

A woman with blonde hair tied back and a man with brown hair are leaning over a desk, looking at a document. The woman is holding a black pen and pointing at a section of the document. The man is looking on attentively. The document has some tables and text, but it's not clearly legible. There are other papers and a folder on the desk.

Occupational Health and Safety

**RETROSPECTIVE
ADJUSTMENT OF THE
2023 ASSESSMENT**

Employer's guide

This document is produced by the Vice-présidence aux finances, in collaboration with the Direction générale des communications.

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The purpose of this guide is to provide a better understanding of the ratemaking rules that specifically apply to the retrospective ratemaking. It is not a legal document and should not be used as a substitute for the following official reference documents:

- the *Act respecting industrial accidents and occupational diseases* (CQLR, chapter A-3.001);
- the *Regulation respecting financing* (CQLR, chapter A-3.001, r. 7).

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1. Retrospective ratemaking: General information

1.1 For whom is retrospective ratemaking intended?

Retrospective ratemaking is intended for large-scale enterprises with annual assessments with regard to Québec's occupational health and safety plan that are generally greater than \$450,000.

To verify if an enterprise is subject to retrospective ratemaking, consult section 2, "Qualification requirements for retrospective ratemaking".

1.2 What is retrospective ratemaking?

The aim of the retrospective ratemaking is to establish an employer's assessment by translating, as best as possible, its real costs for a given year. To do so, the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) takes into consideration the occupational injuries related to that year and the changes that have occurred over a four-year reference period in order to determine the associated cost. To this is added the cost of financing other programs and various expenses indirectly related to those injuries, part of which cost is assumed by every employer. This is referred to as the **retrospectively adjusted assessment** because that assessment cannot be established until after the occurrence of occupational injuries in the employer's establishment and the outcome of those injuries.

The **retrospectively adjusted assessment** is compared with the **rate-based assessment** (personalized rate, unless subject to exception) and the difference, i.e., the **retrospective adjustment**, will result in an increased or reduced assessment.

1.3 Retrospective ratemaking: Significant savings for good performance

While retrospective ratemaking includes certain insurance mechanisms, it is closely related to the enterprise's performance in the area of occupational health and safety. Accordingly, efforts devoted to prevention and returning injured workers to employment have a direct impact on assessments.

A proactive approach to occupational health and safety, through an effective and properly applied prevention program, contributes toward limiting at source the number of occupational injuries in enterprises. Moreover, an employer that promotes the prompt and sustainable return to work of injured workers significantly reduces the cost of the most serious injuries.

In short, an employer that is subject to the retrospective ratemaking has considerable control over the amount of its assessment. Through sustained occupational health and safety efforts it accomplishes the following:

- preserves its human capital better;
- achieves major gains in terms of its assessment;
- reduces the indirect costs related to occupational injuries;
- improves its competitive position.

1.4 Steps involved in retrospective ratemaking

- 1) **Rate-based assessment***: The assessment is determined on the basis of the insurable wages paid periodically by the employer and its periodic payment rate**. The assessment is then revised based on the amounts declared in the *Statement of Wages*, according to the assessment rate*** associated with each classification unit assigned to the enterprise for 2023.
- 2) **Provisional retrospective adjustment**: The rate-based assessment is adjusted after a period of 24 months, on the basis of any changes in the costs associated with the injuries related to that ratemaking year.
- 3) **Second provisional retrospective adjustment**: The second adjustment is similar to the first, except that it is calculated after 36 months and only at the employer's request.
- 4) **Retrospective adjustment**: This adjustment is calculated after 48 months. The CNESST considers that, at that time, the costs of injuries have sufficiently matured to allow for calculation of the retrospective adjustment.
- 5) **Recalculation of the retrospective adjustment******: Employer assessments are recalculated when there is a change in the data used in determining the assessment. Such changes may occur, for example, in insurable wages, or when imputing costs, classifying the employer's activities or taking into account new benefits paid retroactively to workers.

For the 2023 ratemaking year, the steps outlined above will be carried out on the following dates:

Steps	Dates
Assessment based on the periodic payment rate	January to December 2023
Rate-based assessment revised according to the employer's insurable wages paid and its personalized rate	March 2024
Provisional retrospective adjustment	As of March 2025
Second provisional retrospective adjustment, at employer's request	As of March 2026
Retrospective adjustment	As of March 2027
Recalculation of the retrospective adjustment	As required, three times a year (January, April and September), once the retrospective adjustment is calculated

* In this guide, the term "rate-based assessment" refers to section 305 of the *Act respecting industrial accidents and occupational diseases (AIAOD)*.

** The periodic payment rate is the weighted average of the assessment rate of each classification unit assigned to the employer.

*** The assessment rate refers to the personalized rate or the unit rate plus the rate for financing the relevant joint sector-based association, if any.

**** In accordance with the *Regulation respecting financing*.

1.5 Contact person for retrospective ratemaking matters

For any communication regarding retrospective ratemaking, the employer may designate a contact person to deal with the Service à la grande entreprise et aux mutuelles de prévention by secure message if it has registered for online services with the CNESST or by fax to 1 833 798-0669.

The contact person for retrospective ratemaking matters may be a person authorized by virtue of their office, a representative or a designated employee working at the enterprise. This person must already have full access rights to the employer's occupational health and safety file, and be able to obtain access to the employer's financial data, among other information.

They will also receive documents issued by the CNESST regarding retrospective ratemaking.

