

Client Services Policy Manual

Policy Number: **PR-02**
Subject: **PRIME Calculations**
Chapter: **PRIME**

Policy Statement

Employers who are eligible for the practice incentive component under PRIME in accordance with Policy PR-01 PRIME – Overview may qualify for a 5 per cent practice refund based on their compliance with certain occupational health and safety and return to work practices, and OHS education defined by WorkplaceNL (refer to Policy PR-06 PRIME Practice Incentive for Provincially Regulated Employers, PR-07 PRIME Practice Incentive for Federally Regulated Employers, and PR-14 PRIME Practice Incentive Path 1 – OHS Education).

Employers who qualify for the practice refund and who are eligible for the experience incentive component under PRIME in accordance with Policy PR-01 PRIME – Overview may qualify for:

- a) An experience refund,
- b) An experience charge, or
- c) Either an experience refund nor a charge,

depending on how their actual claims cost experience compares with their experience incentive range for the PRIME year. Employers who do not qualify for the practice refund will not qualify for an experience refund.

In accordance with the Workplace Health, Safety and Compensation Regulations, Annual Employer Statements are due by February 28 of each year. Once the Annual Employer Statements are received and processed by WorkplaceNL, the above calculations will be performed for the PRIME year and the results forwarded to the employer for information and invoicing purposes. Employers who do not meet the due date will not qualify for a PRIME refund, but experience charges will be applied to their account, where appropriate.

Practice Incentive Refund

Employers who are eligible for the practice incentive component are required to meet the practice incentive criteria regarding occupational health and safety and return to work practices outlined in Policy PR-06 PRIME Practice Incentive for Provincially Regulated Employers, PR-07 PRIME Practice Incentive for Federally Regulated Employers, and PR-14 PRIME Practice Incentive Path 1 – OHS Education, whichever policy applies. Where these criteria have been met, a 5 per cent practice refund is calculated using the employer's average calculated base assessment for the PRIME

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base period. (Note: the actual assessable payroll reported for each of those years is multiplied by the employer's calculated base rateⁱ¹ in each year).

Experience Incentive Range

The calculation for the PRIME experience incentive component considers the past and future claim costs and assessment premium patterns of employers.

The experience incentive range is the range of claim costs against which WorkplaceNL compares the employer's actual claim costs (Refer to Procedure 505.00 PRIME Calculations).

Experience Refunds and Charges

An employer's experience refund or charge is determined by the comparison of that employer's actual claim costs to their experience incentive range. In general, an employer may qualify for:

1. An experience refund if the employer's claim cost is below the bottom of their range;
2. An experience charge if that cost is above the top of their range; or
3. Neither if that cost is within their range.

Where this comparison, measured as a percentage of the employer's average calculated base assessment, results in a less favourable position than the previous year, the percentage cannot move by more than the maximum rule.

Merits and Justice

Where the individual circumstances of a case are such that the provisions of this policy cannot be applied or to do so would cause an unfair or unintended result, WorkplaceNL will decide the case based on its individual merits and justice as outlined by Policy EN-22 Merits and Justice. Such a decision will be considered for that specific case only and will not be precedent setting.

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Reference:

Workplace Health Safety and Compensation Act, Section 96

Workplace Health Safety and Compensation Regulations, Section 25

Policies:

EN-22 Merits and Justice, PR-01 PRIME – Overview, PR-06 PRIME Practice Incentive for Provincially Regulated Employers, PR-07 PRIME Practice Incentive for Federally Regulated Employers, and PR-14 PRIME Practice Incentive Path 1 – OHS Education

Amendment History

Original Effective Date	2005 01 01
Revision #1	2006 11 28
Revision #2	2008 02 15
Revision #3	Board approved on 2022 06 30 for effect on 2023 01 01

Next Review Date 2023 06 30

ⁱ An employer's calculated rate may differ from the base rate that the employer actually pays as a result of the WorkplaceNL's annual rate setting process. As part of WorkplaceNL's rate setting process, it regularly reviews industry groupings. Changes in industry groupings can sometimes cause significant rate changes that are phased in over a period of time. The calculated base rate is the industry base rate that the employer would be paying if there was no phase-in period. The applied base rate is the industry base rate the employer will actually pay in a particular year during that phase-in period.