

2021 ANNUAL REPORT



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The Meredith Principles

The Meredith Principles can be expressed in different ways. However, five basic concepts underlie most workers' compensation legislation in Canada today. These principles are a historic compromise in which employers fund the workers' compensation system and, in turn, injured workers surrender their right to sue their employer for the injury.

The following principles are the foundation upon which Canadian workers' compensation legislation is built:

- 1. No-fault compensation:** Workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
- 2. Security of benefits:** A fund is established to guarantee funds exist to pay benefits.
- 3. Collective liability:** Covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.
- 4. Independent administration:** The organizations that administer workers' compensation insurance are separate from government.
- 5. Exclusive jurisdiction:** Only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.



Our vision

We eliminate injuries and restore abilities.

Our mission

We will be a customer-centric organization that continuously seeks to add value for our customers through a culture of continuous process improvement.



Letters of transmittal

The Honourable Russell B. Mirasty
Lieutenant-Governor, Province of Saskatchewan

May it please Your Honour:
I respectfully submit the annual report of the Workers' Compensation Board for the calendar year 2021.



The Honourable Don Morgan, Queen's Counsel
Minister Responsible for the Workers' Compensation Board

A handwritten signature in black ink that reads "Don Morgan". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

The Lieutenant-Governor in Council

We are pleased to submit the 92nd annual report of the Workers' Compensation Board for the year ended Dec. 31, 2021.

Respectfully submitted,

A handwritten signature in black ink that reads "Gord Dobrowolsky". The signature is written in a cursive style with some loops and flourishes.

Gord Dobrowolsky
Chairperson

A handwritten signature in black ink that reads "L. Flowers". The signature is written in a cursive style with a large, prominent initial "L".

Larry Flowers
Board Member

A handwritten signature in black ink that reads "Garry Hamblin". The signature is written in a cursive style with a large, prominent initial "G".

Garry Hamblin
Board Member



Year at a glance

	2021	2020	2019	2018	2017
Number of workers covered ¹	392,813	402,306	433,622	410,600	423,527
Time Loss injury rate (per 100 workers) ²	2.03	1.78	1.86	1.99	1.86
Total injury rate (per 100 workers) ³	4.56	4.46	4.95	5.44	5.25
Number of claims reported	25,751	23,746	28,865	29,140	28,952
Number of No Time Loss claims accepted ³	9,918	10,788	13,415	14,192	14,342
Number of Time Loss claims accepted ³	7,963	7,134	8,036	8,151	7,888
Fatal claims accepted					
Registered in current year	18	22	22	28	17
Registered in prior year	11	12	14	19	10
Self-insured	2	0	0	1	0
Total	31	34	36	48	27
Average durations in days ⁴	40.24	45.27	41.52	41.89	40.16
Active employer accounts ⁵	48,147	48,070	49,297	49,598	48,630
Average premium rate (\$ per \$100 of assessable earnings)	1.17	1.17	1.17	1.19	1.24
Maximum assessable wage (\$)	91,100	88,906	88,314	82,627	76,086
Number of appeals registered					
Appeals department	1,017	1,169	1,144	1,165	1,143
Board level	231	273	234	287	301
Claim costs (\$ millions)	336.2	319.6	281.0	278.2	230.2
Premium revenue (\$ millions)	259.5	255.6	267.2	256.5	255.2
Investment income (\$ millions)	254.1	77.4	277.1	(41.6)	175.8
Benefits liabilities (\$ millions)	1,515.7	1,420.4	1,328.1	1,280.9	1,228.4
Funded position (\$ millions)					
Injury fund	549.4	479.6	567.3	399.8	555.0
Reserves	45.5	42.6	39.8	38.4	36.9
Funding percentage ⁶	107.6	112.4	115.1	115.2	117.8

¹ Full-time equivalent (FTE) workers based on Statistics Canada average wage and WCB payroll information as of Dec. 31. Does not include workers for self-insured employers.

² Time Loss injury rate includes Time Loss + fatalities in 2020 and 2021.

³ Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers. Beginning in 2019, current year fatalities are included in injury rates. As of 2020, cancelled claims (claims created in error) are excluded.

⁴ Average days on compensation based on all Time Loss claims paid within a 12-month period.

⁵ "Active employers" excludes employers whose assessment accounts were closed during the year.

⁶ The calculation of funding percentage excludes the unrealized gains and losses on investments in the injury fund.



Comparison with Canadian WCBs

The Workers' Compensation Board (WCB) is a member of the Association of Workers' Compensation Boards of Canada (AWCBC), a national non-profit organization represented by the workers' compensation board or commission from each of Canada's provinces and territories.

Through the AWCBC, the chief financial officers of the Canadian boards and commissions develop financial and statistical indicators to describe the workers' compensation insurance system in Canada overall and provide comparisons across jurisdictions.

The following comparisons are based on 2020 data (the most recent data available). View the complete report on the AWCBC's website at awcbc.org.

	Alta.	B.C.	Man.	N.B.	N.L.	N.S.	N.W.T. / Nvt.	Ont.	P.E.I.	Que.	Sask.	Yukon
Admin cost per Time Loss claim ¹	\$7,203	\$7,030	\$7,043	\$11,278	\$11,286	\$10,771	\$37,926	\$16,726	\$7,631	\$4,706	\$8,284	N/A
Admin cost per \$100 assessable payroll	\$0.21	\$0.31	\$0.36	\$0.34	\$0.40	\$0.43	\$0.91	\$0.38	\$0.29	\$0.23	\$0.29	\$0.74
Average calendar days from injury to first payment issued	29.80	28.90	20.60	39.05	32.16	39.00	28.83	36.07	35.88	N/A	32.38	27.58
Average calendar days from registration of claim to first payment issued	24.40	21.50	13.90	25.94	24.14	32.00	23.81	24.67	28.14	N/A	27.30	24.48
Injury rate per 100 workers of assessable employers ²	1.66	2.14	2.55	1.27	1.49	1.57	1.84	1.14	1.20	2.08	1.90	N/A
Average composite duration of claim (in days)	108.24	94.50	35.14	86.00	183.85	177.91	84.86	N/A	67.61	N/A	65.23	30.61

¹ The WCB and AWCBC use different criteria when counting Time Loss claims for this key statistical measure. The AWCBC counts claims with the same injury and registration year as of March 31 of the following year. The WCB counts Time Loss claims registered and accepted in the year, regardless of the injury date. The AWCBC includes claims that receive a permanent functional impairment award with or without any time lost, while the WCB only includes claims with time lost.

² AWCBC statistics are based on accepted national definitions and may not be the same as statistics published in WCB annual reports. The definition of this measure is the number of new Time Loss claims per 100 covered workers.



Message from the board

Despite challenges related to the COVID-19 pandemic, the Workers' Compensation Board (WCB) continued to advance its strategic initiatives. Our staff, board and leadership team worked to meet the evolving needs of our customers and partners while ensuring we could operate safely and effectively under the new work conditions.

We implemented several measures designed to soften the impact of the pandemic on Saskatchewan's workers and its 48,147 employers covered by the WCB. This included providing more than \$6.1 million in 2020 and 2021 in cost relief related to claims from the COVID-19 pandemic. We've extended this cost relief to June 2022.

For the second year in a row, we held employer premium rates at \$1.17 when the required rate was \$1.23, providing employers an additional \$13 million in financial relief.

While we dealt with the myriad challenges COVID-19 presented, we also moved forward a major corporate initiative, the Business Transformation Program. We recognize that our customers' needs and expectations are changing. We appointed a full-time vice-president who will work with all levels of the business to adapt our processes, technologies and systems, and ultimately deliver improved service to our customers.

Even though the pandemic changed many of the conditions under which we operate, our commitment to our vision and mission did not change. We continue to be a customer-centric organization that continuously seeks to add value for our customers through a culture of continuous process improvement. Our commitment to financial stewardship did not change either. The WCB remains fully funded, which enables us to maintain support for injured workers and employers. No matter what we do, we can never put benefits at risk.

As a board, it is our role to determine the strategic direction and support the actions of our leadership, while at the same time holding them accountable. The same holds true for our long-standing partners whose work we highly value. Our observance of the Meredith Principles, on which our compensation system is founded, guides our decision-making and strategic direction on behalf of the people we serve.

Throughout this unprecedented year, the board ensured strong governance by reviewing policy and managing the Board Appeal Tribunal, a customer appeal and adjudication function, in accordance with *The Workers' Compensation Act, 2013* (the Act). In 2021, the tribunal conducted 109 hearings and issued 220 decisions. In our ongoing efforts to continuously improve services, work is under way to further improve appeal wait times.

As board members, we administered the policy review process, which forms the basis of decisions made under the Act. As an oversight body, the board also closely monitored risk factors through our enterprise risk management system. With the appointment of a new chief technology officer and vice-president of business intelligence in 2020, we intensified our efforts in 2021 by mitigating IT-related risks. We began redesigning and restructuring IT services with special emphasis on cybersecurity and business continuity, shoring up against external threats and bolstering our potential to respond to these threats.

Our Total injury rate in 2021 was 4.56, compared to 4.46 in 2020, which is a slight increase. However, from 2009 to 2021, our Total injury rate has decreased by 51.1 per cent thanks to the health and safety efforts of workers, employers and partners across the province. Through these efforts, 90 per cent of Saskatchewan employers in 2021 reported zero injuries. By working together, we can keep everyone safe at work and achieve our goal of zero workplace injuries.

We encourage all organizations to adapt the familiar phrase "on time and on budget" to "on time, on budget, with no injuries." We believe that adding these last three words covers every measure of success by including the health and safety of all workers.

The WCB covered 392,813 full-time equivalent (FTE) workers in Saskatchewan in 2021. Sadly, 31 Saskatchewan workers died due to workplace injuries and illnesses last year, and 25,751 claims were reported,



of which 17,899 were accepted. The WCB accepted 1,035 COVID-19 claims for 2021. These numbers are a sombre reminder of the important work being done as part of our three-year Fatalities and Serious Injuries Strategy, which will be extended for another five years starting in 2022.

One initiative within this strategy included the launch of a Psychological Health and Safety Resource Centre to help employers create or enhance their own mental health programs in their workplaces. These resources will help employers protect the mental health and safety of their workers. We are in the third year of our partnership with registered psychologist Dr. Joti Samra. We continue developing a long-term psychological health and safety strategy.

A special thank you to WCB board members Garry Hamblin, who brings forward the viewpoints of workers, and Larry Flowers, who represents the perspectives of employers. The structure of the board will change in 2022 with the addition of two new part-time board members.

Finally, we offer our sincere thanks to the leadership team and staff at the WCB for their commitment to serving the workers and employers of our province. Our ability to collectively rise above and turn the challenges we faced into opportunities is inspiring. It has positioned us well to serve our customers in 2022 and beyond, while helping us to move closer each year to meeting our corporate vision of eliminating injuries and restoring abilities.



Gord Dobrowolsky
Chairperson



Larry Flowers
Board Member



Garry Hamblin
Board Member



The WCB's structure, mandate and role

The WCB is an independent board that is legislated to administer Saskatchewan's no-fault workplace insurance system under *The Workers' Compensation Act, 2013* (the Act), which came into force on Jan. 1, 2014. The WCB follows the Meredith Principles, and the Act establishes the legislative framework within which employers in industries covered by the Act pay premiums to the board to provide guaranteed benefits and programs to injured workers. In exchange, covered employers are protected from lawsuits related to workplace injuries. Those employers are required to register with the WCB and pay invoiced premiums based on employer payrolls, subject to adjustments that reflect injury frequency and costs. The premiums paid by these employers and income from investments fully fund the work of the WCB.

In 2021, 48,147 firms with 392,813 FTE workers were registered with the WCB. In that year, the WCB accepted 17,899¹ injury claims, which included 7,963 Time Loss injuries. Time Loss injuries are those that keep the worker away from work beyond the day of the injury. In 2021, \$336 million in claim costs were incurred to provide benefits and programs to injured workers.

Board structure

Although the structure of the board will change in 2022, in 2021, the board consisted of three full-time members — a chairperson and two board members — who are all appointed by the provincial government. One board member is appointed to bring the viewpoint of workers to the board and one is appointed to bring the viewpoint of employers. Those members are selected from lists submitted by labour and employer organizations, respectively.

The WCB's chairperson, **Gord Dobrowolsky**, was appointed in 2013. Hailing from Prince Albert, Gord obtained his bachelor of education from the University of Saskatchewan and taught for five years before going into business. He operated Delta Management Ltd., a public relations and marketing company, for six years, and spent 14 years in the cellphone industry, during which he earned SaskTel's Top Dealer award nine times. Gord has extensive board experience, having served as the vice-chair of the Saskatchewan Liquor and Gaming Authority, as a member of the Saskatchewan Executive Council for six years, and as the chairperson of the Prince Albert Parkland Health Region for four years.

In addition to pursuing ongoing director and adjudication training, Gord completed his certificate in adjudication for administrative agencies, boards and tribunals at the Osgoode Hall Law School of York University, and received his professional director designation from the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan. He recently completed further board oversight training. Gord volunteered on the board of the Victoria Hospital Foundation in Prince Albert for six years. He is currently a member of the Prince Albert and District Chamber of Commerce, the Prince Albert Elks Lodge and the Prince Albert Wildlife Federation, and is a supporter of the Special Olympics. In 2014, *SaskBusiness* magazine named him one of Saskatchewan's Men of Influence and, in 2015, he was named to the Wall of Honour by the College of Education at the University of Saskatchewan.

Garry Hamblin was appointed as the WCB worker representative in 2015. Garry, who is from Saskatoon, has a Canadian Insurance Professional designation and worked for 27 years at Saskatchewan Government Insurance (SGI). Over the course of his career, Garry participated in hundreds of mediations and appeals within SGI's no-fault system. He has brought to the board his extensive knowledge of the insurance industry, and his experience in helping people access benefit entitlements and understand legislation and policies relevant to their unique situations. He is a past president of the Canadian Office and Professional Employees Union Local 397, and is a board member of Conflict Resolution Saskatchewan.

¹ Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.

Garry received his certificate in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University in 2016 and, in 2017, he completed the ICD-Rotman Directors Education Program. He recently completed training in audit committee oversight. He continues to pursue ongoing governance, labour law and adjudication training.

Larry Flowers, who is also from Saskatoon, was appointed as the WCB employer representative in 2015. Larry brings strong and varied business experience to the board that includes work in the agriculture, manufacturing, mining, finance and non-profit sectors. Since 1989, Larry has worked as an internal and external business strategist, implementing strategic human resources, training, safety and business solutions.

Larry has a bachelor of education and a business administration certificate from the University of Saskatchewan. He holds a certificate in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University and has also completed the ICD-Rotman Directors Education Program. He recently obtained his master's degree in adult education from St. Francis Xavier University while also pursuing ongoing training relevant to his governance and appeal responsibilities on the board, including training in audit committee effectiveness. He is also taking courses to obtain his certificate in tribunal administrative justice. Larry has a Chartered Professional in Human Resources (CPHR) designation and is a member of CPHR Saskatchewan, where he has served on the professional development committee. He has also served on the governance committee of the Saskatoon Industry Education Council board, and has held several other volunteer board positions. Larry has chaired the Saskatchewan Mining Association's human resources committee and was a member of the International Mining Innovation Institute's Education and Training Panel, as well as Saskatchewan Polytechnic's Mining Engineering Technologist Advisory Panel.

Board mandate and responsibilities

The board recognizes that a strong governance framework is necessary to ensure that the WCB fulfils its responsibilities to workers and employers in the most effective manner.

The board members ensure a strong governance framework for the WCB by:

1. Providing strategic direction to the WCB's leadership to ensure the delivery of high-quality services to workers and employers, and the protection of the public interest.
2. Appointing a chief executive officer (CEO), who is to be the WCB's chief administrative officer.
3. Providing effective oversight of the WCB's financial and operational performance, both directly and through their roles on the audit and investment committees.
4. Performing their appeals and adjudicative functions in accordance with the Act, regulations and other applicable laws.
5. Approving policies through which the organization's objectives can be accomplished.
6. Overseeing enterprise risk management.
7. Effectively engaging with customers and partners.

The chairperson and board members also provide oversight through regular reviews of the WCB's strategic direction and True North objectives, and by reviewing regular reports provided by the WCB on its financial and operational performance.

In addition to their governance responsibilities, the board members also serve on the Board Appeal Tribunal (the tribunal), which is one of the highest levels of appeal within the WCB for workers or employers dissatisfied with decisions impacting their claims or accounts. They fulfil their responsibilities on the tribunal by conducting a thorough review of applications that come before it, and ensuring that processes are in place to provide decisions



that are clear, well-reasoned and in accordance with the rules of natural justice.

In 2021, the tribunal received 231 appeals and issued 220 decisions, which included 19 non-appeal applications (for barring of lawsuits, orders for collection of overpayment and Medical Review Panels). Throughout 2021, the tribunal continued to offer modified hearing options to appellants to protect against COVID-19 risks. These options included hearings by teleconference and secure video-enabled hearings. Despite those additional challenges, the tribunal conducted 109 hearings.

The board members have indicated that their direct involvement in the appeals process as tribunal members gives them special insight into the effectiveness of the WCB's policies, and greatly assists them in performing their role in the oversight of the WCB.

Board members are required to maintain skills and knowledge appropriate to their responsibilities. This begins with a comprehensive orientation that covers matters such as the WCB's governance framework and policy, strategy development and deployment, operations, policy development, the tribunal, employer services, claims management, and the investment and audit committees. A review of the orientation manual occurs annually and whenever a legislative change arises that could impact the board's work. This ensures that current training materials are readily available in the event of any change in the board's membership.

The board members' training continues with professional development offered by organizations such as the Foundation of Administrative Justice, the Institute of Corporate Directors, the Council of Canadian Administrative Tribunals, the Saskatchewan Administrative Tribunals Association and various industry and educational conferences and courses. All board members maintain their knowledge and skills through ongoing professional development through organizations like the Institute of Corporate Directors and specific education related to their board committee work.

A governance framework that defines accountability

Since 2019, the board has undertaken annual, or more frequent, reviews of its governance policy and other key governance documents because the board members recognize the importance of a clearly defined governance framework that supports their accountability as stewards of the workers' compensation system. In support of that review process, the board tasked the CEO and senior leadership with conducting their own assessment of the governance policy, committee structures and governance processes, and providing feedback to the board as part of its annual governance review. In 2021, the board also completed its annual review of the board members' code of conduct and its orientation and education plan. Each year, the board also establishes a plan for the upcoming year to address key governance issues.

Elements within the governance framework that define and chart how accountabilities are met include:

1. Strategy setting and performance monitoring

Each year, the CEO, chief financial officer (CFO) and vice-presidents participate in strategic planning sessions with the board. These include a review of the WCB's vision, mission, values, risk register and True North objectives, which drive the strategic plan. The WCB's corporate values are the standards by which its actions and decisions are to be considered and judged by others. The True North objectives represent five areas the organization must focus on to improve the customer experience:

- **Timeliness:** Our customers rely on us to deliver service at the right time, when they need it. Workers and employers deserve excellent service. That is what employers pay for.
- **Safety:** Every injury is predictable and preventable. Our customers rely on us to help them eliminate injuries. Our staff deserve to work in a safe and secure environment.