1.6 Designation of an officer by the CNESST

The CNESST designates an officer from the Service à la grande entreprise et aux mutuelles de prévention whom the contact person for retrospective ratemaking matters may contact regarding any questions about retrospective ratemaking.

2. Qualification requirements for retrospective ratemaking

2.1 Qualification for retrospective ratemaking

Employer qualification for retrospective ratemaking is determined on the basis of the assessment calculated at the unit rate according to risk. The rate is defined as that portion of the unit rate corresponding to the financial needs that the CNESST allocates according to risk when the rate is fixed.

The qualification is initially determined during the fall months preceding the ratemaking year, and then again if changes are made to the employer's insurable wages or to the classification of the employer's activities.

2.2 Qualifying test

For the 2023 ratemaking year, an employer qualifies for retrospective ratemaking if the qualifying test threshold is reached, according to the following calculation:

Insurable wages paid (2021)	x	Unit rate according to risk (2021)	≥	\$361,200
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Where an employer's activities are classified in several units, the CNESST takes into consideration the aggregate of the results obtained for each of those units.

When an employer reports wages paid to auxiliary workers, the CNESST considers the amounts in terms of the applicable classification units and experience files and prorates them according to the respective payroll amounts reported for each one.

When an employer has existing personal coverage plans, the wage amounts are also considered in terms of the respective classification units, with the exception of the remuneration paid to:

- members of a board of directors;
- a mayor;
- members of a municipal council;
- members of a regional county municipal council;
- commissioners of a school board.

2.3 Application for qualification

Employer contemplated by the application

Where an employer does not meet the basic test requirement, but would nevertheless like to qualify for retrospective ratemaking, it may file an application to that effect.

Employer's options

- **Qualification based on a threshold reduced to 75%:** the employer qualifies for retrospective ratemaking in the following situations:
 - if it qualified for retrospective ratemaking for 2022, and
 - if it reached at least 75% of the qualifying test threshold according to the following calculation:

Insurable wages paid (2021)	x	Unit rate according to risk (2021)	≥	\$270,900
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The purpose of the above test is to make it easier for an employer to continue to qualify for retrospective ratemaking.

- **Qualification based on insurable wages for the ratemaking year:** the employer qualifies for retrospective ratemaking if the threshold of the test based on the insurable wages for the ratemaking year is reached according to the following calculation:

Insurable wages paid (2023)	x	Unit rate according to risk (2023)	≥	\$312,700*
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This formula makes it possible to take into account the employer's actual situation during the ratemaking year. For 2023, qualification based on this test will be determined only in March 2024, at which time the actual insurable wages paid will be known. In the meantime, for the purpose of calculating the personalized rate for 2023, the employer will be considered as not qualifying for retrospective ratemaking.

Procedure for filing an application for qualification

An employer that wants its qualification determined on the basis of the above tests must complete the [Application for Qualification – Employer](#) and return it to the CNESST **before December 15, 2022**. From that date forward, the application is irrevocable.

2.4 Application for exemption

Employer contemplated by the application

Where an employer meets the basic test requirement, but does not want to be subject to retrospective ratemaking, it may file an application to that effect.

* This threshold could change if the maximum yearly insurable earnings change. According to current data, it should be set at \$91,000 in 2023, but it will be officially fixed by the Board of Directors in October 2022.

Employer's option

The employer may request that its qualification for retrospective ratemaking be determined on the basis of insurable wages paid in the ratemaking year.

Its ratemaking will continue to be determined according to the rules of retrospective ratemaking where the qualifying test threshold based on the insurable wages for the ratemaking year is reached according to the following calculation:

Insurable wages paid (2023)	x	Unit rate according to risk (2023)	≥	\$312,700*
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For 2023, qualification on the basis of the above test will be determined only in March 2024, at which time the actual insurable wages paid will be known. In the meantime, for the purpose of calculating the personalized ratemaking for 2023, the employer will be considered as qualifying for retrospective ratemaking.

Procedure for filing an application for exemption

The employer must complete the [Application for Exemption – Employer](#) and return it to the CNESST **before December 15, 2022**. From that date forward, the application is irrevocable.

2.5 Application for membership in a prevention mutual group

Employer contemplated by the application

An employer that passes the qualifying test but does not want to be subject to retrospective ratemaking, because it prefers to join a prevention mutual group.

Employer's option

The employer may apply to be exempt from retrospective ratemaking for 2023 in order to join a prevention mutual group, if it satisfies the following three conditions:

- it was a member of a prevention mutual group for at least three of the four years between 2019 and 2022;
- it was not subject to retrospective ratemaking for 2020, 2021 and 2022;
- the amount obtained from applying the calculation for the 2023 qualifying test is less than twice the applicable threshold.

Insurable wages paid (2021)	x	Unit rate according to risk (2021)	<	\$722,400
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Note: The employer may not take advantage of this provision for more than three (3) consecutive years.

Procedure for applying to join a prevention mutual group

The employer must complete the [Application to Join a Prevention Mutual Group by an Employer Subject to Retrospective Ratemaking – Employer](#) and return it to the CNESST **before October 1, 2022**. From that date forward, the application is irrevocable.

* This threshold could change if the maximum yearly insurable earnings change. According to current data, it should be set at \$91,000 in 2023, but it will be officially fixed by the Board of Directors in October 2022.

2.6 Qualification requirements for 2023, after December 15, 2022

Where, **after December 15, 2022**, an employer qualifies for or is subject to retrospective ratemaking, according to the basic test requirements, as a result of changes made to its statement of insurable wages or to the classification of its activities, it is deemed to have applied for an exemption from retrospective ratemaking.

