

Notice

An Act respecting industrial accidents and occupational diseases
(R.S.Q., c. A-3.001)

Personalized rates

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting personalized rates, the text of which appears below, shall be adopted by the Commission de la santé et de la sécurité du travail, with or without amendment, upon the expiry of forty-five (45) days after publication of this notice.

The draft Regulation introduces a new personalized rates plan characterized specifically by accessibility to a greater number of employers, the lengthening of the reference period from three to four years in respect of industrial accidents and occupational diseases considered for the purposes of establishing personalized rates, and an increase in the per claim limit of the cost of benefits from 20 % to 150 % of the maximum yearly insurable earnings, with three levels of co-insurance. Furthermore, the Regulation provides for the taking into account of compensation related to a reference period rather than compensation actually paid during the same period.

The new plan introduces the taking into account of the future cost of employment injuries in addition to expenditures related to the reference period by applying a factor that varies according to separate claim categories. The plan thus allows for a more equitable apportionment of the cost of injuries among employers who qualify for the plan by according greater consideration to the seriousness of injuries sustained in their businesses.

The draft Regulation also contains transitional measures intended to mitigate the impact on the calculation of the assessment rate in respect of employment injuries sustained in 1994, 1995 and 1996.

The Regulation replaces the Regulation respecting personalized rates enacted by Order-in Council 260-90 of February 28, 1990, which shall continue to apply in respect of the assessment years prior to 1999.

To date, study of the matter has revealed the following impact on the employers directly concerned:

— the number of employers contemplated by the new Regulation is approximately 35,000 compared with 11 000 eligible currently under the present plan;

— a greater number of small and medium-sized businesses will have their assessments determined by taking into account their experience from the standpoint of the cost of employment injuries sustained in their businesses; and

— a stronger incentive for employers to take accident prevention measures and reintegrate into the workforce workers who have sustained employment injuries.

Any interested person having comments to make on this draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to Roland Longchamps, Vice-Chairman for Finance, Commission de la santé et de la sécurité du travail, 524, rue Bourdages, Québec (Québec) G1K 7E2.

TREFFLÉ LACOMBE,
*Chairman of the Board of Directors and
Chief Executive Officer of the Commission
de la santé et de la sécurité du travail*

Regulation respecting personalized rates

An Act respecting industrial accidents and occupational diseases,
(R.S.Q., c. A-3.001, s. 454, par. 1, subpar. 7)

CHAPTER I PRELIMINARY PROVISIONS

DIVISION I STATEMENT OF PURPOSE

1. The purpose of this Regulation is to establish the rules allowing for the fixing of a personalized rate of assessment applicable to an employer who, with respect to the unit in which the employer is classified meets, for the assessment year, the requirements prescribed in relation thereto.

DIVISION II DEFINITIONS

2. In this Regulation,

“first-level reference period” means the three years prior to the year preceding the assessment year;

“insurable wages” means the gross wages taken into account, pursuant to sections 289 or 289.1 of the Act, up to the maximum yearly insurable earnings established under section 66 of that Act;

“maximum yearly insurable earnings” means the maximum yearly insurable earnings determined in under section 66 of the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001) for the year in which the accident occurred or the disease was reported; and

“second-level reference period” means the three years prior to the two years preceding the assessment year.

CHAPTER II REQUIREMENTS

DIVISION I PROVISION OF GENERAL APPLICATION

3. The Commission de la santé et de la sécurité du travail shall fix a personalized rate applicable to an employer in respect of each unit in which the employer is classified if the sum of the total expected compensation cost for the first-level reference period for such units is greater than the qualifying threshold.

