

# **Policy Position**

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May 2015

## **Saskatchewan Workers' Compensation Board Policy Process**

### **Background**

At present, the Saskatchewan Workers' Compensation Board (WCB) does not have a system to incorporate stakeholder input into the policy process. Within the WCB a policy review is generated in one of two ways: every policy, on a rotational basis, comes up for review every three years to ensure continued validity and usefulness, or a review can be initiated by someone in the organization if it is recognized that the policy is not practical, does not reflect the legislation, or is in need of some update due to concerns expressed.

Once a review is initiated, a decision proposal is prepared, laying out the reason for the requested review, this is then forwarded to the CEO. If approved by the CEO, the proposal goes to the Board for approval to allow the drafting to go ahead. From there, the WCB policy department drafts the new policy with input from the business unit charged with implementation.<sup>1</sup> Once in draft form, the policy is circulated internally to other department heads for comment. Any necessary changes are made and the draft is forwarded to the sponsoring executive for approval and, upon approval, it is forwarded to the CEO. If approved by the CEO, the policy is sent to the Board for review and approval. Once approved by the Board, the policy is forwarded to the policy department to finalize, post in the policy manual and notify staff of the policy change.”<sup>2</sup>

### **Issue**

As outlined in the background information, the WCB policy development process lacks a mechanism to gather stakeholder feedback on the policies that are being created. The flaw of this process was highlighted with the approval of the WCB policy called “Coverage – Directors” (Policy 14-2014). This is a new policy that provides mandatory coverage for all directors carried on payroll (i.e. anyone reporting employment income on a Canada Revenue Agency T4 income tax slip) who are actively participating in the day-to-day operation of the business. Previously, members of a company’s Board of Directors who collected compensation for their time were not always classified as an employee for WCB purposes.

The WCB instituted this new policy without any stakeholder notice or opportunity for feedback from those being impacted. More concerning however, this policy was implemented despite the fact that the WCB had no idea how many businesses it would impact, or how much it would cost those impacted businesses. Further to this, there will be no evaluation of the post-policy impact

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<sup>1</sup> Smith, Karen. "Saskatchewan Workers' Compensation Board ." *WCB Employer Representative Report March 2015* (2015).

<sup>2</sup> Ibid.,

because the WCB has no way to check the costs because the premium increase from the inclusion of directors will be lumped in with other premium increases.

While the “Coverage – Directors” policy provides a recent example of this issue, it is not a new concern. The 2010 Committee of Review also recommended that changes be made to the policy review process. Specifically, “certainly proposed policy changes should be put on the WCB website... Copies of all suggested changes should be sent directly by email or other means to WCB’s stakeholder lists. If needed, direct contact could be made with larger union and employer groups to obtain feedback.”<sup>3</sup>

WCB policy changes should not be made in a vacuum. Employers and workers are directly affected by these changes and ignoring them in the policy development process hinders the ability of the WCB to create the best system possible.

### **Saskatchewan Chamber of Commerce Recommendation**

1) That the Saskatchewan Workers’ Compensation Board be required to seek meaningful stakeholder input before finalizing any changes in policy.

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<sup>3</sup> Saskatchewan Workers’ Compensation Act Committee of Review. *Workers’ Compensation Act Committee of Review Final Report 2011*. 2011. <http://www.wcsask.com/wp-content/uploads/2013/10/committee-of-review-final-report-2011.pdf>. 29 04 2015.