Its ratemaking will continue to be determined in keeping with the rules of retrospective ratemaking, if the threshold according to the test based on insurable wages for the ratemaking year is reached, on the basis of the following calculation:

Insurable wages paid (2023)	x	Unit rate according to risk (2023)	≥	\$312,700*
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This rule does not apply to an employer that has applied to qualify for retrospective ratemaking.

2.7 Acquisition of enterprises subject to the retrospective ratemaking

Where an employer acquires all or part of an enterprise that is already subject to the retrospective ratemaking, the *Regulation respecting financing* establishes the rules applicable to the successor employer's qualification for retrospective ratemaking. Those rules apply solely to a successor employer that is not subject to the retrospective ratemaking and has not applied to qualify for retrospective ratemaking.

For the transaction year and the two subsequent years, the successor employer's qualification for retrospective ratemaking will automatically be verified by applying the qualifying test based on the insurable wages of the ratemaking year. For the transaction year, the test is applied to the period from the transaction date to December 31.

However, at the successor employer's request, the successor employer's qualification for retrospective ratemaking for the transaction year and the two subsequent years may be determined according to the basic qualifying test and by applying the insurable wages paid by the predecessor employer to workers engaged in the activities concerned by the transaction. The application must be filed before the transaction date.

2.8 Where the commencement date of the activities is after December 15, 2022

Where the employer commences its activities **after December 15, 2022** and if it wants to have the test based on insurable wages for the ratemaking year applied to it to determine its qualification for retrospective ratemaking in 2023, it must specifically apply for qualification.

Procedure for filing an application for qualification

The employer must complete the [Application for Qualification – Employer](#) and return it to the CNESST **before the commencement date of its activities**. From that date forward, the application is irrevocable.

* This threshold could change if the maximum yearly insurable earnings change. According to current data, it should be set at \$91,000 in 2023, but it will be officially fixed by the Board of Directors in October 2022.

3. Limit per claim

3.1 Limit per claim

Every year, employers that qualify or apply to qualify for retrospective ratemaking must choose a limit per claim, thereby setting the maximum amount that they are willing to assume for every injury that occurs in their enterprises. Retrospective ratemaking gives employers the opportunity to choose the limit that best suits their particular insurance needs. That amount is a multiple of the maximum yearly insurable earnings in force for the ratemaking year.

The limit selected will then be used to calculate their provisional and retrospective adjustments.

3.2 Choice of limit

Each employer may decide to assume the total cost of every injury, up to a limit calculated by applying the following formula:

Coefficient of limit (1½, 2, 2½, 3, 4, 5, 6, 7, 8 or 9)	x	Maximum yearly insurable earnings* for the ratemaking year
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The selected limit has significant financial consequences. In order to select the amount that is most appropriate for the employer's situation, it is essential that employers analyze the cost of occupational injuries that have occurred in their enterprises over the years.

3.3 Procedures for choosing a limit

Every employer must choose a limit per claim for every ratemaking year. For the 2023 ratemaking year, it must complete the [Confirmation of the Choice of Limit per Claim – Employer](#) and return it to the CNESST **before December 15, 2022**. From that date forward, the limit chosen is irrevocable.

3.4 Failure to choose a limit per claim

If an employer fails to choose a limit per claim, it will be assigned a choice as follows:

If it is part of a group for 2023:

- the employer will be assigned the choice of limit made by the group.

If it is not part of a group for 2023:

- the employer will be assigned the choice of limit that applied to it in 2022;
- where no choice of limit applied to it for 2022, the coefficient of 1½ will be used.

* The maximum yearly insurable earnings for 2023 will be fixed by the Board of Directors in October 2022. According to current data, it should be set at \$91,000.

3.5 Acquisition of enterprises subject to retrospective ratemaking

An employer that purchases an enterprise subject to retrospective ratemaking may submit a new choice of limit per claim before the transaction date, provided that it was not already subject to retrospective ratemaking, or had not applied to qualify for retrospective ratemaking.

In cases where the employer does not submit a new choice of limit:

- if only one predecessor employer is subject to retrospective ratemaking, its choice of limit per claim will be assigned to the successor employer;
- if several predecessor employers are subject to retrospective ratemaking, the choice of limit of the employer with the highest risk-related portion of the unit rate-based assessment for the year preceding the year in which the transaction occurred will be attributed to the successor employer.

3.6 Where the commencement date of the activities is after December 15, 2022

Where an employer commences its activities **after December 15, 2022** and applies to qualify for retrospective ratemaking on the basis of wages for the ratemaking year, it must complete the [Confirmation of the Choice of Limit per Claim – Employer](#) and return it to the CNESST **before the date it commences its activities**. From that date forward, the choice of limit is irrevocable.

4. Calculation of the cost of insurance

4.1 Cost of insurance

To finance the amounts exceeding the limit per claim chosen by the employer and the limit of the risk-related portion of the adjusted assessment, each employer must pay insurance costs.

4.2 Insurance premiums

The table below indicates the insurance premiums determined for the corresponding amounts of the risk-related portion of the rate-based assessment for each limit per claim offered to the employer. The table is used in calculating provisional and retrospective adjustments.

The following insurance premiums are preliminary. The definitive premiums will be fixed by the Board of Directors at its September 2022 meeting.

