

Client Services Policy Manual

Policy Number: **PR-11**
Subject: **PRIME Transitional Policy**
Chapter: **PRIME**

Policy Statement

In 2005, WorkplaceNL began its implementation of the PRIME Program which, through financial incentives or charges, recognizes employers' claim costs, as well as their compliance with certain health and safety and return to work practices (refer to Policy PR-06 "PRIME Practice Incentive for Provincially Regulated Employers" and PR-07 "PRIME Practice Incentive for Federally Regulated Employers").

The purpose of this policy is to govern the transition for employers from the Experience Rating Program to the new PRIME Program and to introduce the PRIME Program to those employers who were previously ineligible for Experience Rating.

The transition process began in January 2005. During the year 2005, employers must have achieved compliance with the practice incentive requirements for Year 1 (according to whether they were provincially regulated or federally regulated) in order to qualify for a practice refund in 2006.

The year 2007 was the last assessment year in which Experience Rating applied for large employers and 2008 is the last year for all other employers. The year 2006 was the year in which the first experience incentive ranges were issued. The first experience refunds and charges will be applied in 2008 for large employers and in 2009 for all other employers.

PRIME calculations for a given PRIME year will be governed by the PRIME policies in effect for that PRIME year. Some examples include:

1. The experience incentive range and experience refund, charge, or neither for a large employer for the 2007 PRIME year that are calculated and applied in 2008 are governed by PRIME Policies PR-01, PR-02, PR-03, PR-05, and PR-11 Revision #1 and by PRIME Policy PR-04 Revision #3.

2. The experience incentive range and experience refund, charge, or neither for all employers for the 2008 PRIME year that are calculated and applied in 2009 are governed by PRIME Policies PR-01, PR-02, PR-03, and PR-11 Revision #2 and by PR-04 Revision #3, and by PRIME Policy PR-05 Revision #1.

3. Adjustments that are required to an employer's account in 2010

Client Services Policy Manual

Policy Number: **PR-11**
Subject: **PRIME Transitional Policy**
Chapter: **PRIME**

for the 2007 PRIME year will be governed by PRIME Policies PR-01, PR-02, PR-03, PR-05, and PR-11 Revision #1 and by PRIME Policy PR-04 Revision #3.

The tables attached to this policy illustrate the timelines for PRIME implementation.

The practice refunds applied in 2006 were based on the employer's health and safety and return to work practices in 2005.

In early 2006, employers who met the eligibility criteria for the PRIME experience incentive component (see Policy PR-01 "PRIME – Overview") received their experience incentive range. Throughout 2006, employers who provided the required contact information received information about their PRIME claim costs and how they compared to the employer's experience incentive range.

The tables at the end of this policy outline the PRIME implementation timelines, and specifically the application of practice refunds and experience refunds and charges to all employers.

Implementation

The Experience Rating Policies ES-09 "Experience Rating" and ES-10 "Relationship Between Firms for Experience Rating" will continue to be in effect for assessment years 2007 and earlier for large employers and for assessment years 2008 and earlier for all other employers. The PRIME practice incentive component was effective on January 1, 2005 for calculation of practice refunds in 2006 based on 2005 performance. The PRIME experience incentive ranges were first determined in 2006 and the PRIME experience refunds, charges or neither will first be applied in 2008 for large employers based on 2007 performance and in 2009 for all other employers based on 2008 performance.

The various provisions of the PRIME policies are interrelated and it is necessary to consider the PRIME Program in its entirety and not only the specific guidelines under an individual PRIME policy. The series of PRIME policies were published in 2005, regardless of the effective date of the individual policy, which varies. If adjustments are required to an employer's account, the rules governing Experience Rating will be applied for the assessment years 2007 and earlier for large employers and 2008 and earlier for all other

Client Services Policy Manual

Policy Number: **PR-11**
Subject: **PRIME Transitional Policy**
Chapter: **PRIME**

employers. The rules governing the PRIME practice refund will be applied from the PRIME year 2005 and the rules governing PRIME experience refunds, charges or neither will be applied for the PRIME year 2007 and thereafter for large employers and for the PRIME year 2008 and thereafter for all other employers.

Reference: *Workplace Health, Safety and Compensation Act (the Act), Sections 56, 87, 89, 89.1, 89.3 and 96*
Canada Labour Code Part II, Section 124, 125, 125.1, 135 and 136 and Regulations pursuant thereto

Amendment History

<i>Original Effective Date</i>	2005 01 01
<i>Revision #1</i>	2006 11 28
<i>Revision #2</i>	2008 02 15

Client Services Policy Manual

PR-11 PRIME Transitional Policy for Large Employers

2005

- Employers implement Year 1 practice incentive criteria requirements for 2005.
- Current Experience Rating Program applies for 2005 estimate of payroll.
- Employers report actual payroll for 2004 which is assessed based on 2004 experience rated rate.

2006

- Employers implement Year 2 practice incentive criteria requirements for 2006.
- Current Experience Rating Program applies for 2006 estimate of payroll.
- Employers report actual payroll for 2005 which is assessed based on 2005 experience rated rate.
- Employers respond to practice incentive questions on 2005 Employer's Payroll Statement (due February 28, 2006).
- First 5% Practice Refunds are paid to qualifying employers based on 2005 performance.
- Experience incentive ranges for 2006 are sent to employers in early 2006 in preparation for the 2008 implementation of the experience incentive component.

