noting that the unemployment rate of disabled people is twice the national rate. But the unemployment rate of injured workers does not matter to the WSIB. Whether Mary works or not, she will still be deemed to be earning the minimum wage. Now Mary is unemployed and trying to survive on \$218.00 per week. She is not eligible for Ontario Works because of this minimal income from the WSIB.

You can now appreciate the impact of a minimum wage increase to Mary if she is not working after injury, despite her wish to do so. When the minimum wage goes to \$15/hour, Mary's WSIB cheque will be reduced to \$127.00 per week. While Ontario celebrates a minimum wage increase, Mary and other unemployed injured workers deemed at minimum wages will receive a substantial reduction of compensation from the WSIB. Mary is unemployed and will be forced onto social assistance because the minimum wage went up.

Without immediate action by you, this will be a huge cut for many injured workers over time, leading to poverty and increased reliance on our taxpayer funded income support systems. The Province and municipalities will be significantly impacted. It will also be seen as a terrible way to introduce good legislation on the backs of the most vulnerable – injured workers.

Many of the injured workers affected, those “deemed” to be able to do “minimum wage work” are women, immigrants, manual workers or older workers who are significantly disabled. We urge you to ensure they are not hurt by your announced increase in the minimum wage. The initiatives of the Minister of Accessibility should be aligned with those of the Minister of Labour. No one in Ontario should be left behind, as Premier Wynne often says.

An Appeal to Avoid Tragic Consequences for the Injured

Mr. Minister, we would like to meet as soon as possible in order to discuss:

- 1) How your government should prevent all injured workers from being negatively affected by any increase in the minimum wage, due to “deeming”. This is urgent, given the quick pace of change.
- 2) How your government can ensure that our workers' compensation system is no longer based on “deemed” or “phantom” jobs and earnings, but based on actual or real wage losses incurred by permanently disabled injured workers.

Sincerely,

Willy Noiles

Willy Noiles
President

cc. Premier Kathleen Wynne, Hon. Tracy MacCharles, Thomas Teahen, Andrea Horwath, Patrick Brown, Chris Buckley, Toronto Star