For the purposes of this Regulation, the Commission shall determine a unit’s expected compensation cost for the first-level reference period by applying the following formula in respect of each year of the first-level reference period and adding the results thus obtained:

expected unit compensation cost for each year of the first-level reference period	=	insurable wages earned by the employer’s workers in respect of the unit for the year of the first-level reference period and reported by the employer or apportioned by the Commission in accordance with the Act	x	first-level unit experience for ratio for the year as established pursuant to section 304.1 of the Act
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DIVISION II MAINTENANCE OF THE QUALIFICATION OF A RECLASSIFIED EMPLOYER

4. Where an employer who was classified in several units for all or some of its activities is reclassified for all of its activities covered by the units in a single unit or where the employer was classified in one unit for all or some of its activities and it is reclassified in another unit for all the activities covered by that unit, the insurable wages earned by the employer’s workers in respect of the units in which the employer was classified are, for the purposes of section 3, for one or more years of the first-level reference period, considered insurable wages earned in respect of the unit in which the employer is reclassified.

5. Where an employer who was classified in one unit for all or some of its activities is reclassified for the same activities in several units, the insurable earnings earned by the employer’s workers in respect of the activities covered by the units for one or more years of the first-level reference period are, for the purposes of section 3, considered as if they had been reported for the units if they can be broken down in respect of each of these units.

Notwithstanding the foregoing, the Commission shall apportion, for a year when the wages cannot be broken down, the insurable earnings earned by the workers in respect of each unit in which the employer is reclassified, in the same proportion as the year preceding the year in which the employer was reclassified where the employer is reclassified in a unit and in at least one exceptional unit, and it satisfies the following conditions:

1) for the year preceding the year in which the employer is reclassified, it was classified in at least one unit that expressly provides for the employer’s classification in an exceptional unit;

2) the insurable earnings earned by the employer’s workers in respect of the activities covered by the units in which the employer is reclassified can be broken down for the year preceding the year in which the employer is reclassified but cannot be broken down for any of the four years prior to the year preceding the year in which it is reclassified.

Where the employer is reclassified in one unit and in at least one exceptional unit and the employer was not, for the year preceding the year in which it is reclassified, classified in at least one unit that expressly provides for its classification in an exceptional unit and where for one or more years of the first-level reference period the insurable earnings earned by the employer’s workers in respect of the activities covered in each unit cannot be broken down, the Commission shall apportion such earnings in respect of the units according to the percentages determined in Schedule 2 for the exceptional units, with the residual percentage being attributed to the other unit. This paragraph applies only in respect of the assessment year in which the employer was reclassified.

Except in the situation contemplated in the second paragraph, where for any year of the first-level reference period preceding the year in which the employer is reclassified in several units, the insurable earnings earned by the employer’s workers in respect of each unit cannot be broken down, the Commission shall apportion the earnings in respect of the units in the same proportion as the year in which the employer is reclassified. This

paragraph applies only in respect of the assessment years following the year in which the employer is reclassified.

DIVISION III QUALIFICATION OF AN EMPLOYER WHO NO LONGER CARRIES ON CERTAIN ACTIVITIES

6. Where an employer was classified in one unit for one or more years of the first-level reference period and the employer no longer carries on the activities covered by that unit for the assessment year, the employer is deemed to be still classified in that unit for that year for the purposes of determining the sum of the expected compensation cost for the first-level reference period, in accordance with section 3. The Commission shall, where applicable and by making the necessary changes, apply the rules prescribed in sections 4 and 5.

DIVISION IV QUALIFYING THRESHOLD

7. The qualifying threshold for an assessment year is that determined in Schedule 1.

CHAPTER III FIXING OF THE PERSONALIZED RATE

8. For the purpose of fixing a personalized rate, the Commission shall compare the employer's experience with its expected experience, in accordance with the rules prescribed in this Chapter.

DIVISION I DETERMINATION OF THE EMPLOYER'S EXPERIENCE

9. For the purpose of determining an employer's experience, the Commission shall take into account every work-related accident that occurred and every occupational disease reported during the first- and second-level reference periods and for which the cost of benefits was imputed to the employer, in full or in part.