- **Quality:** We owe our customers defect-free service.
- **People:** Our people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve our customers.
- **Financial:** Customers expect us to deliver value through our services and programs at a fair and reasonable cost, and to meet all of our obligations now and in the future.

The CEO submits a strategic plan for board approval. Regular management reports on progress toward the plan are provided to the board members.

The annual strategic and operational plan is published and forms part of the required reporting at the WCB's annual general meeting. The WCB holds annual stakeholder meetings as part of its governance and accountability framework.

2. Code of conduct

To achieve effective governance, board directors are responsible for influencing the culture of the organizations they govern. As part of the annual review of its governance framework, the board examines its code of conduct and its key governance documents. The current code of conduct establishes a set of principles. Foremost among them is the obligation of accountability to workers, employers, the public and government. This obligation includes the competent, conscientious and effective performance of the duties of the board.

The code's other principles focus on strategic direction, decisions that serve the best interests of all customers, monitoring and reporting on the WCB's performance, and ensuring the capability of governance through the continuing development and education of board members.

The WCB's corporate code of conduct and ethics is consistent with the board's code of conduct, and is intended to guide employees in their decisions and actions. All employees are responsible for ensuring individual and corporate actions are consistent with the code.

3. Budget and employer rate approvals

The CEO presents an annual budget based on the strategic and operational plan for board approval. Quarterly reports are provided to the board with variance explanations when financial targets are not met.

Employer premium rates are set through a rigorous process that includes the review and advice of an external actuary. Once the proposed rates have been presented to customers and partners (who have the opportunity to raise any concerns with the board), the board approves the rates.

4. WCB investment committee

Fundamental to the workers' compensation system is the guarantee to workers and employers that benefits and programs will be available if they are needed. To back up that guarantee, the WCB is required to be fully funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of those claims. Termed the WCB's "benefits liabilities," the amount needed at the end of 2021 to meet future obligations was \$1.516 billion. Investment assets, the financial resources that back up the funding guarantee to workers, were valued at \$2.339 billion at the end of 2021.

The WCB investment committee consists of the three full-time board members who oversee the WCB's financial policies and investments.

The investment committee:



- Sets policies and objectives to ensure the financial stability of the WCB.
- Recommends to the board the approval of the WCB's statement of investment policies and goals (SIP&G) and the appointment of investment managers.
- Monitors the performance of the investment managers against the benchmarks established in the SIP&G.
- Meets quarterly to review investment performance and annually to review the SIP&G.
- Engages an external investment consultant to monitor and advise on the performance of investment managers, and to participate in ongoing training in investing and investment management.

5. WCB audit committee

The WCB audit committee consists of the three full-time board members and their role is oversight.

The audit committee:

- Annually performs a self-assessment of committee governance and conducts ongoing training in financial literacy.
- Monitors the auditing, internal controls, accounting and financial reporting processes.
- Ensures independence and monitors the performance of the WCB's internal audit department.
- Reviews the annual audited financial statements and related disclosures, including the management discussion and analysis.
- Ensures compliance with legal and regulatory requirements.
- Periodically reviews internal controls on finance, accounting and legal compliance.
- Monitors and ensures the independence of external auditors appointed by the board.
- Ensures communication among board members, WCB management, the internal audit department and external auditors.
- Meets regularly with WCB executive management, the internal audit department, the provincial auditor, the external auditor and other consultants.
- Reviews the internal control over financial reporting (ICOFR) report, which describes internal control testing conducted during the year.
- Ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The committee's role does not relieve WCB management of its responsibility to prepare financial statements that present the WCB's financial results and condition accurately and fairly, or the responsibilities of the external auditors to audit the financial statements.

6. Executive committee

The role of the executive committee is to monitor the WCB's ongoing administration by considering policies, initiatives, management priorities and other governance matters.

The board appoints the WCB's executive committee to help fulfil its responsibilities in areas such as:

- policy directives
- governance
- strategic planning
- corporate objectives
- general customer service updates

7. Transformation oversight committee

The board appointed a transformation oversight committee in 2021 to fulfil its governance responsibilities relating to the multi-year Business Transformation Program.

The transformation oversight committee was established as a temporary governance entity for the duration of the Business Transformation Program.

The committee is intended to support the board in fulfilling its fiduciary responsibilities related to the program in accordance with the following mandate:

- Oversight of key risks and issues within the program.
- Support effective decision-making.
- Report to the board on the overall health, status and effectiveness of the program.

Given the specialized and complex scope of the Business Transformation Program, the committee has the ability to appoint outside non-voting advisors. These advisors can provide additional support and expertise on matters coming before the committee.

8. Funding status

The board oversees the funding status of the WCB by establishing policies that administration implements. When managing capital, the WCB's objectives are to build a funded position that supports the long-term financial stability of the WCB, ensure sufficient funds are available to meet required benefit levels and mitigate unexpected fluctuations in the average premium rate. The process for managing the WCB's funded position is based on its approved funding policy. The funding policy establishes guidelines to maintain a fully funded status and sets the target range for the injury fund. In establishing this range, the funding policy calls for the exclusion of unrealized gains and losses on investments at the end of the year. The current range is set at five per cent to 20 per cent of benefits liabilities and annuity fund payable.

Under the funding policy, when the injury fund shifts out of the targeted range of 105 per cent to 120 per cent, the WCB has up to three years to replenish or regulate the fund to maintain the targeted range. If the funding percentage falls below 100 per cent, the WCB acts to replenish the injury fund immediately to reach 100 per cent. If the funding percentage falls below 103 per cent, the WCB, at its discretion, acts to replenish the Injury Fund to reach 105 per cent within three years. Generally, when the funding percentage rises above 122 per cent, the WCB, at its discretion, distributes surplus funds to employers in the next fiscal year.

9. Board Appeal Tribunal

Saskatchewan is unique among Canadian jurisdictions. It is the only province with a full-time board that divides its duties between the governance and final appeal functions. The board, in its role as the tribunal,



is one of the highest levels of appeal at the WCB. The board also has exclusive jurisdiction to determine several types of applications under the Act.

Functioning as an administrative tribunal, the board has decision-making responsibilities over matters such as:

- worker appeals regarding injury claims
- employer appeals of worker claims
- employer classification appeals
- employer assessments
- fines and penalties
- Medical Review Panel applications and outcomes
- the determination of the right to sue
- overpayments and collections

The tribunal oversees the development, and monitors the effectiveness of, processes for such applications and appeals to ensure that workers and employers receive fair and timely decisions. The WCB's continuous process improvement efforts have enabled the tribunal to continuously better its processes and improve its turnaround times on appeals and applications, despite the additional challenges posed by COVID-19.

The tribunal understands that making decisions in a timely fashion is very important to WCB customers. By dedicating additional resources to processing appeals and applications, the tribunal was able to significantly reduce the impact of the pandemic on the tribunal's turnaround times.

Setting high standards and expecting results

As stewards of the workers' compensation system, the board and CEO expect management to meet high-performance standards, and holds the organization to a reporting standard that ensures transparency for customers.

Financial performance is monitored through the board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is carried out through regular stakeholder events, such as the WCB's annual general meeting and annual rate-setting meeting, and through the WCB's annual reports.

Program and management performance are measured through a corporate plan that tracks the WCB's achievement of the strategic plan approved by the board. The WCB has been publishing its strategic objectives and operational targets as part of its annual reports since 2000.

Another initiative implemented by management ensures that the WCB's policies and procedures are regularly reviewed and amended when required. Policies are regularly prioritized for review with the goal of reviewing all policies at least once every three years.

Every five years, government appoints a Committee of Review (COR) to engage stakeholders in feedback related to the Act, its regulations and administration. The board encourages stakeholder participation in this process.



Quality oversight at the WCB

The board and the WCB's executive management recognize that complying with legislation and policies, and achieving effective and efficient operations, require continual monitoring of operations and key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims, and include team leaders file reviewing files for completeness and accuracy.
- An internal audit department that provides independent, objective assurance and consulting services to the board's audit committee and to management. This department evaluates processes for risk management, internal control and governance.
- An appeal process that provides injured workers and employers with an objective review of the WCB's decisions and actions. An appeal is first considered by the appeals department or the assessment committee and, if not resolved, can be reviewed by the tribunal.
- The Fair Practices Office (FPO), which reports to the board, and reviews concerns about the fairness of the WCB's actions and decisions and, where appropriate, forwards recommendations to WCB managers to resolve concerns.
- Certification by the CEO and CFO that financial statements are presented fairly in all material respects, and that internal controls are adequate to prevent material misstatement in financial statements based on an internal assessment by management of the adequacy of internal controls.

Please visit the WCB's website for more information on board governance and the WCB's operations and performance.



Board Appeal Tribunal

Customers who are dissatisfied with decisions rendered by the appeals department or the assessment committee can apply to have those decisions reviewed by the Board Appeal Tribunal (tribunal). The board members serve as the tribunal, the highest level of appeal within the WCB for all matters except for bona fide medical questions, which are determined by a Medical Review Panel.

The tribunal conducted 109 hearings and issued 220 decisions in 2021. Despite the need to adapt and make changes to processes because of the ongoing pandemic, the tribunal was able to review and provide a decision to customers within six months.

The tribunal remained focused in 2021 on providing thorough, well-reasoned decisions, thorough file development, and ongoing staff and tribunal member training.

The majority of decisions made by the tribunal relate to appeals brought forward by a worker or employer because of a decision made on an injury claim. An employer can also appeal a decision regarding WCB employer premiums or assessment.

Previously, the tribunal reported the appeals volume separately from other types of decisions it rendered. However, in 2020, the tribunal began reporting all of its decisions together. As such, all appeal and non-appeal issues are reported in one table.

Other types of decisions include board orders, which allow the WCB to collect overpayments and compel documentation, decisions under Section 169 of the Act, and applications to determine whether certificates required with respect to Medical Review Panels comply with the Act.

Medical Review Panels and Section 169 applications are two of the most common non-appeal matters brought forward to the tribunal. A Medical Review Panel is a panel of health-care practitioners that is called upon when a medical decision about an injured worker is questioned. The panel is the final step in the appeal process and its decision is binding on the worker and the WCB. A Section 169 application can be brought to the board members for a ruling by any party to an action or grievance to determine whether that court action or grievance relates to a work injury and is therefore barred by the provisions of the Act.

For more information regarding Medical Review Panels or Section 169 applications, please refer to the WCB's website, wcbask.com.



Appeals activity

	2021	2020	2019	2018	2017
Appeals received	231	273	234	287	301
Accepted	91	70	77	116	94
Denied	129 ¹	154 ¹	154	144	186
Total appeals decided ¹	220	224	231	260	280
Appeals withdrawn	22	35	12	17	29
Appeals pending	120	112	90	99	87
Average number of days to reach decision	170	160	130	115	118
Hearings	109	87	85	110	91

¹ The total denied for 2020 and 2021 include Medical Review Panels and barred Section 169 applications.

Two important things to note:

- Appeals may carry over from the previous year or be decided the following year.
- Appeals pending for each year after 2019 include appeal and non-appeal applications.

Source of appeals

	2021	2020	2019	2018	2017
Workers' advocate	82	92	95	126	107
Worker	83	98	79	85	87
Employer	18	56	50	68	91
Other representative	37	15	8	5	6
Lawyer	10	11	2	2	8
Union official	1	0	0	0	0
Family	0	1	0	1	2
Total	231	273	234	287	301



Nature of appeals decided¹

	2021		2020		2019		2018		2017	
	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>
Initial acceptance	70	31	74	12	76	29	89	36	76	29
Relationship (of condition to injury)	59	25	59	19	64	14	61	29	69	19
Cost relief	24	5	14	4	42	15	21	12	70	24
Recovery/fitness for work	9	5	9	3	14	6	38	22	23	10
Other	23	14	15	7	11	5	12	6	17	4
Suspension	7	2	6	2	9	3	2	1	4	2
Expenses	9	2	5	1	6	1	12	3	3	0
Retraining	2	0	0	0	3	1	5	1	4	1
Wage base	0	0	3	0	3	1	4	2	4	1
Estimated earnings	2	1	3	0	1	1	8	2	2	2
Assessment/surcharge	6	3	16	16	1	1	3	1	4	1
Permanent functional impairment	2	0	4	0	1	0	5	1	2	1
Independence allowance	0	0	2	1	0	0	0	0	2	0
Medical Review Panel Enabling Certificate applications	3	1	8	3	23	4	26	4	20	4
Medical Review Panel Examination decisions	2	2	2	1	3 ²	1	4	2	9	6
Section 169 applications	2	0	4	1	2	0	5	0	6	2
Total	220	91	224	70	259	82	295	122	315	106

¹ The above table provides the total number of appeals and applications decided, as well as the number of those accepted. The totals provided in the above table differ from the totals provided in previous annual reports because of the addition of Medical Review Panel Enabling Certificate applications, Medical Review Panel Examination decisions and Section 169 applications for each year. The Medical Review Panel Enabling Certificate applications and Section 169 applications were previously outlined in separate tables. The Medical Review Panel Examination decisions were previously provided in the commentary rather than in a table.

²The 2019 total has been restated to reflect the actual number of total Medical Review Panel Examination decisions. The number of appeals and applications withdrawn is not included in this table.



Appeals department

The core mandate of the appeals department is to provide workers and employers with an accessible, independent and unbiased process for reviewing WCB decisions relating to a worker's claim for benefits and compensation.

The appeals department is independent of the operations division, which is where claim decisions are made. Injured workers or employers who disagree with a decision on an injury claim may appeal and request a review of that decision by the appeals department.

The decision is made by the appeals officer, who reviews the documents and/or hears the evidence. The decision-maker will ensure that he or she has obtained information that, in the appeals officer's opinion, is required to make the decision. Workers or employers who disagree with a decision of the appeals department may further appeal to the Board Appeal Tribunal.

In the WCB's ongoing efforts to continually improve services, appeal wait times have decreased by 53 per cent since 2020.

The appeals department's focus for 2022 is to continue serving customers in a timely and easily accessible manner.

Appeals activity

	2021	2020	2019	2018	2017
Prior year's pending	157	235	152	145	109
Appeals registered	1,017	1,169	1,144	1,165	1,143
Total appeals	1,174	1,404	1,296	1,310	1,252
Accepted	229	290	245	256	265
Denied	723	821	697	813	761
Returned for development	88	102	75	51	48
Subtotal completed	1,040	1,213	1,017	1,120	1,074
Withdrawn	44	35	44	38	33
Appeals pending	90	156	235	152	145
Average days to decision	31	66	80	57	38
Appeals decided within 30 days	67%	15%	11%	12%	25%
Appeals decided within 45 days	86%	15%	12%	20%	72%
Appeal meetings ¹	2	0	2	26	38

¹Meetings are granted if requested by a worker or employer, and are done in person or over the phone. The 2021 number is based on decisions made between Jan. 1 and Dec. 31, 2021.



Committee of Review

The Saskatchewan government establishes a WCB Committee of Review (COR) every five years. The WCB's principal customers — workers and employers — are represented on each COR. The COR may inquire into all aspects of the WCB's operations. It can also recommend amendments to legislation and changes to the WCB's policies and practices.

The most recent COR was appointed on Aug. 5, 2021. The committee is comprised of:

- Louise Greenberg, chairperson
- Shawna Nelson, acting chair, representative for business
- Sandra Seitz, representative for labour
- Blaine Dubreuil, representative for business
- Dion Malakoff, representative for labour

Stakeholders were canvassed for submissions to the COR. Approximately 90 submissions were received by the end of December 2021. The COR will consider the information it has received from stakeholders and will develop recommendations for the Minister's consideration. These recommendations are expected later in 2022.

The previous COR (2016) noted 11 recommendations. As of 2021, all 11 recommendations have been advanced, implemented or legislated. The status of these recommendations is noted below. Please see the WCB's website, wcbask.com, for the full COR report and recommendations.

1. **Culture and customer service:** Focus on corporate culture and develop a customer-centric service delivery model.

Status: The WCB's culture and customer service excellence is a central feature being addressed by the implementation of the Business Transformation Program. The program focuses on improvements to key performance indicators, customer and staff frustrations, and continuous process improvement. Consultation with stakeholder groups is ongoing to ensure the voice of the customer is a primary consideration in the design and implementation of new systems.

2. **Board structure and governance:** Modernize board structure to reflect the diversity of skill sets required to guide the work of the WCB.

Status: Two additional part-time board members have been appointed effective Jan. 1, 2022.

3. **Appeals:** Significantly reduce the average number of days to make a decision and communicate clearly with appellants throughout the process.

Status: Because of the pandemic, the Board Appeal Tribunal (the tribunal) faced significant challenges in service delivery to WCB customers. In-person hearings were replaced with virtual or teleconference options, and the tribunal made numerous process changes to support customers through this changing environment. As appellants and their advocates have now settled into this new normal, the tribunal is identifying ways to continue improving wait times.

4. **Psychological injury:** Strengthen the WCB's psychological injury policy regarding coverage for Saskatchewan workers experiencing post-traumatic stress disorder and other mental health issues.

Status: Psychological injury claims were addressed in 2016 with an amendment to *The Workers'*

Compensation Act, 2013 (the Act) to establish a rebuttable presumption for workers experiencing psychological injuries caused by workplace trauma. The psychological injuries policy was updated in 2017 to reflect the amendments to the Act. In 2019, the WCB developed a specialized unit focused on deciding and managing psychological injury claims. In 2020, a customer visioning event was held to identify and prioritize improvements for workers and employers, and in 2021, the WCB actioned a number of these improvements.

- 5. Fatality service specialists:** Assign fatality service specialists to assist individuals and families affected by workplace fatalities and minimize the number of case workers per claim.

Status: The WCB established its extended services department in 2016. Unit staff manage fatality, cancer-related and catastrophic injury claims, and are the primary contact for families and employers.

- 6. Co-ordination of benefits:** Co-ordinate benefits between the WCB and Saskatchewan Government Insurance (SGI) to ensure that no worker is disadvantaged in the event of a work-related motor vehicle incident.

Status: This recommendation has been reviewed and no changes are necessary as SGI provides a top-up to WCB benefits.

- 7. Privacy policy:** Repeal sections 173 and 174 of the Act to comply with the provisions of *The Freedom of Information and Protection of Privacy Act* (FOIP), and update the WCB's privacy policy to align with these changes.

Status: Sections 173 and 174 were not repealed. FOIP was amended instead. The provision in Section 173 of the Act stating that the worker can only use their file for the purposes of an appeal was removed from this section.

- 8. Employer Resource Centre:** Establish an employer resource centre co-ordinated by the Office of the Workers' Advocate that is dedicated to helping employers navigate the workers' compensation system.

Status: The Employer Resource Centre was established at the WCB in September 2019.

- 9. Communication and surplus:** Increase transparency and awareness so the public understands the application of the surplus in the funding policy.

Status: This recommendation was reviewed. Stakeholder consultation was conducted and no additional changes are required.

- 10. Rate review and standard discount:** Ensure best practices are fair and equitable for all employers and not excessively punitive for small employers.