Insurance premiums for 2023											
Risk-related portion of the rate-based assessment	Limit per claim (multiple of maximum yearly insurable earnings)										
	1½	2	2½	3	4	5	6	7	8	9	
	(Premium expressed as a percentage of the risk-related portion of the rate-based assessment)										
12,950 and less	83.9	83.9	83.9	83.9	83.9	83.9	83.9	83.9	83.9	83.9	83.9
17,650	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5
24,200	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6
33,300	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3
45,100	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
61,350	63.3	63.3	63.3	63.3	63.3	63.3	63.3	63.3	63.3	63.3	63.3
83,000	58.6	58.6	58.6	58.6	58.6	58.6	58.6	58.6	58.6	58.6	58.6
112,500	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6
152,250	52.7	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5
206,750	50.3	46.3	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1
282,950	49.0	44.8	42.0	40.0	37.2	37.2	37.2	37.2	37.2	37.2	37.2
392,300	47.0	44.0	41.2	38.7	34.4	30.9	30.9	30.9	30.9	30.9	30.9
552,800	45.2	41.9	39.0	36.9	33.0	29.5	27.3	25.8	24.8	24.8	24.8
796,950	43.7	40.4	37.4	34.6	29.7	24.8	21.9	20.0	19.2	18.6	18.6
1,182,550	42.5	38.7	35.3	32.0	26.2	21.0	17.3	15.2	14.3	14.0	14.0
1,818,550	41.6	37.4	33.5	29.9	23.4	17.7	13.7	11.3	10.3	10.1	10.1
2,919,300	40.9	36.4	32.2	28.3	21.2	15.2	10.9	8.4	7.3	7.1	7.1
4,922,600	40.3	35.6	31.1	27.0	19.5	13.3	9.0	6.4	5.1	4.9	4.9
8,928,800	39.8	34.9	30.3	25.9	18.1	11.9	7.6	5.0	3.7	3.2	3.2
16,941,500	39.5	34.5	29.7	25.2	17.2	11.0	6.8	4.2	2.8	2.1	2.1
32,966,500 and more	39.3	34.2	29.3	24.7	16.5	10.5	6.3	3.8	2.4	1.5	1.5

4.3 Calculation of the cost of insurance

The cost of insurance is calculated as follows:

Risk-related portion of the rate-based assessment	x	Insurance premium	=	Cost of insurance
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The insurance premium is obtained by applying the following formula. The result is rounded up to the nearest hundredth.

$$D - \left[\frac{(E - B) \times (D - C)}{(A - B)} \right]$$

Where

A = the amount of the risk-related portion of the rate-based assessment of the higher range

B = the amount of the risk-related portion of the rate-based assessment of the lower range

C = the premium associated with the amount of the risk-related portion of the rate-based assessment of the higher range

D = the premium associated with the amount of the risk-related portion of the rate-based assessment of the lower range

E = the employer’s risk-related portion of the rate-based assessment

4.4 Example

In the example in section 6, the cost of insurance was calculated as follows:

$$1,521,000 \times 15.38\% = \$233,929.80$$

The premium of 15.38% was therefore calculated as follows:

$$17.3\% - \left[\frac{(1,521,000 - 1,182,550) \times (17.3\% - 13.7\%)}{(1,818,550 - 1,182,550)} \right] = 15.38\%$$

5. Calculation of the total cost of injuries after application of the limit per claim

5.1 Total cost of injuries after application of the limit per claim

At the end of a given 48-month reference period (the ratemaking year plus the three following years), the CNESST calculates the retrospective adjustment.

Calculating the total cost of claims is the most important step in determining the retrospectively adjusted assessment. It is at that stage that the employer's efforts at prevention of occupational injuries and returning injured workers to employment are reflected in concrete terms.

5.2 Determination of the cost of occupational injuries imputed to the reference period

The CNESST takes into account the cost of all occupational injuries related to the ratemaking year and imputed to the employer for that year and the following three years.

The imputation year corresponds to the period covered by the indemnities, benefits or expenses, and therefore may differ from the year in which the amounts were actually paid.

The lump sum indemnity for physical injuries is taken into account in calculating the cost of the injury, even if the amount in question has not yet been paid or if the decision awarding such payment is being contested by one of the parties, provided the initial decision covering the indemnity was rendered during the reference period.

The lump sum indemnity for death payable to the surviving spouse is taken into account in calculating the cost of the injury, even if the amount in question has not yet been paid or if the decision awarding such payment is being contested by one of the parties, provided the death occurred during the reference period.

Interest included in the indemnities is excluded from the calculation of the compensation cost.

The table below shows the imputation date associated with each type of benefit or indemnity.

Type of benefit or indemnity	Date imputed
Income replacement indemnity (IRI)	Period for which the worker is compensated
Medical assistance and rehabilitation costs	Date the service or item is provided
Death	
• Lump sum benefits payable to a minor	Date on which the child reaches the age of majority
• Other lump sum benefits	Date of the worker's death
• Monthly indemnities	Period for which indemnities are paid
• Reimbursement of various costs	Date the service or item is provided
Lump sum compensation for physical injury	Date of the initial decision granting compensation

5.3 Calculation of the compensation cost

Compensation cost

A compensation cost is determined for each injury. It is an estimate of the amount required to pay all benefits and indemnities associated with that injury.

Only the portion of the cost of benefits imputed to the employer's file is included in the calculation of the compensation cost.