Where the employer falls within section 5, and all or part of the insurable earnings earned by the employer's workers cannot be broken down in accordance with that section for one or more years for the first- or second-level reference periods and the earnings are not apportioned by the Commission in accordance with that section, the Commission shall not take into account a work-related accident suffered by one of its workers or an occupational disease reported by one of its workers in a year in respect of which the earnings cannot be so broken down or apportioned, if the accident occurred or the disease was contracted while the worker was engaged in the activities of a unit in respect of which all or part of his wages cannot be broken down or apportioned.

§1. Determination of the compensation cost and the retained compensation cost

10. For every accident and disease contemplated in section 9, the Commission shall determine the compensation cost in accordance with the rules prescribed in this Subdivision. The cost corresponds to the amount required to pay all benefits resulting from the accident or disease except for the portion that is, pursuant to section 327, 328 or 329 of the Act, imputed to another employer, to employers of one, several or all of the units or to the reserve provided for in subparagraph 2 of section 312 of the Act.

The Commission shall then determine the portion of the compensation cost retained for the purpose of determining the employer's experience, in accordance with the rules prescribed in this Subdivision.

11. The compensation cost of an accident or disease contemplated in section 9 shall be determined as follows:

1) Add the results obtained after performing the following calculations:

a) the total cost of rehabilitation benefits to which the worker is entitled under Chapter IV of the Act (excluding reimbursements made under section 176 of the Act), the cost of the medical aid benefits to which the worker is entitled under Chapter V of the Act for services rendered or items received in the first- or second-level reference periods, and the cost of services provided by a health professional designated by the Commission under section 204 of the Act for services rendered during such periods.

b) the total income replacement indemnities to which the worker is entitled under Division I of Chapter III of the Act and which relate to a period included in the first- or second-level reference period;

c) the total lump sum death benefits to which the beneficiaries are entitled under the second paragraph of section 102 and under section 103 of the Act where the minor child of the deceased worker reaches the age of majority during the first- or second-level reference periods, notwithstanding that the decision awarding such benefits has not yet become final;

d) the total indemnities paid in the form of a pension to which beneficiaries are entitled under section 101 and the first paragraph of section 102 of the Act and which relate to a period included in the first- or second-level reference periods;

e) the total of expenses reimbursable under section 111 of the Act for services rendered or items received in the first- or second-level reference periods;

f) the total of all other indemnities to which the beneficiaries are entitled under Division III of Chapter III of the Act where the death occurred during the first- or second-level reference periods, notwithstanding that the decision awarding such indemnities has not yet become final;

g) the total amount of other indemnities to which the beneficiaries are entitled under Division IV of Chapter III of the Act for services rendered or items received in the first- or second-level reference periods, or, in the case of a benefit contemplated in section 116 of the Act, where the date on which the assessments are payable falls within the same periods;

2) multiply the sum obtained in subparagraph 1 by the applicable factor determined in accordance with Schedule 3;

3) add the result obtained in subparagraph 2, the total amount of indemnities for bodily injuries to which the beneficiaries are entitled under Division II of Chapter III of the Act where the initial decision granting the indemnities is rendered during the first- or second-level reference period, notwithstanding that the decision has not yet become final, and the amount of reimbursements made under section 176 of the Act during the first- or second-level reference periods.

The interest applicable to the benefits shall not be taken into account for the purpose of the first paragraph.

12. The Commission shall determine the retained compensation cost for every accident and disease contemplated in section 9 by applying the following formula:

$$\text{retained compensation cost} = \begin{array}{l} 100\% \text{ of the compensation cost up to a} \\ \text{maximum of } 50\% \text{ of the maximum yearly} \\ \text{insurable earnings} + 50\% \text{ of the compensation} \\ \text{cost that is greater than } 50\% \text{ and less than or} \\ \text{equal to } 100\% \text{ of the maximum yearly insurable} \\ \text{earnings} + 25\% \text{ of the compensation cost that is} \\ \text{greater than } 100\% \text{ and less than or equal to} \\ 150\% \text{ of the maximum yearly insurable earnings} \end{array}$$

§2. Splitting the retained compensation cost

13. The retained compensation cost determined in accordance with section 12 is divided into a first-level retained compensation cost and a second-level retained compensation cost as follows:

first-level retained compensation cost = retained compensation cost up to 5% of the maximum yearly insurable earnings

second-level retained compensation cost = retained compensation cost less the first-level retained compensation cost

DIVISION II DETERMINATION OF THE EMPLOYER'S EXPECTED EXPERIENCE

14. The Commission shall determine the employer's expected experience by using the first-level expected compensation cost calculated in accordance with section 3 and the expected compensation cost for the second-level reference period calculated in accordance with the rules prescribed in this Division.