Status: The experience rate review stakeholder committee meets every three to five years to recommend changes to the Experience Rating Program. The most recent review was completed in 2014, and changes to the program were implemented in 2017. Following preliminary analysis, a decision was made to hold off on assembling the next committee pending any new COR recommendations.

- 11. Review implementation and oversight:** Strengthen ongoing communication with customers and stakeholders regarding COR recommendations and implementation.

Status: Updates are included in the WCB's annual reports. Specific queries from customers and stakeholders are responded to during each year.



Fair Practices Office

The Fair Practices Office (FPO) is an independent office of the WCB. Established under Section 186 of the Act, the FPO reports to the board of directors through the chairperson. The FPO works to promote fairness in the services delivered by the WCB. It does so by:

- Listening and responding to concerns raised by workers and their dependants, employers and external service providers.
- Working to resolve fairness issues as quickly and informally as possible.
- Identifying recurring fairness issues, reporting them to the WCB and, when appropriate, making recommendations for improvement.

Role

The role and mandate of the FPO are set out in the WCB's Fair Practices Office policy (POL 29/2016).

The FPO's role is to be an impartial, confidential and informal resource for workers and their dependants, employers, external service providers and the WCB. As an impartial resource, the FPO does not take sides. It assesses each situation based on its own merits and works toward a fair resolution and improved services.

Mandate

The FPO can look at all WCB service areas, including:

- delays in adjudication, communication, referrals and payments
- conduct of WCB staff
- concerns about verbal and written communication
- implementation of appeal findings
- revenue and employer accounts
- benefit payments
- misapplication of policy

The FPO cannot look at matters outside of its mandate, including matters related to:

- the conduct and decisions of board members
- cases under appeal or in the appeal process
- appeal decisions made by the appeals department and the Board Appeal Tribunal
- changes to the Act or to its regulations
- alleged illegal or fraudulent acts



Number of inquiries received and resolved

	2021	2020	2019	2018	2017
New inquiries received	440	352	401	355	375
New inquiries resolved ¹	440	352	397	345	373

¹ Inquiries resolved are based on the number of closed inquiry files per year. Inquiries not resolved in one calendar year are carried over to the following year.

How inquiries were resolved

	2021	2020	2019	2018	2017
Completed by the FPO without referral	320	270	276	250	274
Contacted the WCB for clarification	31	16	27	19	16
Referred to the WCB for review	64	52	71	60	83
Referred to outside entity	25	14	23	16	0
Total	440	352	397	345	373

Most inquiries to the FPO are concluded by FPO staff. This means that FPO staff members can assist customers by answering their questions or by providing them with the information they need to resolve their concerns.

In 2021, the FPO referred one in five inquiries back to the WCB decision-maker for either clarification or review/reconsideration of the decision. The FPO refers cases back for reconsideration of the decision based on several factors, such as the interpretation of policy, the use of discretion by the decision-maker and the availability of information to the decision-maker.



Outcome of referrals to the WCB

	2021	2020	2019	2018	2017
Decision changed	9	5	4	10	18
New action taken	40	40	53	41	59
Reviewed, but no change made	15	7	14	9	6
Total	64	52	71	60	83

New inquiries

	2021	2020	2019	2018	2017
Worker	390 (89%)	322 (91%)	362 (90%)	328 (92%)	350 (93%)
Employer	34 (8%)	23 (7%)	23 (6%)	20 (6%)	23 (6%)
Other	16 (3%)	7 (2%)	16 (4%)	7 (2%)	2 (1%)
Total	440	352	401	355	375

In 2021, most individuals who contacted the FPO identified themselves as injured workers.

Purpose of inquiry

	2021	2020	2019	2018	2017
Decision/decision-making process	365	323	339	304	344
Communication/services	97	60	124	113	126
Timeliness	32	34	63	40	36
General information	118	66	91	89	75
Other	13	10	28	5	5
Total ¹	625	493	645	551	586

¹ More than one issue can be raised per inquiry file.

Workers and employers contacted the FPO with a variety of questions and concerns that fell into four broad fairness categories:

- 1. Decision/decision-making process:** These are questions or concerns about a decision made or the decision-making process used by WCB staff. Examples of this may include disagreement with decisions to accept or deny a claim, suspension or calculation of benefits, involvement in return to work or vocational plans and/or the application of WCB policies related to the claim.
- 2. Communication and services:** These are questions or concerns related to a customer's experience and level of satisfaction with the services provided by, or communication with, WCB staff and/or service providers. Examples of this may include unclear communication; difficulty contacting WCB staff or in having calls returned; communication that the customer views as disrespectful; and concerns about accessing information in a timely manner, the release of information or the sufficiency of information provided.
- 3. Timeliness:** These are questions or concerns about the length of time it takes the WCB to render a decision or provide a service related to the claim. Examples of this may include perceived delays in

making an initial decision to accept or deny a claim, perceived delays in deciding to provide medical aid and delays in issuing benefits.

- 4. General information:** These are questions or concerns about the WCB’s case management process, policies, procedures or legislation. This category could also include information about the status of a claim, and referrals to a WCB office or external organization that can assist the customer.

In 2021, most of the inquiries the FPO received were from workers concerned about decisions made, or the decision-making process used on their claim file.

Response time to close new inquiries (% of inquiries)

	2021	2020	2019	2018	2017
0-7 days	85	74	70	68	65
8-30 days	13	20	23	24	27
Over 30 days	2	6	7	8	8
Total	100	100	100	100	100

In 2021, 85 per cent of the inquiries received by the FPO were concluded within seven calendar days.



New and amended policies and procedures

Policy directives include policy and procedure documents that form the basis of decisions made, or actions performed, under the Act. Policies are authorized by the board members throughout the year to interpret legislation and regulations. Procedures are authorized by the CEO. They support policies and provide specific instructions for day-to-day tasks or functions required to implement policy.

WCB policies and procedures are available on the WCB's website, wcbask.com.

The following policies and procedures were amended or introduced in 2021:

- Governance Policy (POL 01/2021)
- Psychologists (PRO 02/2021)
- Second Injury and Re-Employment Reserve (POL and PRO 03/2021)
- Travel Expenses – General (POL and PRO 04/2021)
- Exercise Therapists (PRO 05/2021)
- Governance Policy (POL 06/2021)
- Arising Out Of and In the Course of Employment (POL and PRO 07/2021)
- Communicable Diseases – Adverse Reaction to Immunization (PRO 08/2021)
- Employer Premium Payments (POL and PRO 09/2021)
- Suspension of Benefits (POL and PRO 10/2021)
- Terminating Benefits – Notice Period (POL and PRO 11/2021)
- Governance Policy (POL 12/2021)
- Earnings Verification (POL and PRO 13/2021)
- Maximum Wage Rates – 2022 (POL and PRO 14/2021)
- Maximum Assessable Wage Rate – 2022 (POL 15/2021)
- Minimum Average Weekly Earnings – 2022 (Section 70(5)) (PRO 16/2021)
- Minimum Compensation – 2022 (Section 75) (PRO 17/2021)
- Governance Policy (POL 18/2021)
- Consumer Price Index (CPI) – Annual Increase – 2022 (PRO 19/2021)
- COVID-19 Response – Compulsory COVID-19 Vaccination – Adverse Reactions Cost Relief (ADM POL 07/2021)
- COVID-19 Response – Employer Relief Measures – Claim Cost Relief (ADM POL 04/2020) (update)

Management discussion and analysis

The Management Discussion and Analysis (MD&A) section of this report aims to explain the WCB's financial position and results of operations for the year ended Dec. 31, 2021. The MD&A should be read in conjunction with the audited financial statements and supporting notes, as it complements and supplements these documents.

The board sets the strategic direction for the WCB. It is the role of the executive and management to lead staff in delivering excellence in service and in creating meaningful value for customers. The primary driver of the board members' work is achieving the WCB's vision to eliminate injuries and restore abilities.

What governs the WCB throughout this process is its values — safety, respect for people, excellence, collaboration and being customer-focused. These are the standards that WCB staff members hold each other accountable to, and against which the board's actions and decisions can be judged.

The organization's journey has seen the WCB strive to improve year over year. While pursuit of daily continuous improvement remains a key component of the WCB's mission, the organization also realizes there are times when larger, system-level changes are required to keep pace with the evolving needs and expectations of customers. This ensures the WCB can continue creating meaningful value and delivering excellent service.

In 2020, an independent review of the WCB's processes, technologies and organizational culture confirmed several opportunities to significantly improve service delivery, modernize its technologies and add value for the benefit of its customers. Formally launched in April 2021, the WCB's Business Transformation Program saw important advancements throughout the year. This transformation journey will change how the WCB serves its customers. Over these next years, the WCB will make necessary changes in a thoughtful and staged manner to technology, processes and service delivery models, so that it can meet the current and future expectations of all customers.

In addition to moving forward with its Business Transformation Program, the organization continued to respond to the COVID-19 pandemic in Saskatchewan. As the external environment dictated, the WCB responded to support the health and well-being of its staff and customers. The WCB also made several meaningful decisions to support employers and workers through the challenges presented by COVID-19.

Despite these internal and external pressures, the WCB continued to advance key initiatives and priorities in support of the strategic direction set by the board. Some highlights from 2021 include:

- The WCB made several investments to prepare for its business transformation efforts over the coming several years. In addition to consultations with peer organizations that have gone, or are undergoing, similar transformative journeys, the WCB invested in foundational processes. This included investments in governance infrastructure, organizational change management, project management, communications and procurement. Investments in these processes will provide a strong foundation for success, and will optimize the benefits that will be realized by customers and the organization overall.
- To support the Business Transformation Program, the WCB completed more than 60 business process reviews and improvement events, many of which involved customers (workers and employers). The WCB's voice of the customer project advanced to phase two, which will provide the infrastructure to acquire more timely and robust feedback from customers. This feedback will continue to fuel the WCB's continuous improvement efforts.
- The WCB continued investing in its staff's health and safety through its evolving response to pandemic-related risks, and by implementing improved systems and supports to further enable safety, especially in the areas of ergonomics and psychological health, safety and well-being.



- The WCB and WorkSafe Saskatchewan (the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety) continued investing in workplace injury prevention through the wide range of initiatives comprising WorkSafe Saskatchewan’s Fatalities and Serious Injuries Strategy, including resources to help workers and employers effectively deal with COVID-19, psychological health and safety, cancer prevention, falls from heights and motor vehicle crashes.

The board monitors key performance indicators in each area to assess whether its collective activities are positively impacting the customer experience.

As the WCB continues taking steps to transform its business and service delivery, the organization will continue to pursue excellence, with a focus on cultivating and fostering its culture. The WCB will prepare its staff and customers for the transformative change to come over the next several years. The organization will continue to engage customers in meaningful two-way dialogue that informs its priorities and decision-making, and that assists the WCB in improvement activities. The organization will continue to communicate and reinforce positive behaviours across its teams to celebrate the significant achievements that bring everyone closer to achieving the WCB’s vision and mission. These commitments are everlasting and universal.

The executive team is grateful for the dedication and commitment of WCB staff and the support of its customers — the workers and employers of Saskatchewan. The WCB looks forward to an exciting and engaging future for its staff, customers and partners as it continues to work its way through the Business Transformation Program.



Phillip Germain
Chief Executive
Officer



Crystal Nett
Chief Financial Officer
and Vice-President,
Corporate Services



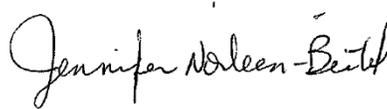
George Georgiadis
Chief Technology Officer and
Vice-President, Business
Intelligence



Kevin Mooney
Vice-President, Prevention
and Employer Services



Trevor Hall
Vice-President, Human Resources,
Communications and Appeals



Jennifer Norleen-Beitel
Vice-President, Operations



Stuart Cunningham
Vice-President, Business
Transformation Program

Enterprise risk management

Enterprise risk management identifies risks to achieving strategic and operational success, and the actions required to mitigate those risks.

The WCB uses identified risks as a reference in strategic and operational planning to help prioritize process improvement initiatives and projects that can reduce or mitigate identified risks.

The identification and evaluation of risks is completed by management, with the board reviewing the results.

The high risks identified by management in 2021 were:

Employee relations, managing change and uncertainty	There is a risk that periods of significant change and uncertainty can create substantial stress on employees, impacting employee relations and, by extension, WCB customers, particularly if not handled well.
Health, wellness, safety and security	There is a risk that the health, wellness, safety and security of employees, consultants, customers and visitors of the organization are impacted by internal and external factors. For example, ergonomic issues, mental health concerns and the COVID-19 pandemic continue to impact all.
Privacy and information protection	There is a risk that identifiable information is not properly protected, resulting in negative impacts to WCB customers.
Capacity	There is a risk that the organization may not have the current capacity to execute the WCB's strategic plan successfully while continuing to meet the WCB's operational targets.
Cybersecurity	There is a risk that the WCB will be the victim of an internal or external security attack disrupting its business operations by affecting system availability, system performance or data integrity.
Claims management	There is a risk that claim acceptance, payments, management processes and decisions will not comply with applicable policies, procedures and/or service-level agreements (expectations regarding timeliness).
Asset liability management	There are financial risks related to economic capital, investments, liquidity, catastrophic events, insurance products and claims.
Customers/stakeholders	There is a risk that the WCB is failing to adequately consider and develop effective relationships with customers and partners/stakeholders, or respond proactively and in a timely manner to customers and partners/stakeholders.
Recruitment and retention	Employees are the key to success at the WCB. There is a risk that the WCB is unable to recruit and retain competent people.



WCB True North

The WCB's True North objectives guide the organization toward a culture of continuous process improvement (CPI) and are core to creating a customer-centric organization.

True North	Definition	2021 objective measures	2021 target	2021 actual	2020 target	2020 actual
Customer experience	Workers and employers deserve excellent service. That is what employers pay for.	Injured worker survey – overall satisfaction Q1 and Q3 survey	4.2 out of 5	4.27 ¹ out of 5	4.2 out of 5	4.21 ¹ out of 5
		Employer survey – overall satisfaction Q2 and Q4 survey	4.2 out of 5	4.34 ¹ out of 5	4.2 out of 5	4.19 ¹ out of 5
Safety	Every injury is predictable and preventable. Our customers rely on us to help them eliminate injuries. Our staff deserve to work in a safe and secure environment.	Total number of external accepted injuries (includes fatalities and excludes self-insured claims)	18,659	17,890	19,970	17,934 ²
		WCB staff – number of internal accepted injuries	4	9	4	10
Quality and timeliness	Customers rely on us to deliver service at the right time, when they need it. We owe our customers defect-free service.	Payment defects (recalculations)	2844	4,011	3,600	3,786
		Percentage of files with premium adjustments	33%	58%	33%	53%
		12-month rolling average durations of Time Loss claims (days)	38	40.24	38	45.27

¹ 2020 and 2021 results are a composite of quarterly results through the year.

² 2020 number has been restated to exclude self-insured claims to conform with the presentation adopted for the current year.



People	Our people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve our customers.	Staff engagement survey	8 out of 10	6.1 out of 10	8 out of 10	6.7 out of 10
		Improvement ideas implemented	756	889	500	724
Financial	Customers expect us to deliver value through our services and programs at a fair and reasonable cost and to meet all of our obligations now and in the future.	Funded position	105%-120%	107.6%	105%-120%	112.4%
		Total admin and claim costs / total claims	\$2,700	\$3,087	\$2,700	\$3,564



2021 operational highlights

The WCB's reporting highlights focus on five key areas of the customer experience:

- safety
- quality
- timeliness
- people
- financial

These areas, which the WCB refers to as its True North objectives, provide the framework within which the organization serves its customers. The WCB's True North objectives are derived from its vision, mission, values and principles. They reflect how the WCB will strive to better meet the needs of its customers at an operational level.

The WCB reports through the voice of the customer on worker and employer satisfaction, which represents customers' overall experience with the WCB.

Prevention and WorkSafe highlights share the 2021 provincial injury rates, fatalities and serious injuries updates, as well as Time Loss and No Time Loss claims statistics. This area touches on major initiatives introduced in 2021.

Quality and timeliness highlights outline improvements made in the past year to the claims process, including responding to the evolving nature of the COVID-19 pandemic. This section includes progress made in enhancing the experiences of customers, and in developing new ways to deliver service tailored to best practices and customers' unique needs.

People highlights detail WCB employee engagement, and reflect on the development of the WCB's strategy deployment system, organizational development efforts and the transformative work focused on the WCB culture.

Financial highlights provide an in-depth review of the WCB's financial results in 2021, which include claim costs, administrative costs and the WCB's funded position.



Voice of the customer

4.27

out of 5

**Injured workers’
overall satisfaction**

with the WCB’s quality of service

4.34

out of 5

**Time Loss employers’
overall satisfaction**

with the WCB’s quality of service

In 2021, the WCB advanced the development of the voice of the customer (VoC) framework – a customer feedback system that, once fully implemented, will be used to guide and direct organization-wide customer experience improvement efforts.

To inform and shape the VoC framework development, the WCB surveyed 3,738 customers and conducted 19 customer focus groups. In addition, the WCB conducted voice of the customer workshops with staff and partners to further guide this development initiative.

This year, the WCB completed the foundational design of the VoC system, with implementation scheduled for 2022.

The WCB’s new VoC framework will gather feedback and more fully capture customer expectations and experiences to further develop its processes, technologies and organizational culture. As well, it will address customer pain points throughout their interactions with the WCB. The VoC feedback loops will then allow the WCB to better understand its customers, capture their feedback, analyze the voice of the customer and measure improvement efforts. It will allow the organization to better measure success factors as they relate to the WCB’s improvement initiatives.

The priority of the VoC system is to ensure that customer feedback is listened to, and informs decision-making and improvement efforts across the organization. Until 2021, the primary way of gathering customer experience feedback was through its quarterly customer satisfaction surveys.

Each year, the WCB completes quarterly surveys, alternating between workers and employers. These comprehensive surveys focus on the quality of service that the WCB provides to customers. They track customers’ opinions on high quality of service, high standard of values and overall satisfaction, while also tracking perceptions of the WCB’s website and return-to-work services.

By taking a broad approach to collecting and analyzing customer feedback, the WCB avoids straying from the direct needs of customers, even as those needs evolve. The new VoC framework allows for gathering more robust feedback, which will serve as a powerful and insightful guide for leadership and front-line staff as they chart a path forward for the organization.



