

Who paid for the WCB's "Unfunded Liability" in the Harris Years?

If you wonder why the discourse about the WSIB's "unfunded liability" worries injured workers, just look at the recent history of this "debate". The last time we had it, injured workers paid, while employers "enjoyed".

Workers' paid

The Jackson report (June 1996) shows the projected cuts to injured workers that were proposed and passed by Mike Harris' Government. These cuts were an affront to the principle of justice for injured workers.

The Harris cuts were structured each to amount to:

Cost of living cuts	= \$9.3 billion
Reduction of compensation from 90 to 85% of net	= \$3.1 billion
50% reduction to injured workers' retirement income	= \$1.4 billion

*Source: New Directions for Workers' Compensation Reform / Cam Jackson. (1996)
p. 52: Financial Impact of New Directions.*

Employers "enjoyed"

The chart (right) shows that employers paid less into the WC system while workers paid. It is reproduced from the 2009 Auditor General's Unfunded Liability report. Had Mike Harris not reduced the money employers paid into the system (to pay injured workers fairly and to protect themselves from lawsuits) today the "unfunded liability would be relatively small.

**Had the rates remained at 1991 levels,
there would be no "unfunded liability at all!**

**Figure 5: WSIB Average Premium Rates, 1991-2009
(\$ per \$ 100 of Insurable Payroll)**

Source of data: Ontario Workplace Safety and Insurance Board

	Rate
1991	3.20
1992	3.16
1993	2.95
1994	3.01
1995	3.00
1996	3.00
1997	2.85
1998	2.59
1999	2.42
2000	2.29
2001	2.13
2002	2.13
2004	2.19
2005	2.19
2006	2.26
2007	2.26
2008	2.26
2009	2.26

Injured workers know history. They know the unfunded liability is not a debt, as the WSIB has approximately \$15 billion in the bank. If the Auditor General, Premier McGuinty and the WSIB want to improve the funding ratio, who do you think they should asking to pay now?