For the purposes of determining the compensation cost, each injury file is classified in one of the following three categories:

- Death
- Inactive file
- Active file

Formula used to determine the compensation cost

$$\text{Compensation cost} = \left[\begin{array}{c} \text{Income replacement indemnity (IRI)} \\ + \\ \text{Medical assistance and rehabilitation costs (excluding the cost of adapting workstations)} \\ + \\ \text{Death benefits} \end{array} \right] \times \text{Compensation cost factor} + \begin{array}{c} \text{Lump sum benefits for physical injury and cost of adapting workstations} \end{array}$$

Compensation cost factor

The compensation cost factor varies depending on the kind of adjustment (provisional, second provisional, retrospective) and according to the category of the injury: death, inactive file or active file. This specifically allows for a fair apportionment of future costs among the various injury file categories.

Within the *Active file* category, it also varies depending on the number of quarters in which income replacement indemnities (IRI) were paid for the last two years of the reference period.

The factor does not apply to lump sum benefits for physical injury nor to reimbursements for adapting workstations.

Factors used to calculate the retrospective adjustment of the 2023 assessment

Injury category	Definition	Compensation cost factors
Death	Death occurring as the result of an occupational injury before the end of the fourth year	$1 + (0.150 \times C)$
Inactive file	No IRI payment for the third and fourth years	$1 + (0.100 \times C)$
Active file	IRI payment for at least one quarter in the third and fourth years	
<ul style="list-style-type: none"> Number of quarters with IRI: 		
	1	$1 + (0.275 \times C)$
	2	$1 + (0.450 \times C)$
	3	$1 + (0.625 \times C)$
	4	$1 + (0.800 \times C)$
	5	$1 + (0.975 \times C)$
	6	$1 + (1.150 \times C)$
	7	$1 + (1.325 \times C)$
	8	$1 + (1.500 \times C)$

It should be noted that, for categorization purposes, the IRI excludes wage reimbursements for time taken to attend medical appointments.

Coefficient C serves to balance the compensation cost of all injuries pertaining to the ratemaking year with that indicated on the financial statements for that year. The coefficient will be established by the CNESST when the retrospective adjustment is calculated.

5.4 Calculation of the total cost

The total cost of an injury is obtained by applying the following formula:

$\text{Total cost} = \frac{\text{Compensation cost}}{\text{cost}} \times (1 + \text{unit share}) \times \text{Factor for expenditures not charged to the employer}$

Unit share

The compensation cost of each injury is increased by a unit share corresponding to the employer's contribution to the compensation cost imputed to all employers in the same classification unit, or in several units including that of the employer, excluding the cost imputed to all employers regardless of the units in which they are classified.

The unit share will be established by the CNESST once the retrospective adjustment is calculated.

Factor for expenses not charged to the employer (FENC)

This factor has three components, making it possible to do the following:

- 1st cover financial requirements according to risk, such as administration costs, bad debts, the amounts stemming from the capitalization policy, etc.;
- 2nd apportion, among all employers subject to the retrospective ratemaking, the compensation cost that is imputed to them as a group as well as related financial requirements according to risk;
- 3rd ensure the equitable distribution of premiums or assessments between employers that are subject to retrospective ratemaking and those that are not.

The employer's FENC will be determined by the CNESST once the retrospective adjustment is calculated. For 2023, it is estimated at 1.65.

Effect of FENC components on a claim

Example: For a compensation cost of \$1,000, the total cost is \$1,650.



The effect of FENC components therefore adds \$650 to the compensation cost of the claim.

That effect will apply proportionally for every injury that occurs at the employer's establishment. Thus, for a claim with a compensation cost of \$10,000, the FENC will add \$6,500, for a total cost of \$16,500.

5.5 Calculation of the total cost after application of the limit

The total cost of an injury may not exceed the employer's limit per claim (see section 3).

The total cost of injuries for the employer is obtained by adding up the total cost of each injury after application of the limit.

5.6 Example

Calculation of the total cost of injuries after application of the limit ¹								
Claim file number	IRI, MA, costs of rehabilitation and death	Number of quarters with IRI	Compensation cost factor	Physical injury and adapting workstations	Compensation cost	Unit share ²	Total cost of injury before application of limit	Total cost of injury after application of limit ⁴
	A		B	C	(A x B) + C = D	E	D x (1+E) x 1.70 ³	
Category: death file (1 claim)								
1	\$105,000.00		1.150	\$0.00	\$120,750.00	0.00	\$199,237.50	\$199,237.50
Total	\$105,000.00			\$0.00	\$120,750.00		\$199,237.50	\$199,237.50
Category: inactive file (96 claims)								
2	\$5,000.00		1.100	\$3,000.00	\$8,500.00	0.00	\$14,025.00	\$14,025.00
3	\$1,500.00		1.100	\$0.00	\$1,650.00	0.01	\$2,749.73	\$2,749.73
4	\$250.00		1.100	\$0.00	\$275.00	0.01	\$458.29	\$458.29
5	\$22,000.00		1.100	\$5,000.00	\$29,200.00	0.00	\$48,180.00	\$48,180.00
6	\$250.00		1.100	\$0.00	\$275.00	0.00	\$453.75	\$453.75
7	\$450.00		1.100	\$0.00	\$495.00	0.10	\$898.43	\$898.43
8	\$1,000.00		1.100	\$0.00	\$1,100.00	0.10	\$1,996.50	\$1,996.50
9	\$100.00		1.100	\$0.00	\$110.00	0.00	\$181.50	\$181.50
etc.	...		1.100
Total	\$135,000.00			\$14,500.00	\$163,000.00		\$272,000.00	\$272,000.00
Category: active files (3 claims)								
98	\$40,000.00	5	1.975	\$10,000.00	\$89,000.00	0.00	\$146,850.00	\$146,850.00
99	\$25,500.00	2	1.450	\$4,000.00	\$40,975.00	0.01	\$68,284.84	\$68,284.84
100	\$190,000.00	8	2.500	\$30,000.00	\$505,000.00	0.00	\$833,250.00	\$546,000.00
Total	\$255,500.00			\$44,000.00	\$634,975.00		\$1,048,384.84	\$761,134.84
Total								
Total	\$495,500.00			\$58,500.00	\$918,725.00		\$1,519,622.34	\$1,232,372.34