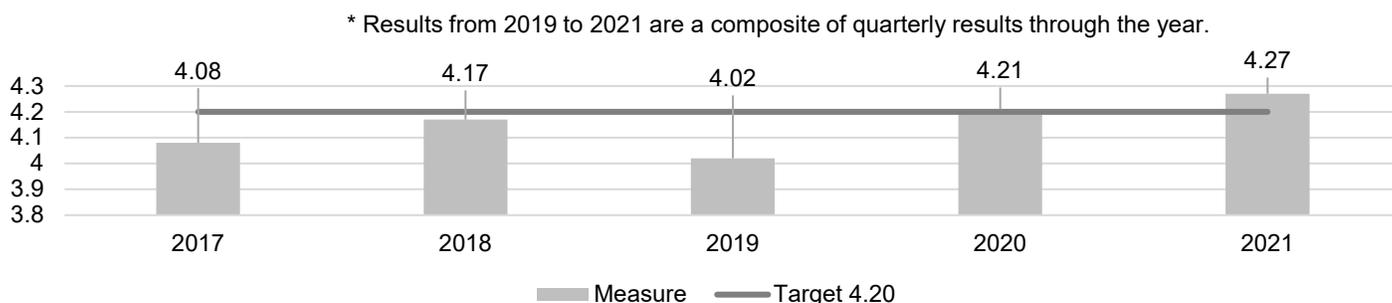
2021 customer satisfaction survey results

The WCB's quarterly surveys allow the organization to capture customers' comments verbatim. The cumulative customer satisfaction reports provide an indicator, which allows the WCB to understand customers' overall experience. While beneficial as an overall customer satisfaction rate, more in-depth customer feedback data as part of the new VoC system will help to better pinpoint challenges that customers are experiencing. This will help guide the WCB's improvement efforts in the future.

Worker feedback

The WCB collects feedback from injured workers on a wide variety of qualities. These can generally be grouped into high quality of service (HQS) and high standard of values (HSV). HQS measures the quantitative service attributes of the WCB, such as performing services correctly and keeping promises. HSV measures the qualitative aspects of the WCB, such as honesty, politeness and fairness. This considers the more personal attributes of WCB employees when providing service to injured workers.

Worker service feedback



In 2021, the overall customer satisfaction score for workers was 4.27 out of five. This is up from 4.21 in 2020. In 2021, the WCB received the highest customer satisfaction scores in the last five years. This continues an upward trend that began in 2020 during the COVID-19 pandemic.

The quarterly survey tracks customers' levels of agreement with statements regarding HQS, HSV and overall satisfaction, which together form the basis of a customer's overall satisfaction score.

Injured worker satisfaction survey results included:

Attribute	2021 (out of 5)	2020 (out of 5)
When my WCB representative made a promise to do something by a certain time, they did it.	4.29	4.17
My WCB representative kept me informed on the status of my claim.	4.12	4.13
My WCB representative clearly explained how my claim was decided.	4.01	3.92
My WCB representative was honest.	4.59	4.52
I was treated fairly.	4.46	4.37

Injured worker scores are aggregate scoring from Q1 and Q3 scoring.

A response from an injured worker:

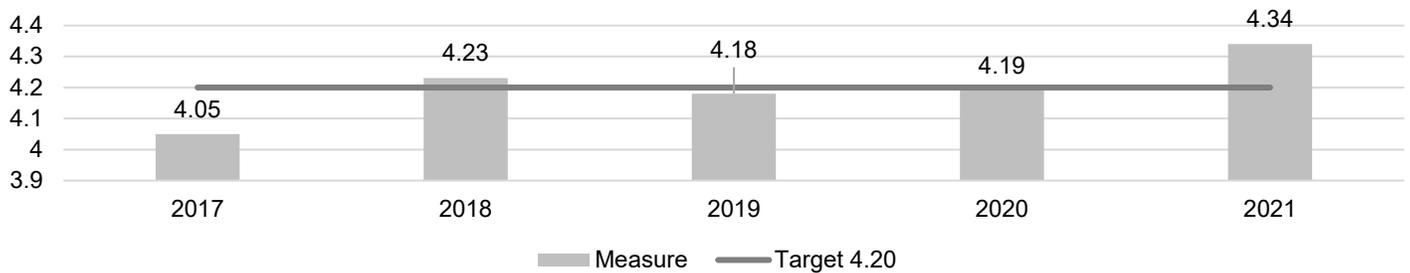
“The WCB was very open and collaborative with me. I felt that I was able to speak freely and honestly to achieve the best outcome for myself.”

Employer feedback

The WCB collects scores from employers on a wide variety of qualities. These can generally be grouped into HQS and HSV. HQS measures the quantitative service attributes of the WCB, such as clear verbal communication and ease of accessing WCB services. HSV measures the qualitative aspects of the WCB, such as honesty, politeness and fairness. This considers the more personal attributes of WCB employees when providing service to employers.

Employer service feedback

* Results from 2019 to 2021 are a composite of quarterly results through the year.



The 2021 overall satisfaction score from employers was 4.34 out of five, which is up from 4.19 a year ago.

The quarterly survey tracks customers’ levels of agreement with statements regarding HQS, HSV and overall satisfaction, which together form the basis of an employer’s overall satisfaction score.

Employer satisfaction survey results included:

Attribute	2021 (out of 5)	2020 (out of 5)
The WCB was honest.	4.48	4.45
I was treated fairly.	4.40	4.30
The WCB was knowledgeable.	4.41	4.34
The WCB was quick to resolve problems.	3.62	3.38
Overall, I was satisfied with the ease of accessing WCB services.	4.25	4.14

Employer scores are aggregate scoring from Q2 and Q4 surveys.

A response from an employer:

“I feel quite lucky that my first time dealing with WCB was as simple and smooth as it was. Was a much easier process than I expected.”



Prevention and WorkSafe highlights

2.03

Time Loss injury rate
per 100 workers
(includes Time Loss + fatalities)

31

2021 fatalities

4.56

Total injury rate
per 100 workers

The WCB is relentlessly pursuing safety to ensure all workers within the province have the healthy and safe workplace they deserve. Every injury is predictable and preventable. Customers rely on the WCB to help them eliminate injuries. This is the essence of the WCB's vision statement — we eliminate injuries and restore abilities.

Objectives:

- By Dec. 31, 2021, there would be an eight per cent reduction in workplace injuries and fatalities.
 - In 2021, there was a 0.25 per cent reduction in workplace injuries (to 17,899 in 2021 from 17,944 in 2020) and a nine per cent reduction in workplace fatalities.
- By Dec. 31, 2021, there would be a seven per cent reduction in total injuries in health care.
 - In 2021, the total number of injuries in health care decreased by 1.5 per cent (to 3,696 in 2021 from 3,754 in 2020).



2021 top injuries

2021 top five rate codes with injuries¹

Rate code	Number of claims accepted
G22 – Health Authority, Hospitals, Care Homes	3,696
G31 – Cities, Towns, Villages, RMs	988
S21 – Community and Social Services	905
T42 – Transportation, Courier, Commercial Bus	733
C32 – Grocery, Department Store, Hardware	728

¹ All claims reported and accepted in 2021, excluding self-insured.

2021 top five occupations with injuries²

Occupation	Number of claims accepted
Nurse aides, orderlies and patient service associates	1,361
Registered nurses	765
Retail salespersons and sales clerks	717
Material handlers	703
Truck drivers	700

² All claims reported and accepted in 2021, excluding self-insured.

2021 top five injured body parts³

Part of body	Number of claims accepted
Hand	3,238
Back	2,896
Leg	2,387
Body system	1,612
Arm	1,575

³ All claims reported and accepted in 2021, excluding self-insured.

2021 injuries by age and gender⁴

Age	Male	Female	Total
Under 25	1,881	985	2,866
25-34	2,722	1,592	4,314
35-44	2,472	1,581	4,053
45-54	1,852	1,462	3,314
55-64	1,580	1,144	2,724
65 and over	447	181	628
Total	10,954	6,945	17,899

⁴ All claims reported and accepted in 2021, excluding self-insured.



Injury rates

RATE CODE	DESCRIPTION	TIME LOSS INJURY RATE ¹ (%)					TOTAL INJURY RATE (%)				
		2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
All class ²		2.03	1.78	1.86	1.99	1.86	4.56	4.46	4.95	5.44	5.25
A11	Light Agricultural Operations	3.88	3.13	4.37	5.10	5.36	8.12	8.37	10.81	10.57	11.16
A21	Farming & Ranching	2.00	1.61	2.01	2.26	2.51	3.57	3.63	4.01	4.07	4.76
A31	Grain Elevators & Inland Terminals	0.75	0.91	0.59	0.61	0.48	2.29	2.29	2.73	2.55	2.66
B11	Construction Trades	2.04	1.95	2.09	2.44	2.10	7.57	6.90	7.37	8.31	8.02
B12	Residential Construction	3.77	3.05	3.15	3.18	2.71	8.40	7.76	7.70	8.54	8.04
B13	Commercial, Industrial Construction	2.20	1.54	1.57	2.06	1.84	7.07	5.60	6.59	7.45	6.45
C12	Light Commodity Marketing	1.02	1.09	1.09	1.07	1.15	2.35	2.74	3.01	3.06	2.96
C32	Grocery, Department Stores, Hardware	1.78	1.53	1.57	2.00	1.75	4.09	4.06	4.29	4.96	4.68
C33	Wholesale, Chain Stores	2.78	3.08	2.89	2.87	3.22	6.50	6.76	7.39	6.86	7.07
C41	Co-operative Associations	1.69	2.03	2.32	2.40	2.44	3.71	4.91	5.42	5.92	6.35
C51	Lumber Yard, Builders' Supplies	2.33	2.85	2.36	2.45	2.56	6.06	6.93	6.13	6.71	7.02
C61	Automotive, Implement Sales & Service	1.33	1.12	1.35	1.27	1.37	3.22	3.20	3.70	4.04	4.18
C62	Automotive Service Shops, Towing	1.58	1.20	1.72	1.57	1.63	4.18	4.21	5.23	5.28	5.07
D32	Operation of Oilwells	0.34	0.40	0.61	0.48	0.32	1.84	1.54	2.07	2.20	2.48
D41	Oilwell Servicing	1.43	1.71	1.39	2.07	2.01	5.56	4.85	5.78	7.06	6.89
D51	Service Rigs, Water Well Drilling	1.89	1.60	1.91	2.07	2.08	10.15	7.07	8.74	11.38	12.61
D52	Seismic Drilling	2.90	1.48	1.32	1.83	2.19	8.13	5.04	6.28	9.24	8.87
D71	Open Pit Mining	1.47	2.11	1.79	2.25	1.78	6.50	6.67	6.52	7.99	14.15
D72	Underground Softrock Mining	1.11	0.67	0.65	0.49	0.73	4.20	3.78	3.72	5.11	5.44
D73	Underground Hardrock Mining	1.86	0.99	0.83	0.83	0.64	3.93	3.68	3.89	3.91	4.04
G11	Post Secondary Education	0.39	0.37	0.70	0.89	0.66	1.42	1.53	2.19	2.48	2.89
G12	Elementary & Secondary Education	2.54	2.00	2.66	2.87	2.49	5.60	4.88	6.95	6.94	6.25
G22	Health Authority, Hospitals, Care Homes	4.05	3.57	3.39	3.50	3.25	6.96	7.17	7.22	7.90	7.48
G31	Cities, Town, Villages, RMs	3.39	3.04	3.31	3.30	2.99	7.37	7.35	8.29	9.30	8.57
G51	Government of Saskatchewan & Ministries	2.98	1.69	2.01	1.82	1.78	4.82	3.52	4.55	5.00	4.75
M31	Manufacturing, Pipeline Operations	0.53	0.55	0.70	0.55	0.53	1.48	1.64	1.96	1.82	2.00
M33	Refineries and Upgrader	0.64	0.73	0.41	0.72	0.51	1.54	2.69	1.88	2.31	1.99
M41	Dairy Products, Soft Drinks	3.72	2.41	2.83	2.91	3.18	8.77	9.80	8.48	9.97	11.37
M42	Bakeries, Food Prep & Packaging	1.98	2.19	2.08	1.99	2.28	5.13	5.98	6.49	6.60	6.55
M62	Mills, Semi Medium Manufacturing	2.72	2.97	3.09	3.71	3.83	6.45	8.76	9.06	9.84	10.14

The injury rate equals the number of claims divided by the number of workers covered. Since 2019, fatalities have been included in injury rates. The number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.

¹ Time Loss injury rate definition includes Time Loss + Fatalities for 2019 to 2021.

² All class injury rates exclude self-insured claims and workers.

RATE CODE	DESCRIPTION	TIME LOSS INJURY RATE ¹ (%)					TOTAL INJURY RATE (%)				
		2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
M72	Processing Meat, Poultry and Fish	5.98	4.74	4.79	5.31	4.04	13.16	13.39	13.17	16.22	14.09
M81	Metal Foundries & Mills	1.65	2.65	2.49	3.00	2.16	4.81	7.45	8.68	9.61	8.26
M91	Agricultural Equipment	3.90	2.55	2.51	3.08	2.53	9.85	7.08	8.60	10.87	10.72
M92	Machine Shops, Manufacturing	2.55	2.61	2.33	2.85	2.64	7.55	8.10	8.32	10.31	9.15
M94	Iron and Steel Fabrication	1.91	2.81	3.13	3.06	3.12	6.93	9.44	11.25	11.53	11.84
R11	Road Construction and Earthwork	1.36	1.37	1.25	1.42	1.62	4.81	4.48	4.56	5.34	5.49
S11	Legal Offices, Financial, Drafting	0.16	0.16	0.15	0.23	0.34	0.37	0.35	0.62	0.56	0.72
S12	Offices, Professionals	0.38	0.34	0.41	0.48	0.35	1.12	0.98	1.38	1.50	1.32
S21	Community & Social Services	1.37	1.03	1.22	1.33	1.04	2.90	2.49	2.93	3.13	2.58
S22	Restaurants, Catering, Dry Cleaning	0.99	1.04	0.94	1.05	0.97	2.11	2.22	2.33	2.60	2.64
S23	Hotels, Motels, Taxis	1.10	1.11	1.36	1.42	1.22	2.64	2.61	2.94	3.28	2.98
S32	Personal, Business & Leisure Services	1.72	1.55	2.00	1.88	1.92	3.58	4.47	5.16	5.00	5.20
S33	Caretaking, Park Authorities	1.46	1.24	1.13	1.94	1.29	3.38	3.57	4.16	4.73	4.06
S41	Engineering, Testing & Surveying	0.54	0.30	0.34	0.51	0.53	1.43	1.13	1.26	1.68	1.68
T42	Transportation, Courier, Commercial Bus	3.18	3.66	3.67	4.59	4.34	6.57	7.40	7.94	10.31	9.93
T51	Operation of Railways	1.03	1.47	1.50	1.92	1.93	2.07	2.66	3.01	4.08	3.74
T61	Commercial Air Transportation	0.78	1.06	1.13	1.62	1.76	2.14	2.19	4.06	4.37	4.08
U11	Telecommunications	1.59	1.64	1.41	1.30	0.91	2.61	3.38	3.04	3.14	2.25
U31	Electric Systems	0.39	0.55	0.42	0.53	0.42	2.76	3.08	3.65	3.22	2.70

The injury rate equals the number of claims divided by the number of workers covered. Since 2019, fatalities have been included in injury rates. The number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.

¹Time Loss injury rate definition includes Time Loss + Fatalities for 2019 to 2021.



Injury prevention programs and services

2021 Time Loss injury rate²: 2.03 per 100 workers (2020: 1.78 per 100 workers)

2021 Total injury rate: 4.56 per 100 workers (2020: 4.46 per 100 workers)

2021 Total claims reported: 25,751 (2020: 23,746)

2021 Total claims accepted³: 17,899 (2020: 17,944)

The WCB was founded to assist workers and employers in the case of a workplace injury. The compensation system protects employers from lawsuits and provides benefits and support to injured workers. To that end, the WCB invests heavily in injury prevention, working toward the organization's goal of Mission: Zero — zero injuries, zero fatalities and zero suffering.

The WCB, along with health and safety prevention efforts by its customers and partners, achieved significant reductions in the workplace Total injury rate, with a drop of 51.1 per cent from 2009 to 2021.

In 2021, the WCB covered 9,493 fewer workers and accepted 45 fewer claims, at 17,899⁴ compared to 2020. Of those accepted claims, 9,918 were No Time Loss claims and 7,963 were Time Loss claims, which is 829 more Time Loss claims than in 2020. There was a 0.25 per cent decrease in the number of claims accepted from 2020 to 2021.

The 2021 Time Loss injury rate⁵ was 2.03 per 100 workers, an increase of 0.25 per 100 workers or 14 per cent from 2020. The WCB's vision speaks to eliminating workplace injuries. Therefore, the WCB also calculates a Total injury rate that includes accepted No Time Loss, Time Loss and fatality claims. At Dec. 31, 2021, the Total injury rate was 4.56 per 100 workers, a 2.2 per cent increase from 2020. These numbers include COVID-19 claims accepted by the WCB, which totalled 347 in 2020 and 1,035 in 2021.

The Total injury rate since 2016 has not shown the same decreases as in previous years. It is important that everyone continues to work together collaboratively on prevention initiatives that will seek to eliminate workplace injuries, which will result in reduced injury rates in the province.

² Time Loss injury rate definition includes Time Loss + fatalities from 2019 to 2021.

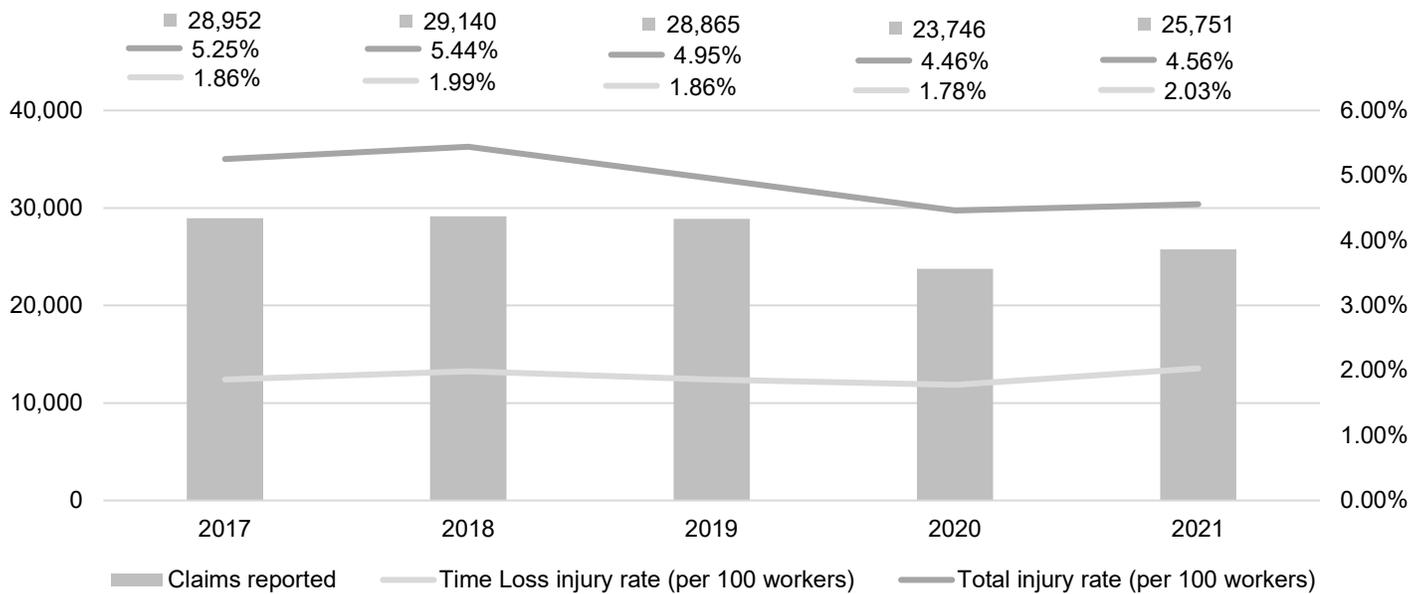
³ Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.

