

Ontario Network of Injured Workers Groups (ONIWG)

The WSIB's Indexing Rate/Cost-of Living Adjustment Rip-off for 2022

Indexing and Inflation

- ▶ Annually, on January 1, the WSIB indexes injured workers' wage-loss benefits.
- ▶ Annual indexing is supposed to protect injured workers against the effects of inflation over time by gradually increasing injured workers' wage-loss benefits.
- ▶ If an injured worker's wage-loss benefits were **NOT** indexed annually, the injured worker would lose money in real dollars (if the inflation rate is above 0%).

Indexing and Inflation Cont'd

- ▶ “Benefits are indexed if a worker or survivor is entitled to a payment as of December 31 of one calendar year and that entitlement continues into the next calendar year.”
- ▶ Example: “if a wage-loss benefit amount is \$500 per week and the indexing factor is 2%, the indexed wage-loss benefit amount will be \$510 per week” for the following year.

How is the annual indexing rate calculated by the WSIB?

SECTION 49(1) OF THE WORKPLACE SAFETY AND INSURANCE ACT (WSIA) STATES:

“AN INDEXING FACTOR SHALL BE CALCULATED THAT IS EQUAL TO THE AMOUNT OF THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR CANADA FOR ALL ITEMS, FOR THE 12-MONTH PERIOD ENDING ON OCTOBER 31 OF THE PREVIOUS YEAR, AS PUBLISHED BY STATISTICS CANADA.”

WSIB Policy: Annual Indexing


18-01-14

“THE INDEXING FACTOR TO BE APPLIED EVERY JANUARY 1, FOR ALL ENTITLEMENT PERIODS ON OR AFTER JANUARY 1, 2018, IS THE AMOUNT OF THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR CANADA FOR ALL ITEMS, FOR THE 12-MONTH PERIOD ENDING ON OCTOBER 31 OF THE PREVIOUS YEAR, AS PUBLISHED BY STATISTICS CANADA.”

What Should the 2022 Indexing Rate be Set To Based on the Law/WSIB Policy?

- ▶ According to the Consumer Price Index for Canada for all items, for the 12-month period ending on October 31 of the previous year, as published by Statistics Canada, injured workers' should have received a 4.7% increase in their wage-loss benefits for 2022. From the Stats Can website:

Consumer Price Index
October 2021

4.7% 

(12-month change)

Source(s): Table [18-10-0004-01](#)

What did the WSIB Set the Indexing Rate to for 2022?

- ▶ The WSIB set the indexing rate to 2.7% for 2022.
- ▶ This is 2% less than our calculation of 4.7% for 2022.

What does that mean for injured workers?

- ▶ If an injured workers' weekly wage-loss benefits were \$500 per week in 2021, the new rate for 2022 based on the WSIB's 2.7% indexing rate would be \$513.5 per week. The 52 week total for wage-loss benefits would be \$26,702.
- ▶ If an injured workers' weekly wage-loss benefits were \$500 per week in 2021, the new rate for 2022 based on the correct (our method) 4.7% indexing rate would be \$523.5 per week. The 52 week total for wage-loss benefits would be \$27,222.
- ▶ The total difference between the WSIB rate and our indexing rate based on these examples would be \$520 over the calendar year.

Why is the WSIB'S Rate of 2.7% an Incorrect Indexing Rate for 2022?

- ▶ The WSIB uses a complex calculation based on comparing monthly averages.
- ▶ **The legislation and policy do not reference averaging or using figures from each month. The law and policy only reference the month of October. Therefore, the WSIB's calculation method is based on an incorrect interpretation of the law and policy.**
- ▶ This results in an artificially low indexing rate and lower wage-loss benefits for injured workers in 2022.

Broader Context

- ▶ While the WSIB short-changes and rips-off injured-workers 2% in 2022, the WSIB has reduced Employer premiums by an average of 5.1% this year and the WSIB will be refunding Employers up to \$1.5 billion based on a surplus that was achieved through cutbacks to workers' benefits.
- ▶ The thousands of injured workers eligible for annual indexing are collectively likely losing millions of dollars because of the WSIB's incorrect 2.7% increase for 2022.
- ▶ To add insult to injury, the inflation rate continues to increase to levels not seen for decades, meaning that the cost-of-living is become more and more unattainable for ordinary people.

What has been done?

- ▶ The Ontario Network of Injured Workers Groups (ONIWG) sent a letter to the President and CEO of the WSIB, Jeffrey Lang, and Minister of Labour Monte McNaughton on April 6, 2022, demanding that the indexing rate be increased to 4.7% in 2022.
- ▶ A follow-up letter was sent by ONIWG to Premier Doug Ford on April 12, 2022, requesting a meeting to discuss how workers were short-changed by the WSIB's 2022 indexing rate and for Ford to instruct the WSIB to apply the correct calculation method to increase the amount for 2022 to 4.7%. The letter was also sent to Lang, McNaughton, Andrea Horwath (NDP leader), Wayne Gates (Critic, Workplace Health and Safety), Steven Del Duca (Liberal leader), and Mike Shreiner (Green leader).
- ▶ ONIWG issued a press release on April 12, 2022.

Responses to Date

- ▶ A supportive article on the issue was published in the Toronto Star on April 14: <https://www.thestar.com/news/gta/2022/04/14/its-just-another-blow-why-injured-workers-say-theyre-losing-out-as-inflation-hits.html>
- ▶ The Canadian Union of Public Employees (CUPE), the largest union in Canada, issued a press release stating that the WSIB refuses to pay injured workers the proper cost-of-living increase based on the law: <https://cupe.ca/ontarios-injured-workers-are-facing-benefit-cuts-0>
- ▶ Jeffrey Lang, President and CEO of the WSIB replied to our letter stating that the WSIB's calculation is correct – we will be responding to his letter

What is to be Done

What you can do:

- ▶ Call Premier Ford: 416-325-1941 & 1-800-387-5559 (TTY)
- ▶ Email Premier Ford: Premier@ontario.ca **OR**
- ▶ Send him a message:
<https://correspondence.premier.gov.on.ca/EN/feedback/default.aspx>

What is to be Done Cont'd

- ▶ Suggestions for what you can say on the phone call or in an email:

“Premier Ford/MPP X, injured workers have been ripped off by the WSIB for too long. Make sure that the WSIB follows the law and increases the 2022 cost-of-living adjustment from 2.7% to 4.7% so injured workers get what they are entitled to.”

- ▶ Suggestions for what you can say to candidates:

“The WSIB ripped off injured workers in 2022 by providing a 2.7% cost-of-living adjustment when the data from Statistics Canada shows that injured workers should have received a 4.7% hike in their cost-of-living. Will you and your party commit to increasing the 2022 COLA from 2.7% to 4.7%?”