1. All data and values used in this table are for illustration purposes only.
2. The unit share coefficient depends on the classification unit associated with the employer's experience file.
3. For 2023, the employer's FENC is estimated at 1.65.
4. The limit per claim chosen by the employer is equal to 6 times the maximum yearly insurable earnings (\$91,000 for 2023) or \$546,000.

6. Calculation of the retrospective adjustment

6.1 Example

After determining the total cost of claims after application of the limit, the CNESST then calculates the retrospective adjustment.

Employer's financial data	
Insurable wages	\$60,000,000
Rate-based assessment (on the issue date of the notice)	\$1,755,000
Previous assessment (rate-based)	\$1,770,000
Risk-related portion of the rate-based assessment	\$1,521,000
Revised fixed uniform rate	\$0.35
Rate for financing joint sector-based associations	\$0.040
Choice of limit	6
Retrospective adjustment on the previous notice	- \$20,000

All data and values used in this example are for illustration purposes only.

Calculation of the retrospective adjustment		
Calculation of the risk-related portion of the retrospectively adjusted assessment		
(1) Total cost of claims after application of the limit	\$1,232,372.34	See section 5 “Calculation of the total cost of injuries after application of the limit per claim” at point 5.6.
(2) Cost of insurance	<u>\$233,929.80</u>	See section 4 “Calculation of the cost of insurance” at point 4.4.
(10) Total of risk-related components	\$1,466,302.14	Total of (1) and (2)
(11) Limit (150% of the risk-related portion of the rate-based assessment)	\$2,281,500.00	\$1,521,000 x 1.5 (Note 1)
(15) Risk-related portion of the adjusted assessment	\$1,466,302.14	The lesser of (10) or (11)
Calculation of the retrospectively adjusted assessment		
(20) Costs financed according to the revised fixed uniform rate	\$210,000.00	<u>\$60,000,000 x 0.35</u> (Note 2) 100
(21) Cost of financing joint sector-based associations	<u>\$24,000.00</u>	<u>\$60,000,000 x 0.040</u> (Note 3) 100
(25) Retrospectively adjusted assessment	\$1,700,302.14	Total of (15), (20) and (21)
Calculation of the retrospective adjustment		
(30) Rate-based assessment	\$1,755,000.00	Recalculated on the issue date of the notice
(31) Retrospective adjustment shown on this notice	- \$54,697.86	Difference between (25) and (30)
(32) Retrospective adjustment shown on previous notice	- \$20,000.00	
(33) Variation between retrospective adjustments	- \$34,697.86	Difference between (31) and (32)
Calculation of the difference compared with the rate-based assessment		
(40) Re-calculated assessment	\$1,755,000.00	Taking into account the recalculated rate on the issue date of the notice
(41) Previous assessment	\$1,770,000.00	
(42) Variation between rate based assessments	- \$15,000.00	Difference between (40) and (41)
(50) Net Assessment Discrepancy	- \$49,697.86	Total of (33) and (42)

Note 1: The risk-related portion of the adjusted assessment may not exceed an amount equal to 150% of the risk-related portion of the rate-based assessment.

Note 2: An amount is fixed to cover the cost of financial requirements not distributed according to risk (prevention programs, the For a Safe Maternity Experience program, and various administrative costs). This amount, established based on the financial statements of the Fonds de la santé et de la sécurité du travail (FSST), is calculated using a fixed uniform rate for all activities under the same jurisdiction (federal or provincial).

Note 3: Joint sector-based associations provide the following services: training, information, research and advice on the prevention of industrial accidents and occupational diseases. The cost of financing such associations is assumed by employers belonging to an activity sector for which such an association has been formed.

6.2 Interest

Interest is calculated on the net assessment variation. That amount appears only on the *Assessment Notice*. Employers wishing to obtain more information should consult the publication entitled [Penalties and Interest – Employer's Guide](#) on our website or contact the Service à la grande entreprise et aux mutuelles de prévention.

7. Provisional retrospective adjustments

7.1 Provisional retrospective adjustment

The CNESST makes an initial provisional adjustment at the end of the second year of the reference period, which starts on January 1 of the ratemaking year. The adjustment takes into account the changes in compensation costs over 24 months, while focusing on the most costly injuries.

The method used to calculate the adjustment is similar to that used to calculate the retrospective adjustment.

The data

Therefore, the data that covers 24 months of the reference period, as established on January 31 of the following year. Data pertaining to the 2023 assessment will be available only on January 31, 2025.

Categorization of injuries and compensation cost factor

Once costs imputable to the employer for the first two years have been calculated, each injury file is classified in one of the following three categories. A compensation cost is associated with each injury file.

Injury category	Definition	Compensation cost factor
Death	Death occurring as the result of an occupational injury before the end of the second year	$1 + (0.300 \times A)$
Inactive file	No IRI payment for the last quarter of the second year	$1 + (0.200 \times A)$
Active file	IRI payment for the last quarter of the second year	$1 + (3.400 \times A)$

It should be noted that, for categorization purposes, the IRI excludes wage reimbursements for time taken to attend medical appointments.