⁴ Ibid.

⁵ Time Loss injury rate definition includes Time Loss + fatalities from 2019 to 2021.



Claims reported and injury rates



COVID-19 response

With the COVID-19 pandemic continuing into 2021 and workers returning to workplaces, WorkSafe Saskatchewan continued to market an online COVID-19 course for employers and workers to help maintain safe workplaces. Since offering the course, a total of 346 employers, representing 5,966 workers, have taken the course. Of those 346 employers, 102 received certificates for having 80 per cent or more of their employees complete the course.

Other resources provided through the WorkSafe website included information on ergonomic hazards, working from home, managing mental health, conducting a hazard assessment and developing exposure control plans. These resources remain current with the changing situation of COVID-19. WorkSafe offered all training courses virtually and continued to offer online training courses through its website for free (worksafesask.ca).

Fatalities and serious injuries

In 2020, there were 2,304 serious injuries⁶ accepted, which represented 12.84 per cent of all accepted claims and accounted for approximately 75 per cent of claim costs.⁷ In 2021, there was an increase in the Total and Time Loss injury rates in the province. There continues to be a consistent number of serious injuries and fatalities that are accepted by the WCB.

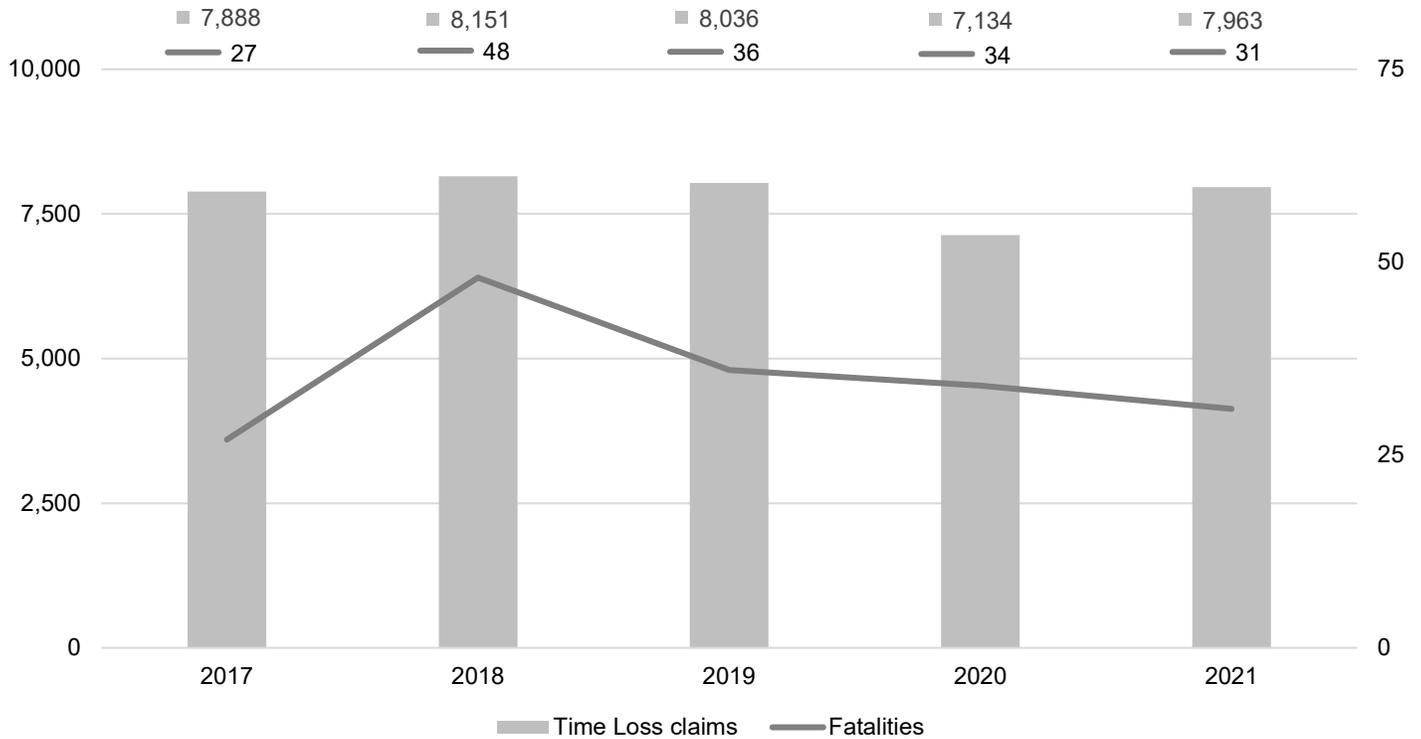
⁶ The definition of a serious injury includes the following criteria:

- If a claim is a fatality.
- If a claim has 50 or more days of compensation paid.
- If a claim has a Ministry of Labour Relations and Workplace Safety referral flag.
- If a claim is a primary psychological/mental health claim.
- If a claim includes a permanent functional impairment greater than or equal to 10 per cent.

⁷ 2020 figures are the most recent data available.



Time Loss claims and fatalities



WorkSafe’s focus in 2021 continued in the following eight areas:

- asbestos exposures
- work-related motor vehicle crashes
- firefighter cancer exposures
- falls from heights (construction industry)
- health care
- transportation
- first responders (psychological injuries)
- manufacturing (specifically hand injuries)

Work in these areas included creating additional resources on the WorkSafe website, developing marketing campaigns, working closely with employers on serious injury investigations and creating partnerships focused on reducing serious injuries in the workplace.

With 2021 being the final year of the Fatalities and Serious Injuries Strategy, WorkSafe completed the first phase of facilitating discussions with six different stakeholder groups. These meetings will help inform the focus and priorities of the next version of the Fatalities and Serious Injuries Strategy.

More information on the Fatalities and Serious Injuries Strategy can be found on the WorkSafe website at worksafesask.ca/prevention/serious-injuries-and-fatalities.



Fatalities and Serious Injuries Strategy – targets and outcomes¹

	Asbestos exposure	Motor vehicle crashes (MVC)	Firefighter cancers	Falls from heights	Health care	Transportation	Psychological injuries	Manufacturing
2018 TARGET	Improve awareness from 19%	Reduce work-related motor vehicle crashes by 30%	Improve firefighter controls by 50%	Reduce falls from heights injuries by 30%	Reduce serious injuries by 10%	Reduce serious injuries by 10%	Reduce durations by 20%	Reduce serious injuries by 5%
2021 OUTCOME	Improved awareness to 33%	Reduced work-related motor vehicle crashes by 25%	Improved firefighter controls by 100%	Reduced falls from heights injuries by 19%	Serious injuries increased by 5%	Reduced serious injuries by 3%	Reduced durations by 17%	Reduced serious injuries by 8%

¹ Total of 91 per cent of implementation targets completed or in progress.

Serious injury investigations

In 2021, the WCB's prevention department launched its serious incident investigation process to support workplaces in identifying the root causes of serious injuries and fatalities. The WCB also assists employers in identifying corrective actions to help prevent a recurrence of the serious events. Prevention staff members continue to support the corrective actions identified in these investigations.

Priority employers' injury rates

WorkSafe continued working with priority employers who were identified based on their total injury numbers. Priority employers receive assistance from the Ministry of Labour Relations and Workplace Safety (LRWS)'s Occupational Health and Safety (OHS) division, the WCB and, if applicable, their funded safety associations to assess their safety systems, receive training and improve their safety performance.

The number of employers involved in the priority firm program at the end of 2021 (excluding health-care firms) was 110. These employers accounted for 2,334 claims or 13 per cent of all accepted claims.

The 2021 priority firm Total injury rate was 4.86 per cent, which is a 0.21 per cent increase from the 2020 rate of 4.85 per cent. WorkSafe's target was a nine per cent reduction in the priority firm injury rate. In 2021, 42.7 per cent of priority employers met that target. Meetings with priority employers continued in 2021, however due to the pandemic, meetings were held virtually. Last year, the WCB continued to collaborate with LRWS to align the priority employer program with the Fatalities and Serious Injuries Strategy.

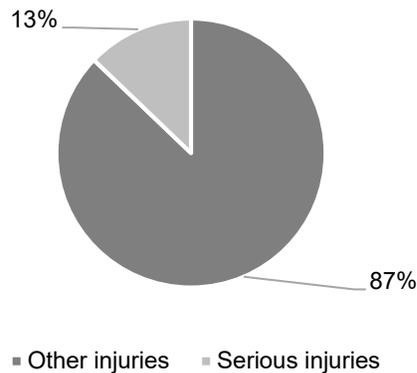
WorkSafe worked with a priority list of transportation companies in 2021. These companies were chosen based on the number of serious injuries that had taken place within their organizations. These employers are outside of the regular priority employer group. In 2021, their Total injury rate increased by 22.36 per cent over 2020 — to 9.51 per cent in 2021 from 7.77 per cent in 2020.

WorkSafe also identified 23 additional employers to work with based on serious injury criteria. These employers will receive assistance from the WCB, their funded safety associations and the OHS division to move their safety management systems forward, with specific assistance given to root cause investigations of serious injuries.



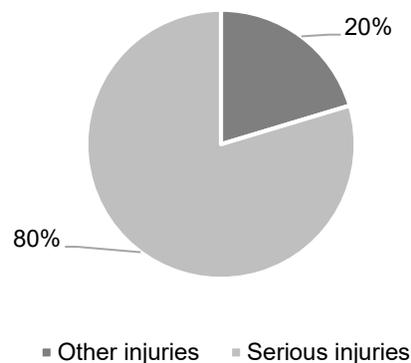
Serious injuries 2020¹

¹2020 figures are the most recent data available.



Compensation days 2020²

²2020 figures are the most recent data available.



Psychological injuries

Psychological injuries continue to rise in the province. The greatest number of psychological injuries is among first responders, corrections workers and those working in health care. Over the past five years, the number of psychological injury claims accepted by the WCB has increased. From 2017 to 2021, the WCB accepted 1,257 psychological injury claims. The number of accepted psychological injury claims increased to 238 in 2021 from 174 in 2017.

In 2020, WorkSafe Saskatchewan formed a partnership with Dr. Joti Samra, a registered psychologist and founder of MyWorkplaceHealth. The goal of this partnership is to develop a long-term strategy that will, in part, provide resources to Saskatchewan employers to help them protect psychological health, and respond to new injuries and concerns in the workplace.

In April 2021, WorkSafe and Dr. Samra formally launched the Psychological Health and Safety Resource Centre on the WorkSafe website. The centre provides valuable tools and information for implementing practices and procedures in workplaces that address psychological health and safety, and return to work. The centre provides information for employers and workers. In the fall of 2021, three new resources targeted to small businesses were added to the website.



Education sector

WorkSafe continues its partnership with the Saskatchewan Association for Safe Workplaces in Health to improve health and safety in the education sector, with a focus on addressing the top three hazards that occur in the industry and developing countermeasures to reduce related risks. The implementation of workplace injury prevention efforts in the education sector aligns with the Community of Safety Education (CSES) model previously developed by Safe Saskatchewan. By implementing safety management systems in school divisions, it meets the objective to reduce unintentional injuries in Saskatchewan by integrating injury prevention knowledge and practices into Saskatchewan schools and communities.

Violence is an issue in the education sector as well as in the health-care industry. Violence is one of the top five causes contributing to the increase in serious workplace injuries in Saskatchewan. This has risen to 5.68 per cent of total claims in 2021 from 2.91 per cent in 2013. In 2021, there were 1,039 injuries resulting from assaults and violent acts. This is a 7.97 per cent decrease from 2020. In 2020, there were 1,129 violence-related injuries, amounting to 6.17 per cent of all accepted injuries. The risk of violence is a concern to employers and workers in various other industries.⁸

Health-care injuries

In 2021, the Time Loss injury rate in health care increased to 4.05 per cent from 3.57 per cent (an increase of 13.48 per cent). However, the total number of injuries in health care decreased by 1.50 per cent to 3,696 in 2021 from 3,754 in 2020. In 2020, serious injuries in health care accounted for 25.43 per cent of the total serious injuries for the province, with 586 out of the 2,304 accepted serious injuries in the province. Health care will remain a focus within the WorkSafe strategy.

Transportation injuries

Transportation remains the second highest industry with the most serious injuries. In 2021, the total number of injuries in transportation decreased by 2.53 per cent to 733 from 752 in 2020.

WorkSafe created campaigns and resources, and partnered with the Saskatchewan Trucking Association to create and implement a Certificate of Recognition program for employers in the industry.

Cities, towns, villages and rural municipalities

In 2021, the total number of workplace injuries in cities, towns, villages and rural municipalities decreased by 2.37 per cent to 988 from 1,012 in 2020.

Of all serious injuries in first responders, 2.57 per cent were psychological injuries. In 2021, WorkSafe evaluated and enhanced the supports and resources made available through Saskatchewan's first responders' mental health website at saskfirstrespondersmentalhealth.ca, which houses numerous support resources.

Youth injuries

Each year in Saskatchewan, approximately 3,200 youth under the age of 25 are injured on the job, and an average of two die from a workplace incident. There were 2,828 youth injuries in 2021. This is a 6.36 per cent

⁸ Injuries resulting from assaults and violent acts include federal claims.



increase from the 2,659 youth injuries in 2020. The 2021 youth injuries represent 15.80 per cent of all injuries accepted by the WCB. There was one youth fatality in 2021, an increase from zero in 2020.

WorkSafe reaches youth, their teachers and their employers through face-to-face meetings, presentations, events, an annual youth video contest, training resources and online tools that supplement the Saskatchewan education curriculum.

WorkSafe sits on the Canadian Co-ordinators for Young Worker Safety committee. This committee completed a jurisdictional scan and identified a gap in mental health resources for youth. As a result, a working committee was struck that has created mental health resources specifically for young workers.

WorkSafe invests in providing safety education and awareness to youth by continuing to support the Career Safety Education program of the Saskatchewan Safety Council and the Ready for Work Program of the Saskatchewan Federation of Labour.

Because of a lack of access to secondary and post-secondary classrooms during the pandemic, the approach to getting out WorkSafe's safety message to young workers looked different in 2021. Partnerships were used to leverage messaging. The Saskatoon Industry Education Council sent out work kits to schools that included safety glasses and key messages for students and teachers. The Regina District Industry Education Council facilitated pre-recorded presentations, which were then hosted on online platforms for teachers to show in their classrooms.



Fatalities and Serious Injuries Strategy

WorkSafe Saskatchewan has challenged its traditional approach to fatalities and serious injuries in the province. In 2019, WorkSafe unveiled a three-year strategy reflecting the complexity of issues required to address serious injuries and fatalities in the province. From 2011 to 2020, the WCB accepted 379 fatality claims for Saskatchewan workers who died while on, or because of, their job.⁹

Based on a new WCB internal definition of a serious injury, data indicate that from 2011 to 2020, 24,737 workers suffered a serious injury, which often resulted in life-altering implications for the individual and their family. Closer analysis of this data indicates that approximately 2,500 serious injuries occur annually and this key indicator has not been decreasing.

Analysis of the WCB's fatality data led to four focused priorities:

- asbestos exposures
- firefighter cancer exposures
- work-related motor vehicle crashes
- falls from heights

379

fatalities in Saskatchewan over 10 years (2011-2020)⁹

24,737

serious injuries over 10 years (2011-2020) (2,500 annually)⁹

#1 cause

of acute fatalities (2011-2020) was motor vehicle crashes⁹

72%

of occupational disease fatalities (2011-2020) were asbestos-related⁹

28.7%

of all serious injuries (2011-2020) were in health care and transportation. These are still the top two industries with serious injuries.⁹

21%

of occupational disease fatalities (2011-2020) were firefighter cancers⁹

59.2%

of all serious injuries in 2020 were for back, leg, shoulder and arm injuries⁹

18%

of all accepted claims were for hand injuries



The Fatalities and Serious Injuries Strategy reviews WorkSafe's efforts and determines a new course to achieve Mission: Zero. The three-year strategy reflects the complexity of these issues. It was developed to prioritize and address high-risk industries and the work tasks within each that are resulting in these fatalities and serious injuries.

⁹ 2020 figures are the most recent data available.

Quality and timeliness highlights

40.24 days

Average duration of claims

4,011

Payment defects (recalculations)

The Saskatchewan WCB strives to eliminate injuries and restore abilities by providing excellent, customer-centred services to workers and employers. The organization strives to maintain the sustainability of the system for the future while providing reliable, high-quality services to injured workers and employers.

The WCB's focus in 2021 was to continue implementing improvements to stabilize its operations and meet the evolving needs of its customers. The WCB implemented innovative approaches to deal with the dynamic nature of the COVID-19 pandemic by developing more online services and offering virtual WCB and health-care appointments.

Several other improvements were implemented to enhance the experiences of customers with psychological injuries and the accuracy of the WCB's compensation services. The organization also developed new ways of delivering services based on best practices and each customer's unique needs.

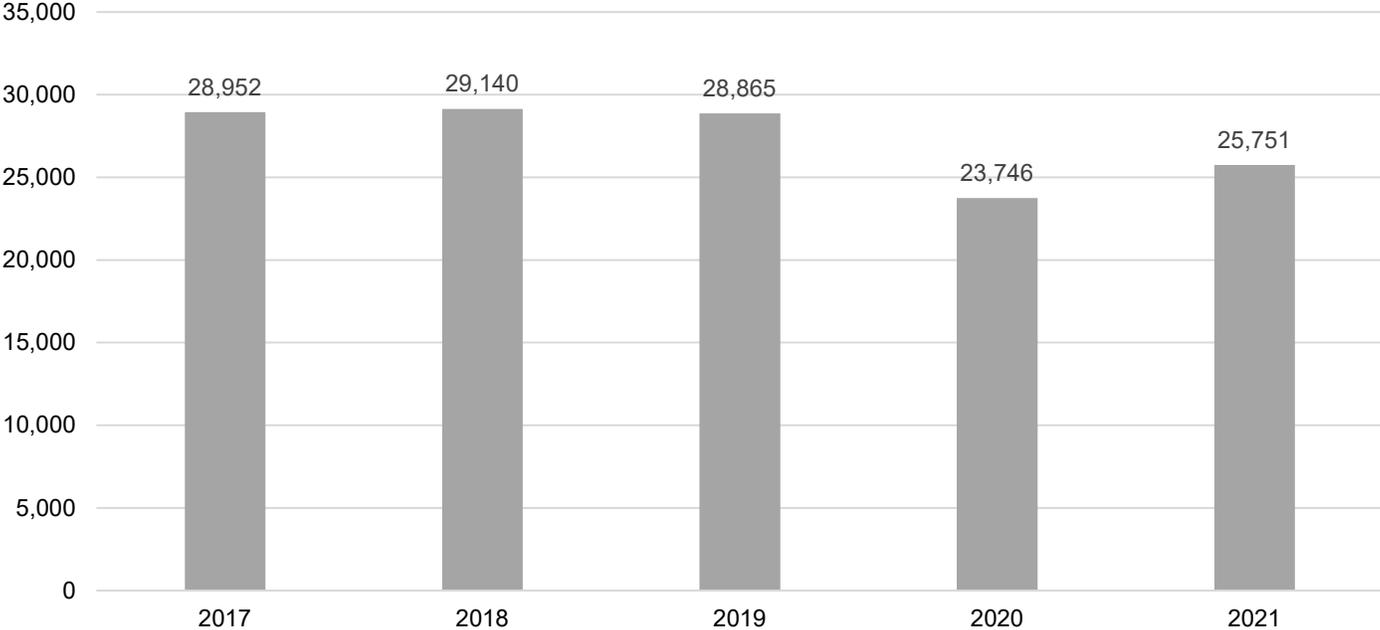
Objectives:

- By Dec. 31, 2021, there would be 2,844 payment defects (recalculations).
 - In 2021, there were 4,011 payment defects (recalculations).
- By Dec. 31, 2021, the 12-month average duration of Time Loss claims would be 38 days.
 - In 2021, the 12-month average duration of Time Loss claims was 40.24 days.



