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WSIB Announces UFL Eliminated, 2019 Rates at AGM

At its AGM on September 26th, the WSIB announced that its unfunded liability (UFL) has been eliminated and made public the 2019 premium rates.

The elimination of the UFL has made significant rate reductions possible. Here are the facts:

- The average premium rate reduction for 2019 across all Schedule 1 employers is 29.8%
- The average premium rate decrease for Schedule 1 employers went from \$2.35 per every \$100 of payroll in 2018 to \$1.65 in 2019
- The maximum earnings ceiling increased from 490,300 in 2018 to \$92,600 in 2019
- All but 7 Rate Groups received reductions; 2019 rates for those seven Rate Groups will remain the same as in 2018
- Decreases for construction Rate Groups ranged from 30.6% to 48%

For your Rate Group's 2019 premium rate click on the following link: <https://goo.gl/rFyLSk>

Membership Fees Task Force Recommendations Approved by COCA Board

About a year ago, it came to light that, for various reasons, the amounts of membership fees paid to COCA by member associations had fallen out of alignment with their relative sizes. Some smaller associations were paying membership fees in amounts that were greater than some larger ones. The misalignment of fees was most evident among our provincial trade association members. So, at that time, the Board of Directors struck a Membership Fees Task Force to review COCA's membership fee structure and to make recommendations wherever deemed necessary, back to the board. The Task Force met many times by teleconference over the past twelve months and presented its final report and recommendations to the COCA Board of Directors on September 26th.

The Task Force observed that COCA has two types of member associations:

- **Member-Based Associations:** Associations whose primary source of revenue is membership fees; for these associations, mostly local mixed trade associations (LCAs) but not limited to LCAs, the Task Force recommended that membership fees should continue to be assessed based on associations' number of members; a sliding scale was developed
- **Hours-Based Associations:** Associations that serve as the employer bargaining agent in collective bargaining for a trade and whose primary source of revenue is derived from the number of hours worked by the tradespeople in the association's trade under their collective agreement; these generally referred to as provincial trade associations.

For Member-Based Associations, it was recommended that:

- A "member" is a corporation, partnership, sole proprietorship, individual or any other form of business enterprise that pays a membership fee to the association and has the right to vote at a membership meeting
- Member-based associations will be asked to report their number of members as at August 31 for the purposes of calculation of membership fees for the following membership year.

For Hours-Based Associations it was recommended:

- All hours-based associations operating in the ICI sector serve as the employer bargaining agents for their trades. In this capacity, they are required to report the number of hours worked by the tradespeople in their trades, either directly or indirectly through their benefits administrators, to the Ontario Construction Secretariat
- All hours-based associations will be asked to report to COCA the number of hours that have been worked and reported for their trades, either directly or indirectly through their benefits administrators, to the Ontario Construction Secretariat for

the last reported year.

- The number of hours reported is the number of hours worked by all tradespeople working under the collective agreement
- A sliding scale of man hours was developed.

The Task Force further recommended:

- that the minimum fee for all member associations, regardless of type or size, should be \$5,000
- that the membership fee for Associate Members remain at \$5,000
- that a Membership Fees Committee be struck to, among other duties, review membership fees annually
- that there be a three year phase-in period for smaller associations experiencing more significant increases
- that only the new fee schedule be used to calculate membership fees and that the option to elect a 2% fee increase (which, to some degree, is responsible for the fees misalignment) be abandoned
- former COCA members applying to re-join cannot take advantage of the new member phase-in of membership fees

After a very thoughtful discussion and some minor amendments, the Board of Directors approved the recommendations made by the Membership Fees Task Force as outlined above.

Bill 36 Changes Ontario's Cannabis Laws

On September 27th Attorney General Caroline Mulroney introduced Bill 36, Cannabis Statute Law Amendment Act, 2018.

If passed, Bill 36 will amend various statutes including the following: Cannabis Act 2017 (renames it the Cannabis Control Act 2018); Cannabis Retail Corporation Act 2017; Liquor Control Act; Smoke-Free Ontario Act 2017; Highway Traffic Act

The most consequential changes for employers include the following:

- recreational cannabis and medical cannabis will be treated the same under the Smoke-Free Ontario Act, 2017
- the Bill prohibits smoking of cannabis, whether recreational or medical, in enclosed workplaces, enclosed public spaces and designated buildings (some exemptions apply)
- It permits smoking cannabis wherever tobacco smoking or e-cigarette use is permitted

- It prohibits consuming cannabis in vehicles and boats by drivers and passengers
- the definition of cannabis is amended to conform with the definition in the federal legislation

Other interesting features:

- the government will not place a cap on the number of retail outlets
- the Alcohol and Gaming Commission of Ontario (AGCO) will serve as the regulator responsible for establishing rules and licensing retail outlets
- there will be a distance buffer between schools and playgrounds and cannabis retail outlets
- municipalities have until January 22, 2019, to opt out and make their jurisdictions free of licensed cannabis retail outlets
- unlicensed retail outlets selling cannabis after October 17, 2018, will not be able to receive a license to sell cannabis in Ontario

Employers should seek expert advice to ensure they understand their obligations and to update their workplace policies.

Government Forms Select Committee on Financial Transparency

Our new government has announced the formation of a Select Committee of the Legislature on Financial Transparency to review the former government's terrible mismanagement of the provincial finances.

The Committee will be comprised of six Government MPPs and three Opposition MPPs, no Liberals. The PCs are Lindsey Park (Durham), Robin Martin (Eglinton-Lawrence), Doug Downey (Barrie-Springwater-Oro Medonte), Roman Baber (York Centre), Prabmeet Sarkaria (Brampton South) – all newcomers to the Legislature with no experience under the former Liberal government – and Ross Romanow (Sault Ste Marie) who was elected in a bye-election in 2017.

It will no doubt confirm what we already know from the Auditor General, from the new government's Independent Financial Commission and from its line-by-line audit, that the deficit was understated, that the province's debt is enormous, that the debt to GDP ratio has ballooned, that we're on the brink of economic disaster, that sacrifice will be required by all if we're going to right the ship. This is the all too familiar tale of woe of every new government that has made fulsome promises during an election campaign that it couldn't fulfil.