15. The expected compensation cost for the second-level reference period shall be determined for each unit in which the employer is classified for the assessment year by totalling the results obtained by applying, for each year in the second-level reference period, the following formula:

$$\text{expected compensation cost for each year of the second-level reference period} = \frac{\text{insurable wages earned by the employer's workers in respect of the unit for the year of the second-level reference period and reported by the employer or apportioned by the Commission in accordance with the Act}}{\text{second-level experience ratio of the unit for the year established pursuant to section 304.1 of the Act}} \times$$

For the purpose of determining the insurable wages earned by the employer's workers with respect to a unit, sections 4 to 6 apply, with the necessary changes being made so that the sections read as if they refer to the second-level reference period.

DIVISION III CALCULATION OF THE EMPLOYER'S EXPERIENCE INDICES

16. The Commission shall compare the employer's experience with its expected experience by calculating the first- and second-level experience indices in accordance with the rules prescribed in this Division.

17. The Commission shall determine the first-level experience index by applying the following formula, which takes into account an adjustment factor determined by the Commission after actuarial valuation, which

factor reflects the effect of transactions relating to acquisitions and corporate reorganization on the assessment and corrections made to the personalized rate of qualifying employers:

$$\text{first-level experience index} = \frac{\text{sum of first-level retained compensation costs for every work-related accident and occupational disease reported in the first-level reference period}}{\text{sum of first-level expected compensation costs determined in accordance with section 3 for all units in which the employer is classified or deemed classified for the assessment year in accordance with section 6}} \times \text{employer's first-level adjustment factor}$$

18. The Commission shall determine the second-level experience index by applying the following formula, which takes into account an adjustment factor determined by the Commission after actuarial valuation, which factor reflects the effect of transactions relating to acquisitions and corporate reorganization on the assessment and corrections made to the personalized rate of qualifying employers:

$$\text{second-level experience index} = \frac{\text{sum of second-level retained compensation cost for all work-related accidents and occupational diseases reported in the second-level reference period}}{\text{sum of second-level expected compensation costs determined in accordance with section 15 for all units in which the employer is classified or deemed classified for the assessment year in accordance with that section}} \times \text{employer's second-level adjustment factor}$$

DIVISION IV
CALCULATION OF THE EMPLOYER'S DEGREES OF PERSONALIZATION

19. For the purposes of determining the risk-related portion of the first- and second-level unit rate that is affected by the employer's experience, the Commission shall calculate a percentage of the rate called the "degree of personalization", in accordance with the rules prescribed in this Division.

20. The Commission shall determine the employer's first-level degree of personalization by applying the following formula:

$$\text{first-level degree of personalization} = \frac{\text{sum of expected compensation costs for the first-level reference period determined in accordance with section 3 for all units in which the employer is classified or deemed classified for the assessment year pursuant to section 6}}{\text{sum of expected compensation costs for the first-level reference period determined in accordance with section 3 for all units in which the employer is classified or deemed classified for the assessment year pursuant to section 6 + the amount stipulated in Schedule 1}}$$

21. The Commission shall determine the employer's second-level degree of personalization by applying the following formula:

$$\text{second-level degree of personalization} = \frac{\text{sum of expected compensation costs for the second-level reference period determined in accordance with section 15 for all units in which the employer is classified or deemed classified for the assessment year pursuant to that section}}{\text{sum of expected compensation costs for the second-level reference period determined in accordance with section 15 for all units in which the employer is classified or deemed classified for the assessment year pursuant to that section + the amount stipulated in Schedule 1}}$$

DIVISION V CALCULATION OF THE EMPLOYER'S RISK INDICES

22. The Commission shall determine the risk indices for each level used to calculate the employer's first- and second-level personalized rates by taking into account the employer's experience indices and its degrees of personalization.