Claims summary

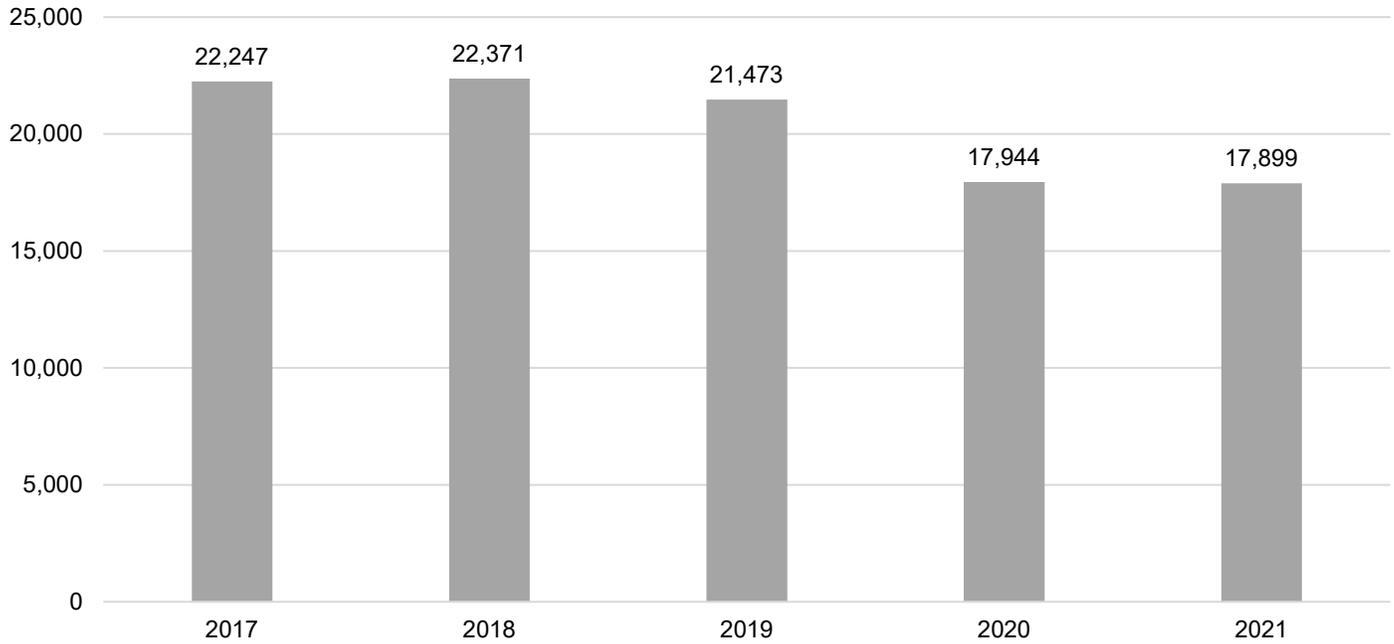
Claims reported¹



¹ Includes new claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, wcb.sask.com.

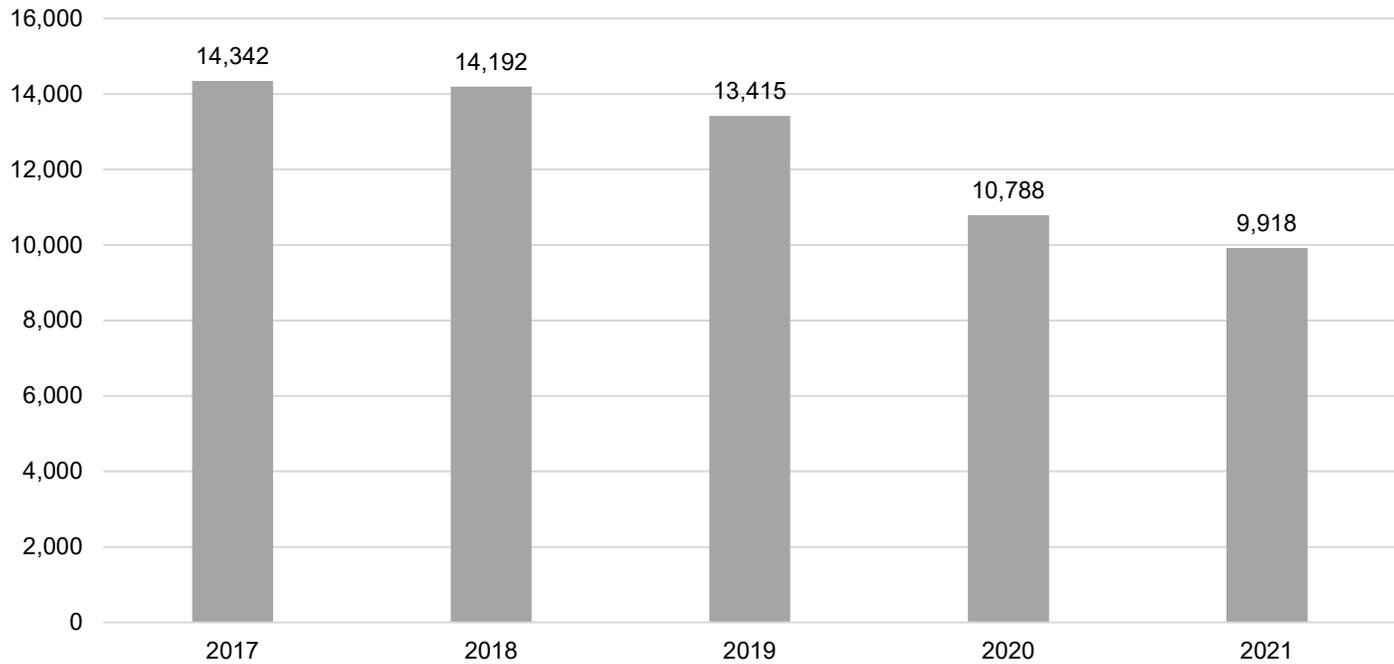


Claims accepted²



² Includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

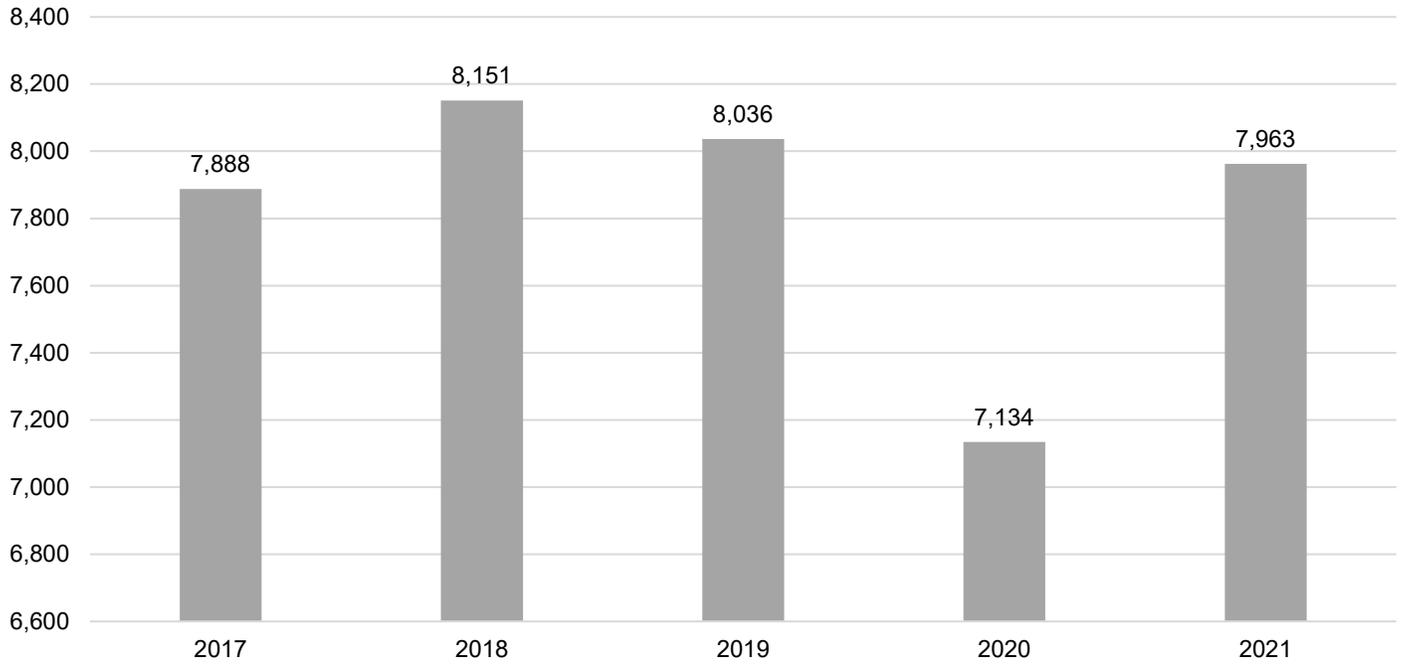
No Time Loss claims³



³ Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.



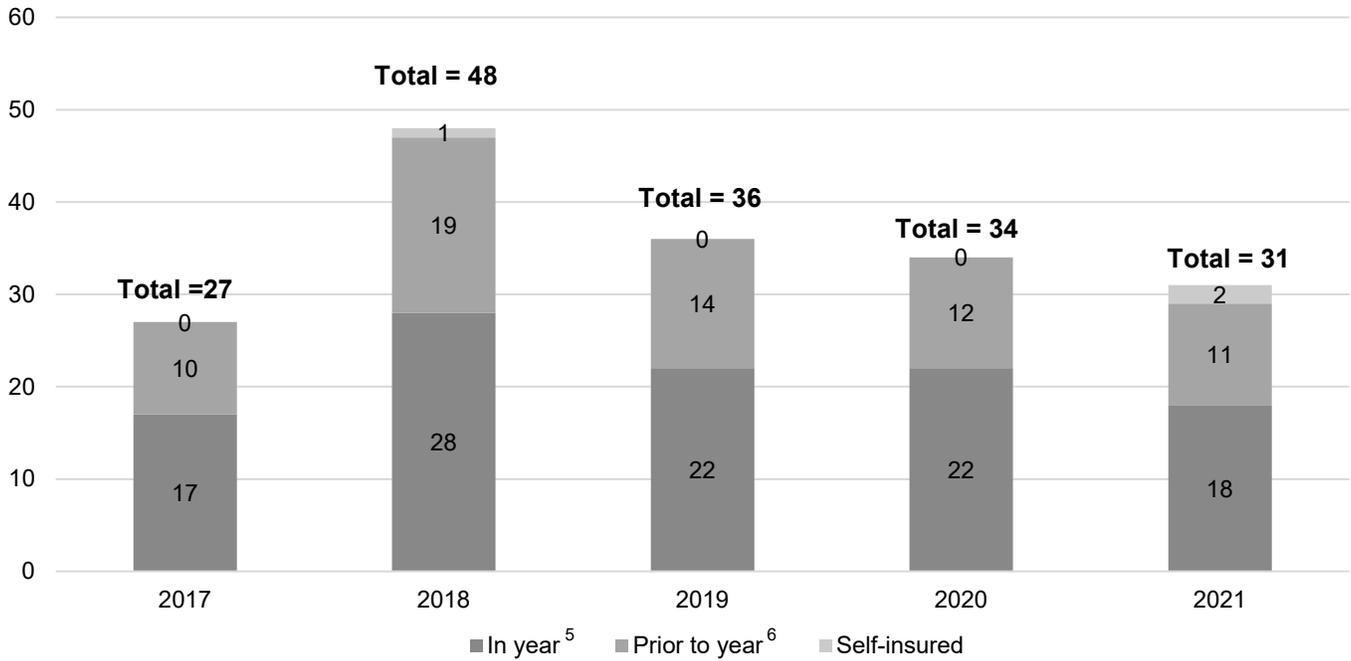
Time Loss claims⁴



⁴ Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.



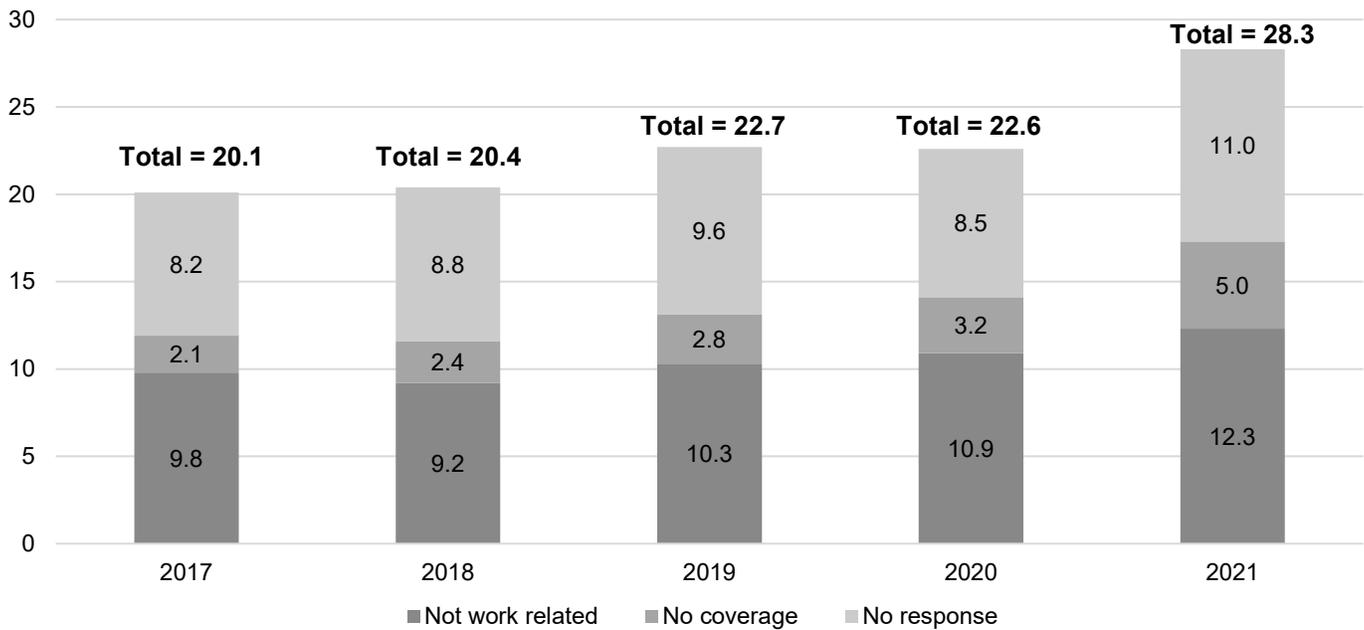
Fatalities



⁵ Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.

⁶ Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims not covered under the Act, not work related, still pending and/or duplicated within the system.

Unaccepted claims (%)⁷



⁷ Reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at Feb. 1, 2022 for 2021 claims reported. Claims are not accepted when the industry is not covered by the Act, a claim is not work-related, or no further information is received following the initial report of the injury.

Claim durations

RATE CODE	DESCRIPTION	AVERAGE DURATIONS IN DAYS				
		2021	2020	2019	2018	2017
All class ¹		40.24	45.27	41.52	41.89	40.16
A11	Light Agricultural Operations	36.17	40.98	42.37	51.33	41.34
A21	Farming & Ranching	59.63	57.42	51.56	63.64	61.07
A31	Grain Elevators & Inland Terminals	65.68	23.66	57.00	55.46	39.67
B11	Construction Trades	50.35	60.94	53.05	51.85	48.98
B12	Residential Construction	65.47	67.46	71.49	65.35	69.85
B13	Commercial, Industrial Construction	68.74	77.55	73.72	63.90	66.03
C12	Light Commodity Marketing	25.27	33.91	28.62	26.67	25.75
C32	Grocery, Department Stores, Hardware	33.31	39.91	35.32	32.26	29.23
C33	Wholesale, Chain Stores	29.62	33.45	26.39	32.59	34.77
C41	Co-operative Associations	36.35	35.21	26.34	24.45	32.84
C51	Lumber Yard, Builders' Supplies	37.33	39.09	46.03	38.24	29.69
C61	Automotive, Implement Sales & Service	40.33	45.29	35.71	30.92	30.62
C62	Automotive Service Shops, Towing	48.22	56.45	37.47	55.30	51.70
D32	Operation of Oilwells	38.37	71.39	83.96	48.00	48.95
D41	Oilwell Servicing	93.52	99.84	86.55	64.17	72.36
D51	Service Rigs, Water Well Drilling	113.07	101.79	108.97	51.13	64.32
D52	Seismic Drilling	61.38	111.95	100.92	83.27	75.97
D71	Open Pit Mining	36.53	52.68	34.29	29.73	44.75
D72	Underground Softrock Mining	38.92	52.35	48.00	42.28	46.91
D73	Underground Hardrock Mining	48.75	42.85	44.37	60.86	70.67
G11	Post Secondary Education	30.78	24.49	18.34	18.33	23.44
G12	Elementary & Secondary Education	28.32	31.76	33.03	34.49	30.08
G22	Health Authority, Hospitals, Care Homes	29.22	32.53	30.17	33.48	32.43
G31	Cities, Town, Villages, RMs	32.27	36.62	30.70	30.91	27.02
G51	Government of Saskatchewan & Ministries	41.47	51.19	51.07	54.38	42.37
M31	Manufacturing, Pipeline Operations	40.08	21.41	35.19	35.83	35.48
M33	Refineries and Upgrader	56.52	39.58	31.18	39.65	28.27
M41	Dairy Products, Soft Drinks	31.38	32.48	18.05	24.70	34.32
M42	Bakeries, Food prep & packaging	29.79	36.52	40.61	40.41	30.35
M62	Mills, Semi Medium Manufacturing	36.95	37.04	40.79	39.65	33.75
M72	Processing Meat, Poultry and Fish	27.04	22.54	37.60	42.78	30.16
M81	Metal Foundries & Mills	52.32	56.31	40.61	37.62	51.38
M91	Agricultural Equipment	38.24	35.36	29.51	32.14	43.93
M92	Machine Shops, Manufacturing	46.68	57.66	46.33	46.66	35.44
M94	Iron and Steel Fabrication	64.06	75.00	17.67	46.95	57.29
R11	Road Construction and Earthwork	80.90	87.00	78.90	75.78	68.67
S11	Legal Offices, Financial, Drafting	44.23	42.94	36.18	28.09	17.79
S12	Offices, Professionals	36.09	51.65	39.47	42.34	35.49
S21	Community & Social Services	29.97	30.96	29.82	30.99	25.11
S22	Restaurants, Catering, Dry Cleaning	32.03	35.01	29.18	28.74	33.18
S23	Hotels, Motels, Taxis	45.66	73.49	42.28	33.83	32.19
S32	Personal, Business & Leisure Services	34.29	33.01	35.17	47.80	33.35
S33	Caretaking, Park Authorities	50.86	56.27	65.49	47.86	46.03

The average duration in days equals total number of days lost divided by the number of claims with time lost.