Coefficient A serves to balance the compensation cost of all injuries pertaining to the ratemaking year with the cost indicated on the financial statements for that year. The coefficient will be established by the CNESST when the provisional retrospective adjustment is calculated.

7.2 Second provisional retrospective adjustment

Like to the first adjustment, this one is calculated, at the end of the third year, but only at the request of the employer.

The second provisional retrospective adjustment makes it possible to revise the employer's assessment in light of any changes in the cost of injuries between the 24th and 36th months of the reference period, while refining the estimated compensation cost of injuries.

The method used to calculate this adjustment is similar to the method used to calculate the retrospective adjustment.

The data

The data used for the second provisional adjustment cover the first 36 months of the reference period, as established on January 31 of the following year. Data pertaining to the 2023 assessment will therefore be available only on January 31, 2026.

Categorization of injuries and compensation cost factor

After the costs imputable to the employer for the first three years of the reference period are determined, each injury file will be classified in one of the following three categories. A compensation cost factor is associated with each injury file.

Injury category	Definition	Compensation cost factor
Death	Death occurred as the result of an occupational injury before the end of the third year	$1 + (0.210 \times B)$
Inactive file	No IRI payment for the third year	$1 + (0.120 \times B)$
Active file	IRI payment for the third year	$1 + (0.450 \times B)$
	<ul style="list-style-type: none">No IRI for the third and fourth quarters of the third yearIRI payment for the third or fourth quarter of the third year	$1 + (2.160 \times B)$

It should be noted that, for categorization purposes, the IRI excludes wage reimbursements for time taken to attend medical appointments.

Coefficient B serves to balance the compensation cost of all injuries pertaining to the ratemaking year with the cost indicated on the financial statements for that year. The coefficient will be established by the CNESST when the second provisional retrospective adjustment is calculated.

Applying for a second provisional adjustment

If an employer wants a second provisional adjustment to be calculated for its 2023 assessment, it must complete the [Request for a Second Provisional Adjustment](#) and return it to the CNESST **before December 15, 2025**. From that date forward, the application is irrevocable.

If an employer believes that a second provisional adjustment is not necessary, it will have to wait until the retrospective adjustment at the end of the 48-month reference period for the data pertaining to the third year of the reference period to have an impact on its assessment.

8. Bankruptcy or discontinuance of employer's operations

8.1 Bankruptcy

The *Regulation respecting financing* prescribes specific rules for calculating assessments in the case of bankruptcy.

In any given ratemaking year, where an employer goes bankrupt:

In the first 21 months of the reference period*,

- the employer is not eligible for retrospective adjustment of its assessment for that ratemaking year;
- it is assessed on the basis of the rate applicable under section 305 of the AIAOD by maintaining, for employers that qualify for a personalized rate, the adjustments applicable to the employers subject to retrospective ratemaking.

Between the 22nd and 33rd months of the reference period*,

- the retrospective adjustment is calculated at the end of the first 24 months of the period, according to the method used to calculate the first provisional retrospective adjustment of the assessment;
- if the first provisional retrospective adjustment has already been calculated, then that constitutes the final retrospective adjustment of the assessment.

Between the 34th and 45th months of the reference period*,

- the retrospective adjustment is calculated at the end of the first 36 months of the period, according to the method used to calculate the second provisional retrospective adjustment, even if the employer has not applied for one;
- if the second provisional retrospective adjustment has already been calculated, then that constitutes the final retrospective adjustment of the assessment.

After the first 45 months of the reference period*,

- the retrospective adjustment is calculated at the end of the 48-month period, if it has not already been so calculated.

* The reference period covers 48 months, commencing on January 1 of the ratemaking year.

8.2 Discontinuance of employer's operations

The *Regulation respecting financing* prescribes specific calculation rules where an employer ceases its operations.

Therefore, an employer that no longer has any workers in its employ due to the discontinuance of its operations may obtain a final calculation of its assessment. The CNESST must be submitted an application to that effect **no later than the 60th day after the date operations ceased**. From that date forward, the application is irrevocable.

In the ratemaking year where the employer ceased operations:

In the first 21 months of the reference period*,

- the retrospective adjustment corresponds to 20% of the risk-related portion of the applicable rate-based assessment.

Between the 22nd and 33rd months of the reference period*,

- the retrospective adjustment is calculated at the end of the first 24 months of the period, according to the method used to calculate the provisional retrospective adjustment of the assessment; plus an amount corresponding to 15% of the risk-related portion of the rate-based assessment.

Between the 34th and 45th months of the reference period*,

- the retrospective adjustment is calculated at the end of the first 36 months of the period, according to the method used to calculate the second provisional retrospective adjustment, even if the employer does not request a second provisional adjustment; plus an amount corresponding to 10% of the risk-related portion of the rate-based assessment.

After the first 45 months of the reference period*,

- the retrospective adjustment is calculated at the end of the 48-month period, if it has not already been so calculated.

* The reference period covers 48 months, commencing on January 1 of the ratemaking year.

9. Data made available to employers

9.1 Data made available to employers

To simplify the employer's task of choosing a limit per claim, the CNESST provides every employer with a summary statement entitled *Financial Data Used to Select the Per-Claim Limit*.