23. The Commission shall determine the first-level risk index by applying the following formula:

$$\text{first-level risk index} = (\text{first-level degree of personalization} \times \text{first-level experience index}) + (1 - \text{first-level degree of personalization})$$

The risk index is limited to the lower of 3 or the result obtained by applying the following formula:

$$[1 + (6 \times \text{first-level degree of personalization})]$$

24. The Commission shall determine the second-level risk index by applying the following formula:

$$\text{second-level risk index} = (\text{second-level degree of personalization} \times \text{second-level experience index}) + (1 - \text{second-level degree of personalization})$$

The risk index is limited to the lower of 3 or the result obtained by applying the following formula:

$$[1 + (6 \times \text{second-level degree of personalization})]$$

DIVISION VI CALCULATION OF THE PERSONALIZED RATE

25. The Commission shall fix a personalized rate for each unit in which the employer is classified for the assessment year by totalling the first- and second-level personalized rates according to risk and the uniform fixed rate.

26. The Commission shall determine the first-level personalized rate according to risk by applying the following formula:

$$\text{first-level personalized rate according to risk} = \text{first-level risk index according to risk} \times \text{first-level unit rate according to risk}$$

The first-level unit rate according to risk corresponds to the portion of the unit rate applicable to the employer for the assessment year that the Commission associates with first-level risk at the time of the fixing of the rate under section 304 of the Act.

27. The Commission shall determine the second-level personalized rate according to risk by applying the following formula:

$$\text{second-level personalized rate according to risk} = \text{second-level risk index} \times \text{second-level unit rate according to risk}$$

The second-level unit rate according to risk corresponds to the portion of the unit rate applicable to the employer for the assessment year that the Commission associates with the second-level risk at the time of the fixing of the rate under section 304 of the Act.

28. The uniform fixed rate corresponds to the portion of the unit rate applicable to the employer for the assessment year that corresponds to the financial requirements that are not apportioned according to risk at the time of the fixing of the rate under section 304 of the Act.

29. Where an employer qualifies for retrospective adjustment of its annual assessment for the assessment year pursuant to the Regulation respecting retrospective adjustment of the assessment¹, the Commission shall, before performing the calculation stipulated in section 25, adjust the portions of the employer's personalized rate that correspond to the first- and second-level personalized rates according to risk determined under sections 26 and 27 and the uniform fixed rate contemplated in section 28, by taking into account the adjustment factor applicable to each rate determined by the Commission after actuarial valuation to ensure equitable apportionment of assessments between those employers who qualify for retrospective adjustment of their annual assessments and those who do not so qualify, and to take into account the surpluses or deficits already considered in retrospective adjustments for prior years, by applying the following formulae:

$$\text{first-level personalized rate according to risk} \times \text{employer's adjustment factor for the first-level unit rate according to risk, determined by the Commission after actuarial valuation}$$

$$\text{second-level personalized rate according to risk} \times \text{employer's adjustment factor for the second-level unit rate according to risk, determined by the Commission after actuarial valuation}$$

$$\text{uniform fixed rate} \times \text{employer's adjustment factor for the uniform fixed rate, determined by the Commission after actuarial valuation}$$

¹ The Regulation is published in draft form at page 2309 of this issue of the *Gazette officielle*.