¹ All class durations exclude self-insured claims.



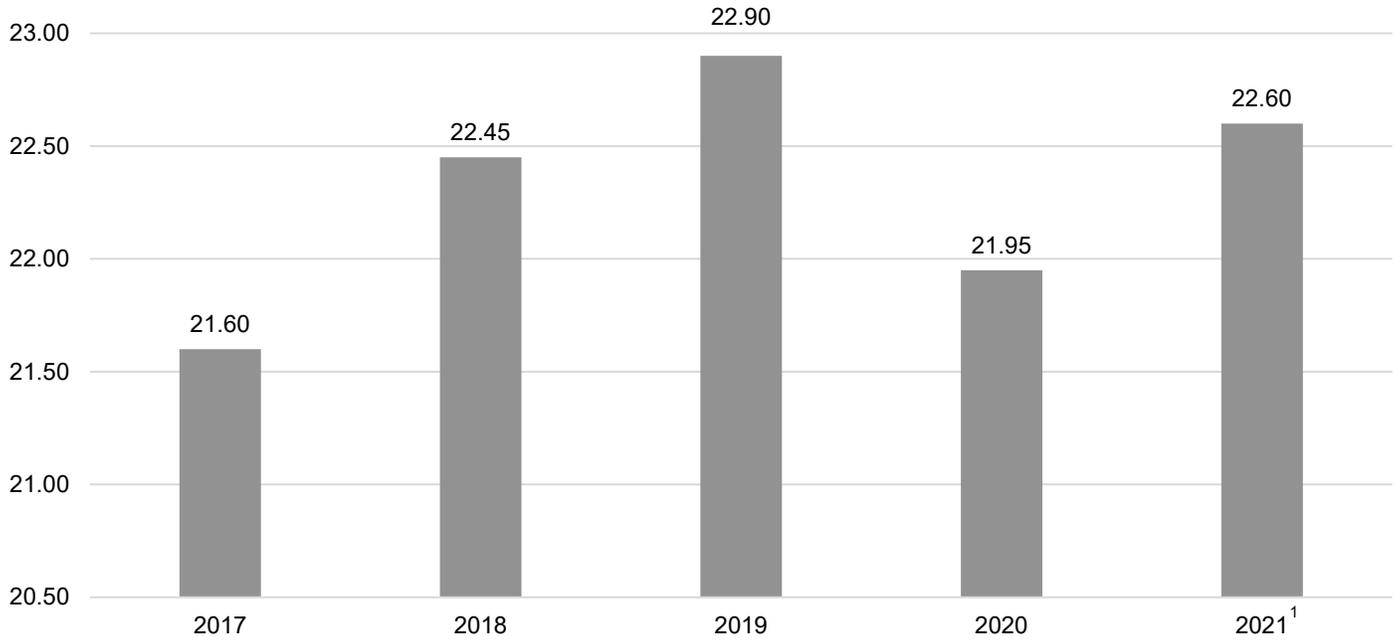
RATE CODE	DESCRIPTION	AVERAGE DURATIONS IN DAYS				
		2021	2020	2019	2018	2017
S41	Engineering, Testing & Surveying	55.06	79.33	66.30	52.44	34.94
T42	Transportation, Courier, Commercial Bus	65.13	69.91	69.40	64.04	62.93
T51	Operation of Railways	52.88	50.56	51.64	44.57	38.77
T61	Commercial Air Transportation	56.31	27.80	55.55	50.53	28.18
U11	Telecommunications	34.11	27.85	40.48	30.26	21.00
U31	Electric Systems	41.95	31.23	27.38	18.21	20.58

The average duration in days equals total number of days lost divided by the number of claims with time lost.



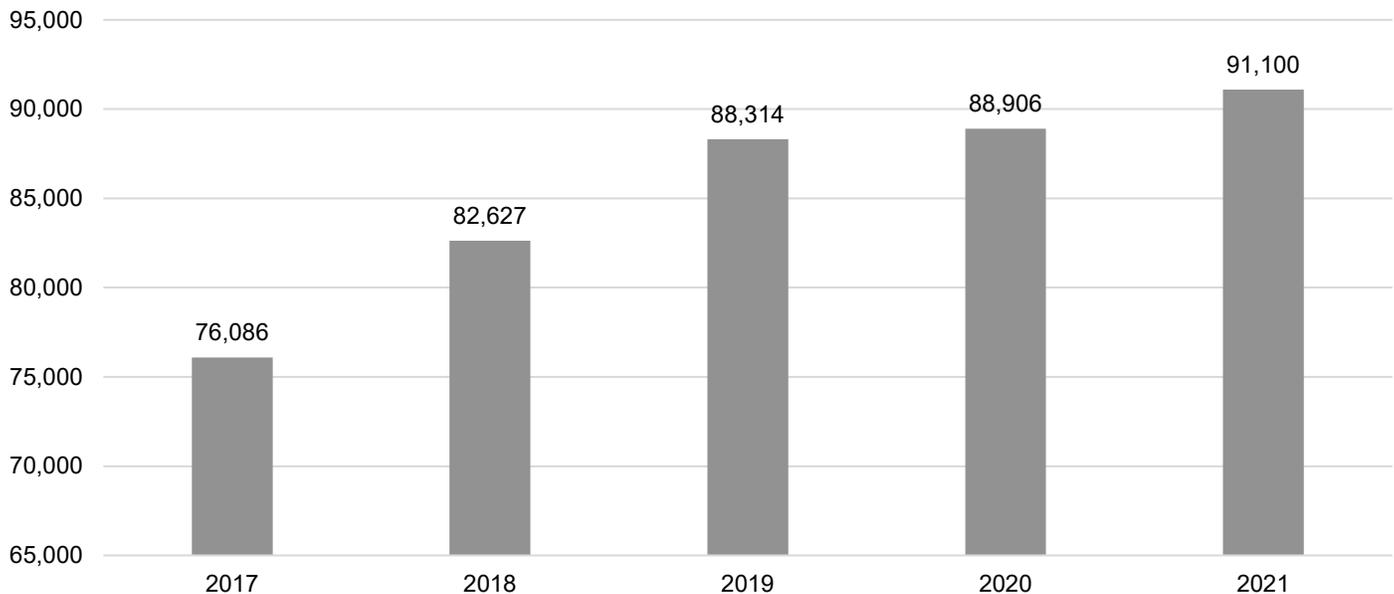
Payroll and premium summary

Assessable payroll (billions)



¹ Payroll provisional as at Dec. 31. Previous year's figure has been updated to reflect actual assessment payroll.

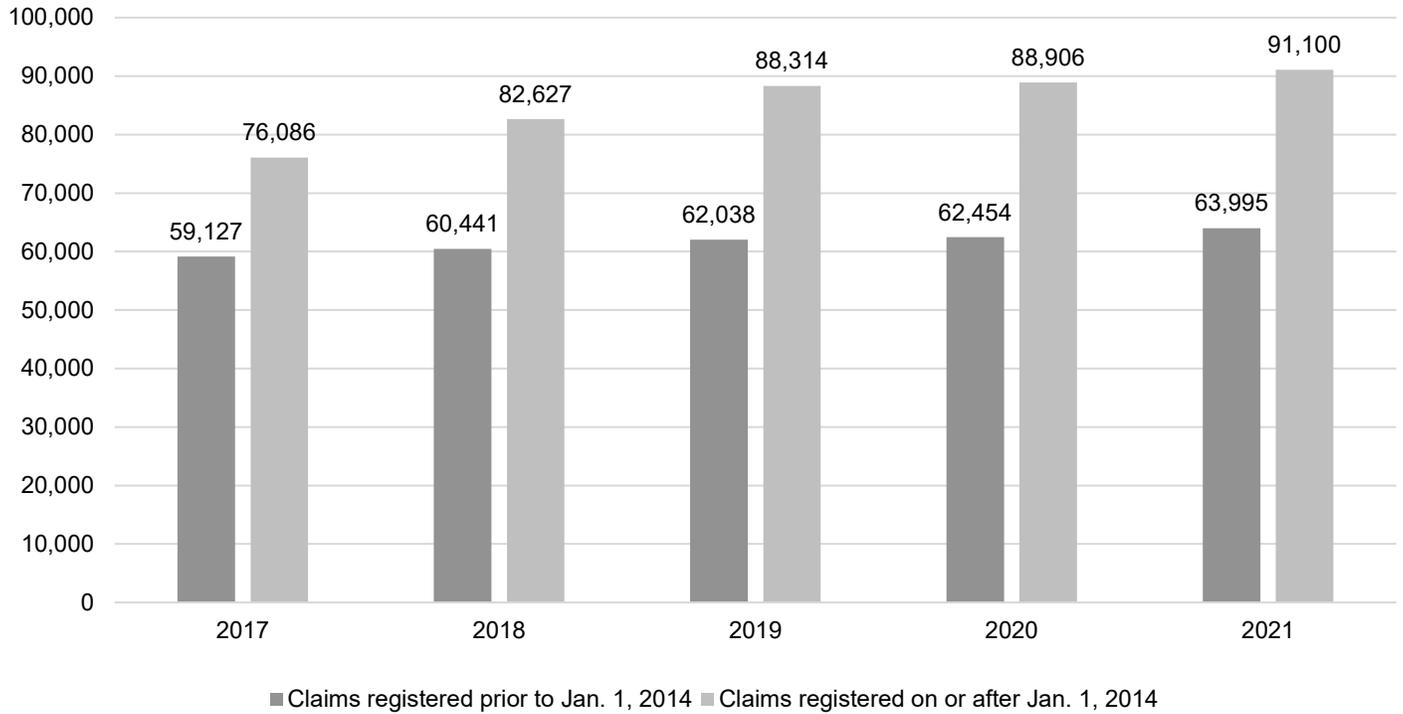
Maximum assessable wage²



² Maximum wage per person reported annually by employers. All maximum assessable wages are approved through WCB policy.



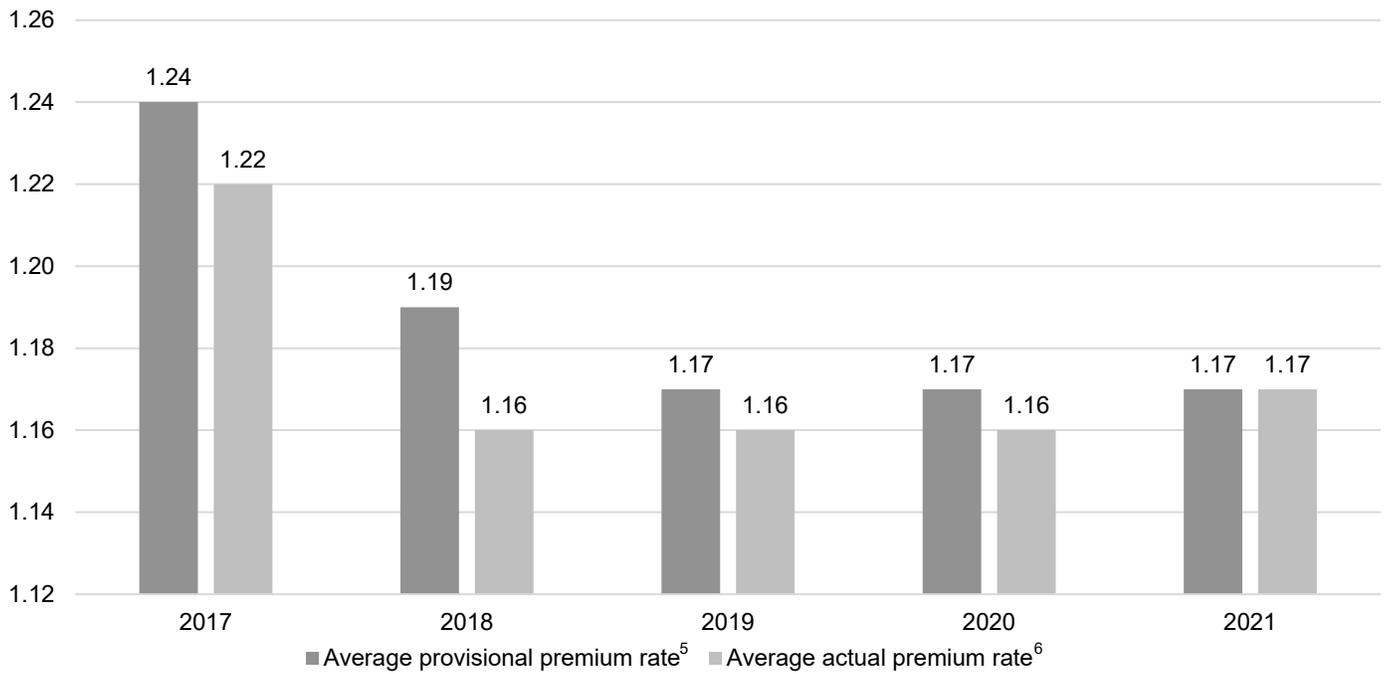
Maximum wage rate³



³ Maximum wage rate for injured workers. In accordance with Section 37 of the Act, there are different maximums for claims registered before and after Jan. 1, 2014.



Number of active employer accounts⁴ Average premium rate



⁵ Average board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

⁶ This rate consists of the base rate net of experience rating. The 2021 rate is the board-approved rate at the time of publication. The 2020 rate is restated to reflect the actual 2020 experience rating.



Impact of COVID-19

As with all businesses across the country, the WCB continued to be affected by the COVID-19 pandemic. The organization continued to adapt to a different way of delivering service to its customers. The WCB focused on mitigating the challenges of managing claims during the pandemic, including gathering necessary information to adjudicate incoming claims and managing return-to-work (RTW) plans. The latter required accessing necessary medical assessments and treatment programs at a time when the delivery of those services was hampered. The WCB collaborated with the health-care provider community to explore various ways to access timely and effective assessment and treatment options.

During these challenging times, the WCB implemented initiatives to support injured worker and employer customers. Initiatives included:

- Continuing to cover work-related COVID-19 injury claims, which are covered by the WCB's communicable diseases policy. The WCB reimbursed private test expenses if a work-related claim was being investigated or confirmed.
- Continuing to offer telehealth opportunities for assessment and treatment to support workers impacted by pandemic restrictions.
- Expanding the WCB's dedicated team to handle COVID-19 claims to maintain service levels.
- Continuing to provide cost relief to employers for COVID-19 claims.
- Providing cost relief to employers for claims if a compulsory COVID-19 vaccination caused an injury attributable solely to a worker's pre-existing condition (for example, the worker had an allergic reaction to the vaccination).

Claims registered in 2021 related to COVID-19¹

Industry	Accepted ²	Pending	Disallowed ³
Health Authority, Hospitals, Care Homes (G22)	424	2	121
Cities, Towns, Villages and RMs (G31)	44	0	11
Government of Saskatchewan and Ministries (G51)	203	0	43
Other	364	2	207
Total	1,035	4	382

¹ Claims data as of Feb. 2, 2022.

² Accepted claims include 23 No Time Loss claims, 1,008 Time Loss claims and four fatalities.

³ Disallowed claims were usually because the person did not have a positive COVID-19 test or their condition wasn't work-related.



Compensation programs and services

2021 operational objective – quality: Payment defects (recalculations)

The WCB has been working to eliminate defects in payment services to reduce the negative impacts of payment recalculations on both worker and employer customers.

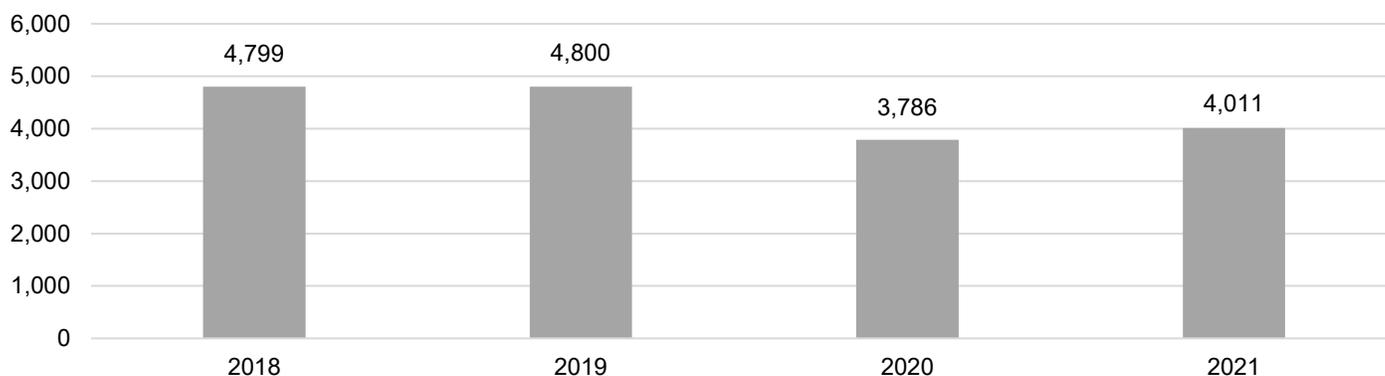
Target: Reduce payment defects (recalculations) by 25 per cent to 2,844 in 2021 from 3,786 in 2020.

Result: The WCB ended 2021 with 4,011 recalculations, which is 1,167 (41 per cent) above the target of 2,844.

While recalculations increased in 2021 over 2020 numbers, the WCB saw a marked decline over the last three years, indicating a positive trend. Most of the year-over-year increases in 2021 resulted from payment practices for earnings loss recalculations. Specifically, advance payment practices result in the need to recalculate any time an injured worker is later unable to make a treatment appointment or a change occurs in their RTW plan.

A policy review was completed in 2021, and a new policy will be implemented in early 2022 that aims to reduce defects and the negative impacts of having to recalculate benefits. Other improvements planned as part of the WCB's business transformation over several years are expected to further reduce the need for recalculations in the future.

Payment defects (recalculations)



2021 operational objective – timeliness: Psychological injury durations

The WCB's focus on psychological injury durations involves continuing to respond to the unique challenges of workers and employers dealing with these types of injuries.

Target: Reduce psychological injury durations by 10 per cent to 58 days.

Result: The WCB ended 2021 at 61 days, which was three days above the target of 58 days and four days below the baseline of 65 days.

The WCB's psychological injuries unit was established in the fall of 2019 to provide specialized support to workers with psychological injury claims. Since that time, the unit has continued to improve its processes to better serve customers.