2007

- Employers implement Year 3 practice incentive criteria requirements for 2007.
- Current Experience Rating Program applies for 2007 estimate of payroll.
- Employers report actual payroll for 2006 which is assessed based on 2006 experience rated rate.
- Employers respond to practice incentive questions on 2006 Employer's Payroll Statement (due February 28, 2007).
- 5% Practice Refunds are paid to qualifying employers based on 2006 performance.
- Experience incentive ranges for 2007 are sent to employers in early 2007 for the implementation of the experience incentive component in 2008.

2008

- Employers maintain Year 3 practice incentive criteria requirements and display continuous improvement toward best practices in the areas of occupational health and safety and return to work programs, as required by the appropriate policy.
- Experience Rating Program is discontinued with the 2008 assessment year. All employers are assessed at the appropriate base rate for 2008.
- Employers report actual payroll for 2007 which is assessed based on 2007 experience rated rate.
- Employers respond to practice incentive questions on 2007 Employer's Payroll Statement (due February 28, 2008).
- 5% Practice Refunds are paid to qualifying employers based on 2007 performance.
- First experience refunds and charges are calculated based on 2007 PRIME performance, compared to the 2007 experience rating results for the 20% maximum less favourable position rule. These refunds or charges are applied in 2008 following receipt of the 2007 Employer's Payroll Statement.
- Experience incentive ranges for 2008 are sent to employers in early 2008.
- Adjustments that are required to an employer's account for the experience incentive component for the 2007 PRIME year will be governed by the PRIME policies in effect for that PRIME year.

Client Services Policy Manual

PR-11 PRIME Transitional Policy for All Other Than Large Assessment Employers

2005

- Employers with fewer than 10 workers implement all applicable practice incentive criteria requirements for 2005.
- Employers with 10 or more workers implement Year 1 practice incentive criteria requirements for their occupational health & safety programs for 2005.
- Current Experience Rating Program applies for 2005 estimate of payroll.
- Employers report actual payroll for 2004 which is assessed based on 2004 experience rated rate.

2006

- Employers with fewer than 10 workers maintain all applicable practice incentive criteria requirements in 2006.
- Employers with 10 or more workers implement Year 2 practice incentive criteria requirements for their occupational health & safety programs for 2006.
- Current Experience Rating Program applies for 2006 estimate of payroll.
- Employers report actual payroll for 2005 which is assessed based on 2005 experience rated rate.
- Employers respond to practice incentive questions on 2005 Employer's Payroll Statement (due February 28, 2006).
- First 5% Practice Refunds are paid to qualifying employers based on 2005 performance.
- Experience incentive ranges for 2006 are sent to employers in early 2006 in preparation for the 2009 implementation of the experience incentive component.

2007

- Employers with fewer than 10 workers maintain all applicable practice incentive criteria requirements in 2007.
- Employers with 10 or more workers implement Year 3 practice incentive criteria requirements for their occupational health & safety programs for 2007.
- Current Experience Rating Program applies for 2007 estimate of payroll.
- Employers report actual payroll for 2006 which is assessed based on 2006 experience rated rate.
- Employers respond to practice incentive questions on 2006 Employer's Payroll Statement (due February 28, 2007).
- 5% Practice Refunds are paid to qualifying employers based on 2006 performance.
- Experience incentive ranges for 2007 are sent to employers in early 2007 in preparation for the 2009 implementation of the experience incentive component.

2008

- Employers with fewer than 10 workers maintain all applicable practice incentive criteria requirements in 2008.
- Employers with 10 or more workers maintain Year 3 practice incentive criteria requirements and display continuous improvement toward best practices in their occupational health and safety programs, as required by the appropriate policy.
- Current Experience Rating Program applies for 2008 estimate of payroll.
- Employers report actual payroll for 2007 which is assessed based on 2007 experience rated rate.
- Employers respond to practice incentive questions on 2007 Employer's Payroll Statement (due February 28, 2008).
- 5% Practice Refunds are paid to qualifying employers based on 2007 performance.

Client Services Policy Manual

- Experience incentive ranges for 2008 are sent to employers in early 2008 for the implementation of the experience incentive component in 2009.

2009

- Employers with fewer than 10 workers maintain all applicable practice incentive criteria requirements in 2009.
- Employers with 10 or more workers maintain Year 3 practice incentive criteria requirements and display continuous improvement toward best practices in their occupational health and safety programs, as required by the appropriate policy.
- Experience Rating Program is discontinued with the 2009 assessment year. All employers are assessed at the appropriate base rate for 2009.
- Employers report actual payroll for 2008 which is assessed based on 2008 experience rated rate.
- Employers respond to practice incentive questions on 2008 Employer's Payroll Statement (due February 28, 2009).
- 5% Practice Refunds are paid to qualifying employers based on 2008 performance.
- First experience refunds and charges are calculated based on 2008 PRIME performance, compared to the 2008 experience rating results, for the maximum less favourable position rule. These refunds and charges are applied in 2009 following receipt of the 2008 Employer's Payroll Statement.
- Experience incentive ranges for 2009 are sent to employers in early 2009.
- Adjustments that are required to an employer's account for the experience incentive component for the 2008 PRIME year will be governed by the PRIME policies in effect for that PRIME year.