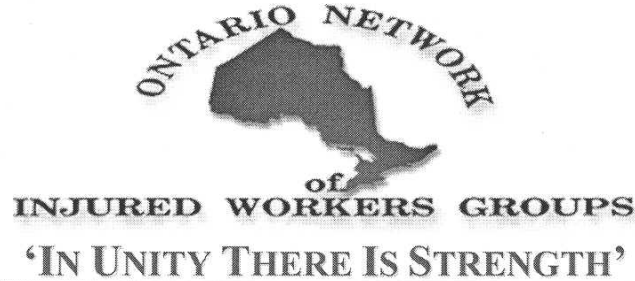


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WINNERS & LOSERS

Winners

Only injured workers have been expected to tighten their belts and get by with less. Employers have received huge cost breaks and rebates. By bringing in more than it spends, the Workplace Safety and Insurance Board (WSIB) has built up reserves of over \$14 billion and growing. WSIB staff salaries kept up with inflation and salaries over \$100,000 a year have tripled.

Average Employer Premiums 25% Lower

Employers have received a windfall benefit in the form of a 24.7% rollback in their cost for workers' compensation coverage over the past 10 years. Not coincidentally, employers' average assessments were \$2.17 in 1984, just before cost of living adjustments became 'the law' for injured workers. Employers are getting a bargain paying 1984 prices while the workers who are injured are forced to live in poverty because their compensation is not adjusted for inflation.

	Average assessment per \$100 of payroll	change from year before
2006	\$2.26	+3%
2005	\$2.19	
2004	\$2.19	
2003	\$2.19	+3%
2002	\$2.13	
2001	\$2.13	-7%
2000	\$2.29	-5.4%
1999	\$2.42	-6.6%
1998	\$2.59	-9.1%
1997	\$2.85	-5.0%
1996	<u>\$3.00</u>	

**24.7% reduction of employer cost for workers'
compensation coverage over the past 10 years**

Over \$2 Billion in Rebates to Employer

The WSIB has expanded its “experience rating” program in which employers with more lost time injuries are required to pay penalties and employers with better injury rates receive rebates. The problem is that more often than not this program pays out more in rebates than it receives in penalties, taking the extra funds out of the money collected by the WSIB for injured workers. Last year, the WSIB paid to employers all of the penalty funds plus another \$124 million out of the injured worker accident fund. The net refunds to employers (refunds paid in excess of penalties collected) under experience rating now exceeds \$2 billion from 1994 to 2005.

Net Refunds Paid by WCB/WSIB to Employer (in \$ millions)											
1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$359	\$247	\$297	\$350	\$125	\$90	\$109	\$4	\$51	\$169	\$115	\$124
Total Cost of Experience Rating Refunds Paid to Employers 1994 to 2004:										\$2.04 billion	

WSIB \$100,000+ Salaries Up 300%

The new “WSIB” has become an organization with the most highly paid civil servants earning over \$100,000 a year. The 1996 Annual Report lists 53 staff members earning more than \$100,000 a year. The 2005 Annual Report lists over 160 WSIB officials earning over \$100,000 a year. While injured workers benefits fell behind the cost of living, salaries of senior management have been more than doubled in some cases.

Overall salaries and employee benefits went up from \$337 million in 2004 to \$350 million in 2005, an increase of about 4% compared to an increase of the rate of inflation of about 2.15% for the same period.

WSIB Assets \$14,547,000,000

That’s over \$14 billion in the bank in 2005, up nearly a billion dollars from 2004 (which was \$13,643,000,000.) Most of this is invested, bringing investment income that increases the assets by more than the cost of living every year. For 2005, the WSIB Annual Report lists \$819 million net investment revenue.

Losers

Injured workers' have paid for the lavish salaries at the Board and price breaks given to employers.

Injured Workers' Cost of Living?

The Board uses a formula of $\frac{1}{2}$ the increase in the Consumer Price Index (CPI) minus an additional 1%: i.e. $\frac{1}{2}$ CPI - 1% (it was full CPI from 1985 to 1995; then $\frac{3}{4}$ CPI - 1% from 1995 to 1998, except for permanent partial disability pensioners on supplements received full CPI during those three years). A tiny minority of injuries - those rated at 100% - get the full CPI amount.

Jan. 1st	benefits up	inflation up	lost to inflation
2006	0.3%	2.3%	2.0%
2005	0.2%	2.3%	2.15%
2004	0.0%	1.6%	1.6%
2003	0.6%	3.2%	2.6%
2002	0.0%	1.9%	1.9%
2001	0.4%	2.8%	2.4%
2000	0.2%	2.4%	2.2%
1999	0.0%	1%	1%
1998	0.0%	1.5%	1.5%
1997	0.3%	1.7%	1.4%
1996	0.8%	2.4%	1.6%
Totals	2.8%	23.1%*	20.3 %

**** reduction of injured workers' benefits in 10 years***

Over the past ten years the cost of living in Ontario has increased by more than 23% according to the federal government's Consumer Price Index. Injured workers have received about 2.8% increases in compensation in that time. The value of their benefits has been decreased in purchasing power by more than 20%. [*The actual figure is higher due to the cumulative effect.]