When it comes to occupational health and safety, the CNESST provides an essential insurance service to workers, as well as to employers established in Québec.

**Workers**

**INCOME PROTECTION**

This insurance protects workers’ income by compensating them following an employment injury. Moreover, the plan under the Act respecting industrial accidents and occupational diseases allows their rehabilitation to help restore their autonomy and earning potential as soon as possible.

**Employers**

**ASSET PROTECTION**

Through the premium paid by employers, mandatory insurance protects employers’ assets by paying benefits regardless of the seriousness of the claims in the employer’s file. In addition, the plan protects employers against legal proceedings on the part of their employees.

**An equitable insurance plan**

The objectives underlying the CNESST’s rate plans are to ensure fairness among employers, encourage the implementation of preventive measures, and promote the prompt and lasting return to work of workers who have suffered an employment injury. Thus, an employer’s efforts to manage occupational health and safety issues in its enterprise help improve its performance in this area, all of which is taken into account in determining its premium.
THE CNESST HAS THREE RATE PLANS

1. The unit-rate plan: for small businesses

This plan is for employers whose total annual premium is generally less than $9,000. The premium is calculated on the basis of the rate for each unit in which the enterprise’s activities are classified, for every $100 of total insurable payroll. About 72% of employers are assessed under this rate plan.

This plan is applied collectively: when an employment injury occurs. All employers classified in the unit concerned bear the costs. However, if each employer takes measures to prevent or reduce the cost of employment injuries, all employers in the unit will benefit in both the medium and long term.

2. The personalized-rate plan: for medium-sized and large businesses

This plan is for employers whose total annual premium is generally between $9,000 and $400,000. About 27% of employers are assessed under this rate plan.

The calculation of the premium is based on a personalized rate. In other words, the applicable unit rate(s) for a particular activity carried out by the employer is adjusted to take into account efforts over the last four years to prevent employment injuries and to facilitate the rehabilitation of injured workers and their prompt and lasting return to work.

3. The retrospective plan: for large-scale enterprises

This plan is for employers whose annual assessments generally exceed $400,000. About 1% of employers are assessed under this rate plan.

Under the retrospective plan, the employer’s assessment is adjusted based on changes over four years in the costs of employment injuries that occurred in a year. The adjustment takes into account the limit per claim determined by the employer on the basis of its insurance needs.

An initial provisional adjustment is made at the 24-month point and takes into account changes in the costs of injuries. An employer may request a second provisional adjustment at the 36-month point. The final retrospective adjustment occurs at the 48-month point.

Prevention mutual groups: strength in numbers

The CNESST offers small and medium-sized businesses the opportunity to form prevention mutual groups—a means of promoting the prevention of work accidents and occupational diseases, as well as the rehabilitation and return to work of workers who have suffered such accidents or diseases.

Member employers are assessed collectively under the personalized-rate plan, which takes into account their combined performance in the area of occupational health and safety.

For further information, contact us at 1 844 838-0808.

Joint sector-based associations (JSA)

Joint sector-based associations are organizations that focus on the prevention of employment injuries. They are made up of employers’ and workers’ associations in a given sector of activity, administered by a joint board of directors and financed through a specific assessment paid by these employers.

These associations provide workers and employers in the relevant activity sector with information, training and advisory services. They also provide assistance in setting up health and safety committees and developing prevention programs.

For more information, visit their website at preventionenligne.com.
Better management of health and safety: lower premiums

According to basic insurance principles, premiums vary in relation to two factors: the risks associated with the activities carried out by the employer and the cost of claims. For example, the premium for insuring the staff of a pharmacy is much lower than that for insuring factory workers.

Employers can reduce their premiums by taking measures to prevent employment injuries. The CNESST can provide assistance and advice in this regard.

If one of its employees suffers an industrial accident or contracts an occupational disease, it is in the employer’s best interests to maintain the employment relationship with the employee and promote his or her prompt and lasting return to work. In this way, the enterprise can retain its experienced and qualified personnel, while reducing its premium and lowering the costs of the occupational health and safety plan.

Non-imputed costs: a significant component of an employer’s premium

As a general rule, the cost of an employment injury is imputed to the employer of the injured worker. However, in a variety of circumstances, for example where a worker was already handicapped when the injury occurred, it is possible that certain costs will not be imputed to employers’ files. Those costs are called non-imputed costs (NIC). Every year, a portion of the premium rate of all employers is applied to finance such costs.

The Classification Decision informs every employer of the portion of its premium rate in relation to its assigned classification units, which is used to finance non-imputed costs.

On average, non-imputed costs amount to 30% of the total cost of employment injuries.

Average premium rate

The average premium rate is calculated on the basis of the financial requirements of the occupational health and safety plan and total insurable wages. For 2021, the CNESST estimates the financial requirements of the plan at $2.93 billion. As for total insurable wages, they are estimated at $165.2 billion.

The average premium rate in 2021 is $1.77 for every $100 of payroll, a decrease of $0.08 compared to 2020. This is also the lowest average rate applied since the introduction of the Act respecting industrial accidents and occupational diseases in 1985. This will represent a saving of approximately $130 million for Quebec businesses.

1. The CNESST distinguishes between the activities that an enterprise actually carries out in-house and those that it contracts out. This more accurately reflects the risks associated with the enterprise’s activities.

Breakdown of the average premium rate of $1.77:

- $1.38 Cost of employment injuries includes income replacement indemnities, medical assistance and rehabilitation costs, indemnities for bodily injuries and death benefits.
- $0.30 Cost of administering the occupational health and safety plan.
- $0.14 The For a safe maternity experience program.
- $0.09 Prevention programs includes the funding of organizations that provide services related to health in the workplace, training and information, as well as research and programming.
- $0.03 Cost of funding the administrative tribunals.
- $-0.17 Surplus amortization.
**Important steps**

The following is a month-by-month summary of the steps to remember regarding the insurance premiums.

**OCTOBER 2020**

The CNESST informs all employers of their activity classifications. Employers receive a **Classification Decision** telling them their premium rates for the following year and any applicable periodic payment rate.

The employer uses the periodic payment rate to calculate the amount of the periodic payments the employer will make to Revenu Québec, starting in January 2021.

**JANUARY 2021**

The CNESST informs the employer that it must produce its **Statement of Wages** and send it **no later than March 14** to avoid penalties and interest charges. On that Statement, the employer must declare the insurable wages paid during the past year.

**MARCH 2021**

In March, the CNESST starts sending employers an **Assessment Notice** as well as a **Statement of Account** indicating any balance owing.

**JANUARY TO DECEMBER 2021**

All year, employers pay their occupational health and safety-related insurance premiums by making periodic payments to Revenu Québec with their source deductions and other employer contributions.

The amount of the periodic payment will be calculated using the periodic payment rate and the wages paid to their workers.