

6. This Regulation shall enter into force on the day of its publication in the *Gazette officielle du Québec* and shall be effective beginning from the 1999 year of assessment.

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Notice

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

Personalized rates

Notice is hereby given that the Commission de la santé et de la sécurité du travail, at its meeting of 17 September 1998, adopted the Regulation respecting personalized rates.

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft regulation was published in the *Gazette officielle du Québec* of 23 June 1998 with a notice that it would be adopted by the Commission, with or without amendments, upon the expiry of 45 days following the publication of that notice.

TREFFLÉ LACOMBE,
*Chairman of the board 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 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.

The Commission shall apportion, where applicable, for any year when the wages cannot be broken down, the insurable earnings earned by the employer's 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 it is reclassified in a unit and in at least one exceptional unit as that term is defined in the Regulation respecting the classification of employers, the statement of wages and the rates of assessment adopted by the Commission de la santé et de la sécurité du travail by resolution A-73-97 of October 16, 1997 (*G.O.* 2, 5330)* and where 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 em-

ployer 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 where 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 case of an employer 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 ACTIVITIES COVERED BY A UNIT

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.

* The text of this Regulation was the subject of an *errata* published in the *Gazette officielle du Québec* of December 3, 1997, No. 50, at pages 5743 to 5781 and in the *Gazette officielle du Québec* of February 25, 1998, No. 9, at pages 1193 to 1197.

CHAPTER III FIXING OF THE PERSONALIZED RATE

DIVISION I PROVISION OF GENERAL APPLICATION

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

DIVISION II DETERMINATION OF THE EXPERIENCE OF AN EMPLOYER

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

9. For the purpose of determining the experience of an employer, 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.

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 the 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:

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

§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:

$$\text{first-level retained compensation cost} = \text{retained compensation cost up to } 5\% \text{ of the maximum yearly insurable earnings}$$

$$\text{second-level retained compensation cost} = \text{retained compensation cost less the first-level retained compensation cost}$$

DIVISION II DETERMINATION OF AN EMPLOYER'S EXPECTED EXPERIENCE

14. The Commission shall determine an 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 totaling the results obtained by applying, for each year in the second-level reference period, the following formula:

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

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 AN 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 in order to take into account corrections made to the personalized rate of qualifying employers:

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

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 in order to take into account 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 AN 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 an 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 an 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 AN 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 an employer's personalized rate for each unit in which the employer is classified for the assessment year by totaling the first- and second-level personalized rates according to risk and the uniform fixed rate.

26. The Commission shall determine an employer's 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 an employer's second-level personalized rate according to risk by applying the following formula:

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

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 assessment adopted by the Commission de la santé et de la sécurité du travail by resolution A-85-98 of September 17, 1998 (*G.O.* 2, No 41, 7 October 1998), 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:

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

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

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

CHAPTER IV FINAL AND TRANSITIONAL PROVISIONS

30. For the purposes of determining the expected compensation cost for the years 1994 to 1997 pursuant to sections 3, 14, and 15, the Commission shall apportion the insurable wages earned by the auxiliary workers in the same manner as it would have apportioned the wages pursuant to the rules prescribed in the Regulation respecting the classification of employers, the statement of wages and the rates of assessment had that regulation been in force for those years, to the extent that the amount of said wages can be determined.

31. 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:

$$\text{retained compensation cost} = 100 \% \text{ of the compensation cost up to a maximum of } 50 \% \text{ of the maximum yearly insurable earnings}$$

32. 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:

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

33. Where it has determined the first- and second-level experience indices under sections 17 and 18 for the 1999 assessment year, the Commission shall also take into account, in determining the first- and second-level adjustment factors, the effect on the assessment of transactions relating to acquisitions and corporate reorganization.

34. 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.

35. 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 to the compensation cost of employment injuries that may be made 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 to the compensation cost of employment injuries that may be made 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 to the compensation cost of employment injuries that may be made 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.