

**Alberta WCB
Policies &
Information**

Chapter:

PRICING

Subject:

EXPERIENCE RECORDS

Authorization:

BoD Resolution 2005/09/31

Date:

October 27, 2005

APPLICATION 3: PARTNERSHIPS IN INJURY REDUCTION (PIR)

1. *What is Partnerships in Injury Reduction (PIR)?*

Partnerships in Injury Reduction (PIR) is a voluntary program that operates through the combined efforts of WCB, the Alberta Government*, industry partners, safety associations, and labour groups. PIR uses premium incentives with the aim of minimizing workplace injuries and the losses attributable to them. PIR is also a component of the Alberta Government’s “Partnerships” initiative. This initiative is based on the premise that when employers and workers build effective health and safety programs, the human and financial costs of workplace injuries and illnesses can be reduced.

*Through the Minister responsible as defined in s.1(1)(r) of the WCA and the associated Ministry.

2. *Who can participate in PIR?*

All employers are eligible to participate in PIR. As the program is voluntary, an application is necessary.

Employers have the option to withdraw from the program at any time.

3. *How does Partnerships in Injury Reduction (PIR) work?*

PIR offers a premium-rate discount and encourages employers to develop health, safety, and disability management programs. Employers can earn up to 20% in premium discounts through:

- Achieving or maintaining a Certificate of Recognition,
- and**
- Improving Your Performance, or
- Maintaining Industry Leadership.

WCB awards a premium discount based on the highest of the three incentive opportunities, to a maximum discount of 20%. Employers must have their Certificate of Recognition to be eligible to receive a discount.

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4. *What is a Certificate of Recognition (COR)?*

A COR is a certificate issued to employers who have successfully implemented a basic workplace health and safety management system. This system must meet the minimum requirements set by the Alberta Government.

5. *How are PIR refunds calculated?*

Discounts are calculated as follows:

Certificate of Recognition

Employers who achieve their COR are eligible for a 10% discount in the first year and a 5% discount for any subsequent year. Employers may qualify for a higher discount through the “Improving Your Performance” or “Maintaining Industry Leadership” measures.

Improving Your Performance

The Improving Your Performance measure compares an employer’s current and historical performance. Claim costs from three years are used to measure success in both preventing injuries and managing claims that occur:

- claim costs paid in the measurement year for claims occurring in the measurement year and two years prior
- are compared to**
- claim costs paid in the previous year for claims occurring in that year and two years prior

For example, in the measurement year 2000, claim costs paid in 2000 for claims occurring in 1998–2000 are compared to claim costs paid in 1999 for claims occurring in 1997–1999.

Employers earn a discount of 1% for every 1% improvement in their performance, up to a maximum of 20%.

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*Maintaining Industry
Leadership*

The Maintaining Industry Leadership measure compares an individual employer’s claims experience to the industry average for the same period.

Comparisons are made for two consecutive three-year periods:

- current-year ratio - the measurement year and two years prior
- prior-year ratio - the previous year and two years prior

For example, in the measurement year 2000, the current-year ratio will include claims experience from 1998–2000. The prior-year ratio will include claims experience from 1997–1999.

Both the current-year and prior-year ratios must be 50% or better to qualify for a premium discount.

6. *What claim costs are measured in PIR?*

All costs charged to an employer’s experience record for claims that occurred during the experience period are used to determine the premium discount, except for the following:

- costs transacted outside the experience period (experience periods are defined for each measure)
- costs of no-time-loss claims when the total individual claim cost is less than the amount prescribed by WCB; the amount will be reviewed periodically and shared with the Board of Directors

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Claim costs (continued)

- costs relieved from an employer’s experience record (see Policy 05-02, *Cost Relief*)
- costs exceeding the employer’s Maximum Per Claim Cost (MPCC)*
- costs exceeding the Maximum Per Incident Cost (MPIC)*

*See Application 2, Question 7

7. *What if an employer has more than one WCB account or operates in more than one industry?*

Employers who have more than one account or who operate in more than one industry have the option of having the accounts/industries measured together or separately. If the accounts and/or industries are measured together, insurable earnings and claim costs are pooled together and a PIR discount is calculated based on the collective performance of all the accounts/industries.

8. *What limitations are there?*

After all premium-pricing discounts, including PIR, are applied, the net premium paid cannot be less than the greater of:

- 40% of the industry base premium (the employer’s premium using the industry base premium rate)
- or
- the annual minimum premium established by WCB

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9. *When may participating employers become ineligible for refunds?* Employers must comply with the *WCA* and the *Alberta Occupational Health & Safety Act*. If an employer violates either Act, WCB may terminate the employer's participation in the PIR program and collect previously awarded discounts.
- Employers also become ineligible for refunds if they withdraw from the program before the end of the measurement year.
10. *Is there any flexibility to increase the maximum discounts?* Employers and industries may choose to set more aggressive targets for performance or program requirements to earn larger discounts. WCB and the Alberta Government will work with employers who choose this option to develop customized programs. Additional funding required for these discounts is raised through special levies on the affected employers or industries.
11. *When is this policy application effective?* This policy application [Application 3 – Partnerships in Injury Reduction (PIR)] is effective October 27, 2005, except when noted otherwise in a specific policy section(s).

Previous versions

- [Policy 0702 Part II - June 2014](#)
- [Policy 0702 Part II - January 2010](#)
- [Policy 0702 Part II - October 2005](#)
- [Policy 0702 Part II - January 2004](#)
- [Policy 0702 Part II - June 2001](#)
- [Policy 0702 Part II - December 2000](#)
- [Policy 0702 Part II - January 2000](#)
- [Policy 0702 Part II - March 1999](#)
- [Policy 0702 Part II \(consolidated manual 1st Issue\) - June 1998](#)