CHAPTER IV FINAL AND TRANSITIONAL PROVISIONS

30. Notwithstanding section 12, the Commission shall establish the retained compensation cost of every accident that occurred and every disease reported in 1994 and 1995 by applying the following formula:

retained compensation cost = 100 % of the compensation cost up to a maximum of 50 % of the maximum yearly insurable earnings

31. Notwithstanding section 12, the Commission shall establish the retained compensation cost of every accident that occurred and every disease reported in 1996 by applying the following formula:

retained compensation cost = 100 % of the compensation cost up to a maximum of 50 % of the maximum yearly insurable earnings + 50 % of the compensation cost that is greater than 50 % and less than or equal to 100 % of the maximum yearly insurable earnings

32. This Regulation replaces the Regulation respecting personalized rates enacted by O.C. 260-90 of February 28, 1990. Notwithstanding the foregoing, the replaced regulation continues to apply to assessment years prior to the 1999 assessment year.

33. This Regulation has effect from the 1999 assessment year.

34. This Regulation comes into force on the day of its publication in the *Gazette officielle du Québec*.

SCHEDULE 1 (s. 7, 20, 21)

For 1999, the qualifying threshold is \$1 000.

For 1999, the amount that applies in respect of the calculation in section 20 is \$3 000.

For 1999, the amount that applies in respect of the calculation in section 21 is \$140 000.

SCHEDULE 2 (s. 5)

The apportionment percentages that apply to the exceptional units for the insurable wages in respect of an employer contemplated in the third paragraph of section 5 are as follows:

In respect of Unit 90010: 13 %

In respect of Unit 80020: 9 %

SCHEDULE 3 (s. 11)

1. For the purpose of applying section 11 in respect of an accident that occurred or a disease that was reported in the year prior to the assessment year, the Commission shall apply the following factor: 1

2. For the purpose of applying section 11 in respect of an accident that occurred or a disease that was reported in the year prior to the two years preceding the assessment year, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the corresponding factor indicated:

1) **Death:** accident or disease resulting in death in the year that the accident occurred or in which the disease was reported, or in the following year:

$$1 + (0.300 \times A);$$

2) **Inactive:** accident or disease that does not give rise to any income replacement indemnity in respect of the final quarter of the year prior to the year preceding the assessment year:

$$1 + (0.200 \times A);$$

3) **Active:** accident or disease that gives rise to income replacement indemnities in respect of the final quarter of the year prior to the year preceding the assessment year:

$$1 + (3.400 \times A);$$

where A corresponds to the coefficient determined by the Commission after actuarial valuation for the purpose of this section to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the first- and second-level reference periods.

3. For the purpose of applying section 11 in respect of an accident that occurred or a disease that was reported in the year prior to the three years preceding the assessment year, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the corresponding factor indicated:

1) **Death:** accident or disease resulting in death in the year that the accident occurred or in which the disease was reported, or during the following two years:

$$1 + (0.210 \times B);$$

2) **Inactive:** accident or disease that does not give rise to any income replacement indemnity in respect of the year prior to the year preceding the assessment year:

$$1 + (0.120 \times B);$$

3) **Active:** accident or disease that gives rise to income replacement indemnities in respect of the year prior to the year preceding the assessment year:

a) where there are no income replacement indemnities that relate to either one of the final two quarters of that year:

$$1 + (0.450 \times B);$$

b) where the income replacement indemnities relate to either one of the final two quarters of that year:

$$1 + (2.160 \times B);$$

where B corresponds to the coefficient determined by the Commission after actuarial valuation for the purpose of this section to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the first- and second-level reference periods.

4. For the application of section 11 in respect of an accident that occurred or a disease that was reported in the year prior to the four years preceding the assessment year, the Commission shall determine the category applicable to the accident or disease from among the following categories and shall apply the corresponding factor indicated:

1) **Death:** accident or disease resulting in death in the year that the accident occurred or in the year that the disease was reported, or during the following three years:

$$1 + (0.150 \times C);$$

2) **Inactive:** accident or disease that does not give rise to any income replacement indemnity in respect of the two years prior to the year preceding the assessment year:

$$1 + (0.100 \times C);$$

3) **Active:** accident or disease that gives rise to income replacement indemnities in respect of the two years prior to the year preceding the assessment year:

a) where the replacement indemnities relate to only one quarter of the two years:

$$1 + (0.275 \times C);$$

b) where the income replacement indemnities relate to two quarters of the two years:

$$1 + (0.450 \times C);$$

c) where the income replacement indemnities relate to three quarters of the two years:

$$1 + (0.625 \times C);$$

d) where the income replacement indemnities relate to four quarters of the two years:

$$1 + (0.800 \times C);$$

e) where the income replacement indemnities relate to five quarters of the two years:

$$1 + (0.975 \times C);$$

f) where the income replacement indemnities relate to six quarters of the two years:

$$1 + (1.150 \times C);$$

g) where the income replacement indemnities relate to seven quarters of the two years:

$$1 + (1.325 \times C);$$

h) where the income replacement indemnities relate to eight quarters of the two years:

$$1 + (1.500 \times C);$$

where C corresponds to the coefficient determined by the Commission after actuarial valuation for the purpose of this section to ensure that the factor takes into account the cost, on July 1 of the assessment year, of the employment injuries for that year as established on the basis of the Commission's financial statements and any corrections that may be made to the compensation cost of employment injuries outside the first- and second-level reference periods.

5. For the purposes of this Schedule, “quarter” means:

- 1) the period commencing January 1 and terminating March 31;
- 2) the period commencing April 1 and terminating June 30;
- 3) the period commencing July 1 and terminating September 30;
- 4) the period commencing October 1 and terminating December 31.

6. For the purposes of this Schedule, an income replacement indemnity does not include an income replacement indemnity provided for in section 61 of the Act.

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Notice

An Act respecting industrial accidents and occupational diseases
(R.S.Q., c. A-3.001)

Retrospective adjustment of the assessment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting retrospective adjustment of the assessment, the text of which appears below, shall be adopted by the Commission de la santé et de la sécurité du travail, with or without amendment, upon the expiry of forty-five (45) days after publication of this notice.

The draft Regulation is intended to replace the current plan for retrospective adjustment of the assessment that applies to large companies by a new plan characterized specifically by the requirement that an employer pay unit-rates calculated according to risk for the unit in which the employer is classified, by provisional adjustment of its assessment upon the expiry of 24 months after the assessment year, and by final adjustment upon the expiry of 48 months. It also provides that where an employer so requires, it may obtain a provisional adjustment of its assessment upon the expiry of 36 months. Furthermore, it provides for the taking into account of compensation related to a reference period rather than compensation actually paid during the same period.

The new plan introduces the application of a factor that varies according to separate claim categories, instead of a single factor, in order to take into account the future cost of employment injuries sustained during the

assessment year. It also allows for a more equitable apportionment of the cost of injuries among employers that qualify for or are subject to such a plan by according greater consideration to the seriousness of the injuries sustained in their businesses.

The Regulation also introduces provisions concerning the establishment of the assessment in respect of an employer that qualifies for or is subject to retrospective adjustment of its assessment and that employer goes bankrupt or discontinues its operations. It maintains the provisions regarding the grouping of employers for the purposes of retrospective adjustment of their assessments, and contains transitional provisions for the years 1999 to 2003.

The Regulation replaces the Regulation respecting retrospective adjustment of the assessment enacted by Order in Council 262-90 of February 28, 1990, which shall continue to apply in respect of assessment years prior to 1999.

To date, study of the matter has revealed the following impact on the employers directly concerned:

- a stronger incentive for employers to take accident prevention measures and reintegrate into the workforce workers who have suffered employment injuries; and
- greater ease of financial planning with respect to assessments paid to the Commission.

There is no specific foreseeable impact upon small to medium-sized businesses.

Any interested person having comments to make on this draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to Roland Longchamps, Vice-Chairman for Finance, Commission de la santé et de la sécurité du travail, 524, rue Bourdages, Québec (Québec) G1K 7E2.

TREFFLÉ LACOMBE,
*Chairman of the Board of Directors and
Chief Executive Officer of the Commission
de la santé et de la sécurité du travail*