9.2 Type of data

On the statement provided by the CNESST, the various data are grouped as follows:

- Experience file:
 - classification unit corresponding to the type of activity carried on by the employer;
 - experience file number;
 - jurisdiction over activities;
 - payroll related to the file;
 - unit rate and, where applicable, personalized rate;
 - unit risk rate and, where applicable, personalized risk rate;
 - rate for financing the joint sector-based association, where applicable;
 - factor for expenditures not charged to the employer;
 - number of the establishment where the injury occurred;
 - name of the establishment where the injury occurred.

- Injury file:
 - worker's family name and first name;
 - date of injury;
 - injury file number;
 - amounts imputed (paid or committed): income replacement indemnity (IRI), medical assistance and rehabilitation expenses, death benefits, benefits for physical injury and cost of workstation adaptations. The committed amounts are marked with an asterisk;
 - quarters considered in establishing the compensation cost factor (establishing where the file is active);
 - compensation cost factor;
 - compensation cost;
 - total cost of injury.

A total is shown for each of the following headings: death files, inactive injury files, active injury files, establishments and period of application.

9.3 Period covered by the data

For the 2023 ratemaking year, the financial data cover 2016 to 2022.

To establish the compensation cost and the total cost of the injury, the compensation cost factor and the factor for expenditures not charged are those used in retrospective adjustment calculations:

- 48 months for injuries related to years 2016, 2017 and 2018;
- 36 and 24 months respectively for 2019 and 2020.

No factor applies to injury files for 2021 and 2022.

9.4 Data transmission

The employer must complete the [Request for Disclosure of Financial Information Pertaining to Injuries](#) and return it to the CNESST. There are two ways to do this:

- If the employer is registered with the CNESST's secure online service, it can complete the request online and return it electronically. Then, all the employer has to do is download the updated data file, which will greatly reduce the delivery time.
- If the employer is not registered with the CNESST's secure online service, it may complete the request available above or on the CNESST's website at cnesst.gouv.qc.ca/retrospective-forms and return it by mail or by fax. The CNESST will then send the employer the updated data in paper or electronic version.

10. Communication timetable

The retrospective adjustment process requires constant communication between the employer and the CNESST throughout the reference period and beyond in some cases.

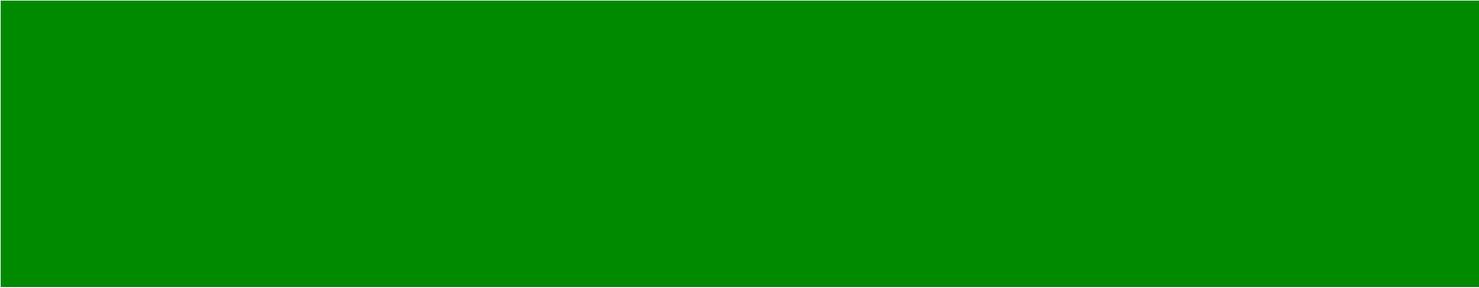
Communication	Recipient	Date of receipt
1. <i>2023 Notice of Qualification for Retrospective Ratemaking</i>	Designated representative	September 2022
2. <i>Classification Decision</i> (classification of the activities carried on by the employer for 2023 and the periodic payment rate to be used in 2023)	Employer	October 2022
3. Confirmation of the Choice of Limit per Claim – Employer for 2023	CNESST	Before December 15, 2022
4. Application for Qualification – Employer or Application for Exemption – Employer for 2023	CNESST	Before December 15, 2022
5. Remittance of periodic payments using payment slips	Revenu Québec	January to December 2023
6. <i>Statement of Wages</i> paid in 2023	CNESST	Before March 15, 2024
7. <i>Assessment Notice</i> based on insurable wages paid in 2023	Employer	March 2024
8. Provisional retrospective adjustment of the 2023 assessment		
• Detailed calculation	Designated representative	As of March 2025
• <i>Assessment Notice</i>	Employer	
9. Deadline for filing a Request for a Second Provisional Adjustment for 2023	CNESST	Before December 15, 2025
10. Second provisional retrospective adjustment of the 2023 assessment		
• Detailed calculation	Designated representative	As of March 2026, where applicable
• <i>Assessment Notice</i>	Employer	

Communication	Recipient	Date of receipt
11. Retrospective adjustment of the 2023 assessment <ul style="list-style-type: none"> • Detailed calculation • <i>Assessment Notice</i> 	Designated representative Employer	As of March 2027
12. Recalculation of the retrospective adjustment of the 2023 assessment <ul style="list-style-type: none"> • Detailed calculation • <i>Assessment Notice</i> 	Designated representative Employer	As required, three times a year (January, April and September), as soon as the retrospective adjustment has been calculated.

Schedule - Forms

These documents are available on the CNESST's website at cnesst.gouv.qc.ca/retrospective-forms.

You may also use our secure online services to complete and return the documents if you subscribe to these services. (Available in French only).



To contact us
cnesst.gouv.qc.ca
1 844 838-0808