In 2021, the unit tested a new approach: providing customers with a single point of contact for the adjudication and management of psychological claims. Based on the success of this approach, the entire unit began delivering service in this way. The WCB expects psychological injury claims to continue to require specialized services in the years to come and will continue making improvements to maintain service levels.

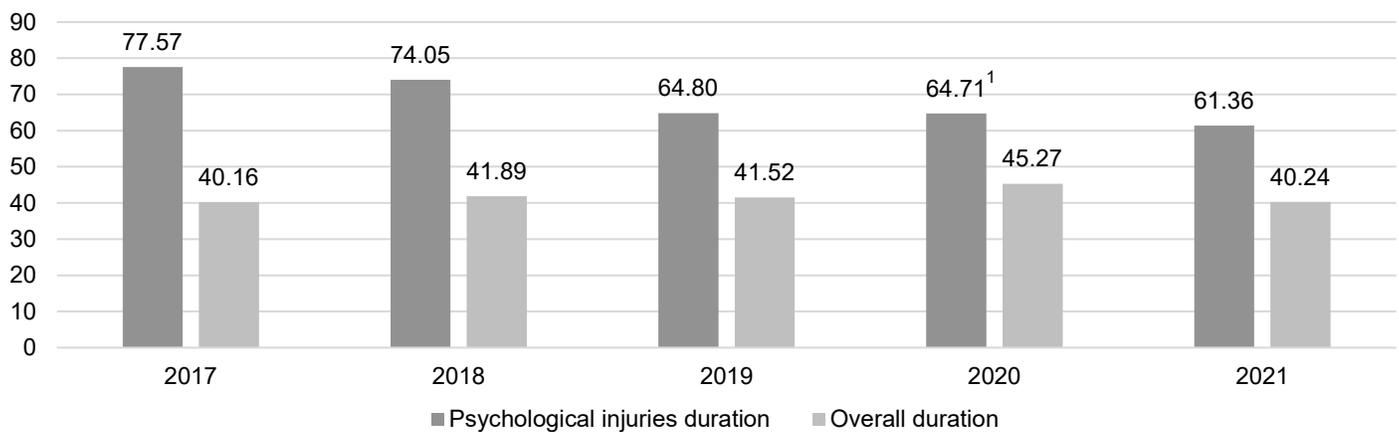


The unit developed a new standard for proactive communications with employers to ensure collaborative planning with these customers throughout the claim process, from registration to closure. To better serve injured workers and employers, the unit also collaborated with vocational services providers to develop a new standard for early and proactive referrals to such services.

Current wait times for psychiatrists in Saskatchewan can be several months or more. The health-care services department is exploring multiple options to provide virtual appointments on an expedited basis (with an expected wait time of two to four weeks).

The unit also collaborated with WCB’s prevention department to co-ordinate training for health-care providers and employers in an innovative reintegration program developed by the Edmonton Police Service. The focus in 2022 will be to offer further training and seek commitment to the program from more Saskatchewan-based employers.

Psychological injury durations vs. overall durations



¹ The 2020 average duration of psychological injuries has been updated from the previous annual report due to the inclusion of claims pending or under appeal at Dec. 31, 2020, which were subsequently approved.

Claims transformation

In 2021, the WCB completed the second year of its claims transformation initiative and continued efforts to achieve the future state vision. Developed in 2020 with input from injured workers, employers and WCB employees, this vision guides the transformation of the WCB’s claims operations. It continues to be the blueprint for what service delivery will look like in the next several years.

With oversight and support from the newly launched Business Transformation Program, in 2021 the WCB completed research, planning and development related to new service-delivery models aligned with the vision. For example, new processes were developed to support the pilot project for the automatic adjudication of claims and to segment claims by risk to ensure customers receive quicker and more tailored services.

Planning new methods to reduce work disability was also completed, which will result in increased collaboration between injured workers, employers, health-care service providers and WCB employees in developing recovery and RTW plans. Another new process will see customer care facilitators assessing holistic risk factors at the time of referral and throughout the claim. This will better inform recovery and RTW plans and will identify necessary interventions. A number of these new practices are ready for implementation and/or pilot testing in early 2022.

Additionally, the WCB developed some new processes that will be tested as part of a pilot project. This includes proactive worker and employer communications, which aims to more actively engage both in information sharing,

and recovery and RTW planning with the WCB. As the WCB continues on its claims transformation journey, the organization will continue to engage its customers and employees and focus on improving processes to address service gaps.

Employer services

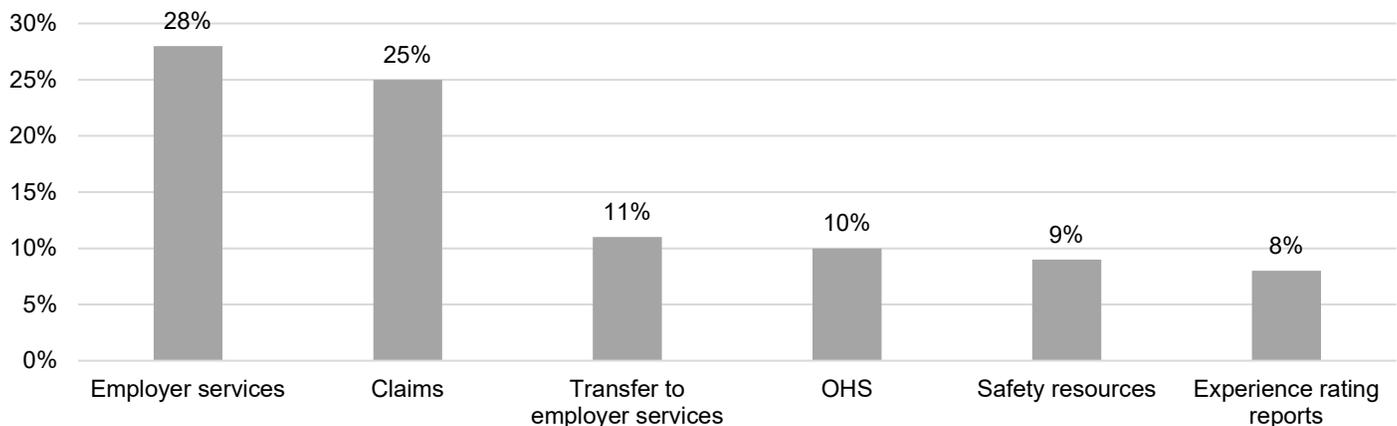
In 2021, employer services' quality and timeliness highlights included:

- Handling 7,275 registration inquiries. Of those, 67 per cent were completed within five days, with an average time to process of 4.5 days. Although the percentage completed within five days was lower than the 2020 level of 75 per cent, the average time to process improved by 2.7 days.
- An increase in online Employer's Payroll Statement submissions. In 2021, 93 per cent of employers submitted online, compared to 91 per cent in 2020.
- Completing 499 employer audits representing \$2.80 billion in assessable payroll. In 2020, the WCB completed 290 employer audits, representing \$1.91 billion in assessable payroll. Due to COVID-19, payroll audits were suspended from March to July of that year, except in situations where an employer may have been eligible for a refund.
- Making premium adjustments to 58 per cent of files in 2021 because of payroll audits. This is an increase from 2020, when 53 per cent of files had premium adjustments. The top three reasons for adjustments were reporting errors, unregistered contractors and excess earnings above the maximum.
- Handling 64,981 calls. The abandoned call rate was 5.4 per cent in 2021, up from 5.1 per cent in 2020. This is above the WCB's 4.0 per cent target.

Employer Resource Centre

The Employer Resource Centre was created to address gaps identified by the WCB's customers in employer supports, and to better facilitate an employer's ability to navigate the workers' compensation system. The resource centre helps customers with questions about registering a business, filling out claim forms, RTW, health and safety, and the appeal process.

Employer Resource Centre inquiries¹



¹Shows the top six inquiry types the Employer Resource Centre handled in 2021.

The Employer Resource Centre is available at wcb.sask.com/employers.



People highlights

6.5

out of 10
staff engagement
average quarterly
survey score

0

Number of COVID-19
work-related
transmission incidents
at WCB worksites

889

improvement ideas
successfully implemented
by front-line staff

37%

Perception of
collaboration across
teams increased from 31
per cent in 2020

The WCB's greatest resource is its people, and it strives to ensure work environments that empower, engage and protect the health and safety of each employee. Employees deserve this type of environment and it better positions them to serve the WCB's customers. The WCB is developing a culture that allows employees to develop and grow as problem solvers, and to work together in pursuit of service excellence and safety. The organization will not achieve its vision of eliminating injuries and restoring abilities unless it can create an environment that enables staff's energy, knowledge and creativity to be applied.

Objectives:

- **Safety:** By Dec. 31, 2021, the WCB would have no greater than five staff injury claims (a 33 per cent reduction from the previous four-year average of 10 claims).
 - In 2021, the WCB had nine staff injury claims, a 10 per cent decrease from the previous four-year average.
- **People:** By Dec. 31, 2021, WCB employees would have successfully implemented 756 improvement ideas.
 - In 2021, WCB employees successfully implemented 889 improvement ideas.



The WCB knows that the work and efforts of all employees are critical to the experience of its customers, partners and stakeholders.

The WCB's priority in 2021 was to enhance the experience of its customers by ensuring WCB staff were inspired to contribute their best every day and that they were enabled to improve their work processes in a safe, supportive and engaging work environment.

COVID-19 response

Like all employers in the province, the WCB continued to work through the COVID-19 pandemic in 2021. The WCB had to continue adjusting to meet the needs of its customers and its workforce during an ever-evolving internal and external risk landscape. During 2021, the WCB remained focused on supporting the physical and psychological safety of its staff and minimizing the risk of workplace exposure, while simultaneously providing excellent customer service.

The WCB continued to utilize its business continuity planning (BCP) team, a crisis response team supporting all critical services of the organization. Throughout the year, the BCP team addressed all issues that surfaced from the pandemic and threatened the WCB's ability to protect its staff and serve its customers. As the pandemic evolved, the BCP team provided invaluable troubleshooting, planning and problem solving.

The WCB implemented multiple safety protocols and strategies in response to COVID-19 that enabled it to safely transition employees to working from home. With the exception of leadership who returned to the office in late 2020, WCB staff continued to work from home for the majority of 2021, with the transition back to the office occurring in November and December. The WCB developed and implemented a transition plan for employees' return to the office that focused on logistics, acclimatization, and health and safety.

It was an ongoing challenge managing the unique risks associated with having most employees working remotely in many different environments. This contributed to several staff safety incidents in 2021. Ergonomic incidents remained the leading cause of injuries among WCB staff in 2021.

Even during unprecedented circumstances, the WCB's work to improve services for its customers continued mostly uninterrupted. This was due to the significant and collaborative efforts of all WCB team members.

Engaged workforce

The WCB conducts biannual employee engagement surveys in addition to conducting quarterly, single-question "pulse" surveys. This approach drives focused communication and activity at the team and corporate levels as they relate to employee engagement.

The average quarterly single-question engagement score was 6.5 out of 10. Staff commended the WCB for a well-defined return-to-work (RTW) plan, continuing to enable employees to work from home for an extended period and regular updates from senior leadership.

The WCB responded to top areas of opportunity in several ways, including:

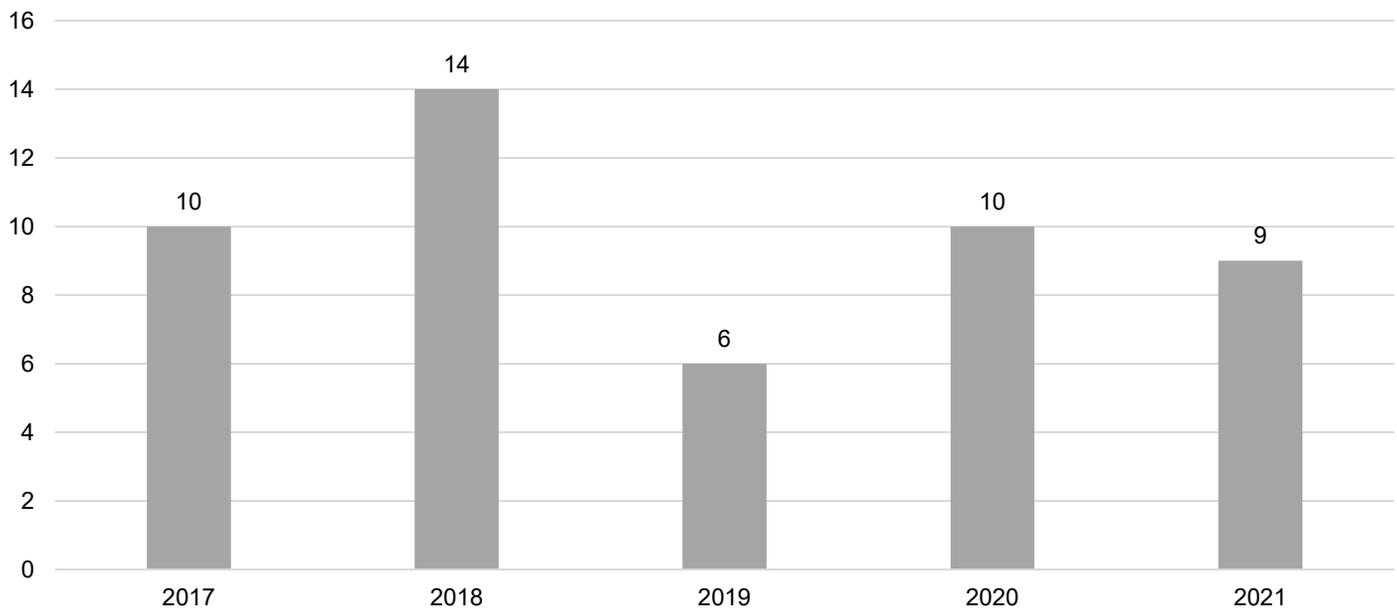
- Developing and initiating a pilot for a new, longer-term telework program.
- Developing a new change management strategy to better enable and support employees through organizational change.
- Deploying cross-functional teams to explore and identify possible solutions to service and other organizational challenges.



- Continuing the deployment of a cross-functional team to guide decisions and improvements related to the pandemic response and the return to the workplace.
- Improving strategic and operational planning processes to better align with available and planned capacity.
- Holding a visioning event that brought together employees, leaders and human resources representatives to reimagine and redesign how employees experience key processes and moments during their employment with the WCB (from hire to retire). Several improvement initiatives were developed and prioritized for implementation over the next three to five years.
- Increasing focus on early identification, investigation and resolution of work-related hazards, including tools and resources to report and escalate unresolved issues.
- Expanding the WCB's internal communication channels to include frequent town hall meetings, regular executive messaging, all-leader meetings, team-based communications and forums enabling two-way communication.

Employee safety

WCB employee injury claims accepted



Having a safe, healthy and engaged workforce remains a key strategic objective for the WCB, and that will remain so in the future. While the ongoing pandemic response consumed significant resources, the WCB made continual investments in advancing its safety program and culture.

Acute and repetitive strain injuries while working at a computer workstation continued to be the leading cause of WCB staff injuries. To further address associated risks, the WCB added a foundational element to its ergonomics program, in the form of a new support technology. This toolset serves as an ergonomics coach for individuals by prompting healthy ergonomic habits, and providing a wealth of self-serve training tools and guides to assist employees in ensuring proper ergonomics.

Members of the executive continued to be directly involved in the review of incidents involving ergonomic injuries,



slips, trips, falls or any incidents likely to result in lost time from work or deemed a “near miss.” The team held 13 reviews, which identified 79 corrective actions.

In 2021, the WCB focused on proactively reporting hazards, with the aim of reducing the number of reported incidents and subsequent staff injuries. The organization’s target was to have two hazards reported for every incident recorded. This target was exceeded, as the WCB identified 136 hazards and recorded 40 incidents. Unfortunately, despite these efforts and investments during the year, the WCB experienced nine staff injuries, with the majority of these directly attributable to ergonomic-related injuries.

In 2021, the WCB continued to advance and enhance key elements of its internal psychological health and safety strategy. As with many other initiatives, efforts and investments were notably influenced by the ongoing response to COVID-19.

In 2021, key psychological health and safety initiatives included:

- Providing training for leaders to further equip them with the tools needed to effectively handle challenging or sensitive conversations.
- Hosting team workshops to create further awareness of habits and behaviors that promote or hinder a respectful workplace.
- Learning events focused on prominent psychological health and wellness topics.
- Providing staff training in resilience.
 - The WCB continued its partnership with the University of Fredericton to offer employees and leaders “Enhancing Workplace Resiliency,” a program to help them better respond to challenging and changing circumstances while protecting their psychological health and well-being.

Through WorkSafe Saskatchewan, the WCB continued its partnership with Dr. Joti Samra to facilitate the development of a psychological health and safety program. This program, which features tools specific to workers, will also help the WCB enhance its internal psychological health and safety strategy.

Continuous process improvement

In 2021, the WCB continued its ongoing work since 2018 of maturing its continuous process improvement (CPI) approach. Some highlights included:

- Implementing 100 per cent of the WCB’s daily management system as of June 30, 2021.
- Bringing customer (worker and employer) representatives to the organization’s improvement events to help shape the future of WCB services.
- Further developing tools and systems to support the WCB’s CPI culture.

The WCB believes these initial steps have positioned the organization for a promising 2022 that will result in a more clearly defined strategy. The 2022 focus will be on the system to support daily continuous improvement, transformational efforts for the future, and key events that will improve how the WCB serves its customers.



In addition to the improvements highlighted in this report, the WCB also facilitated 15 events in 2021 that brought together workers, employers, staff and leaders to collaboratively problem-solve and create strategic blueprints for the WCB's future services.

2021 continuous process improvement initiatives¹

Improvement focus	Payment adjustment	Psychological injury	Initiating fatality/ catastrophic/cancer claims
Improvement realized	2,457 hours of customer waiting time saved per month	96% of customers contacted within one business day of claim acceptance	26 hours of customer waiting time saved per process

A key event noted above included a rapid improvement event focused on initiating fatality, catastrophic and cancer claims. The objective of this event was to consider injured or deceased workers, their families and their employers. The WCB's goal for the event was to identify these claims and transfer them to the extended services team as quickly as possible. This helps establish a positive relationship with clients, families and employers while limiting hand-offs, the need for rework and unnecessary communication.

The WCB has scheduled approximately 14 events in 2022 to improve current services to WCB customers. Through further business process improvement efforts, work is ongoing to shape the WCB's future technology solutions.



Financial highlights

107.6%

Funded percentage

\$3,087

Total admin and claim costs/total claims

Customers expect the WCB to deliver value through its services and programs at a fair and reasonable cost, and to meet its obligations now and in the future.

The WCB measures this value through total costs incurred per total claims, as well as through its funded position.

Objectives:

- By Dec. 31, 2021, the WCB would reduce total costs incurred per total claims to be less than \$2,700.
 - In 2021, the WCB's total admin and claim costs/total claims increased to \$3,087.
- By Dec. 31, 2021, the WCB would have a funded position of between 105 per cent and 120 per cent.
 - In 2021, the WCB's funded position was 107.6 per cent.

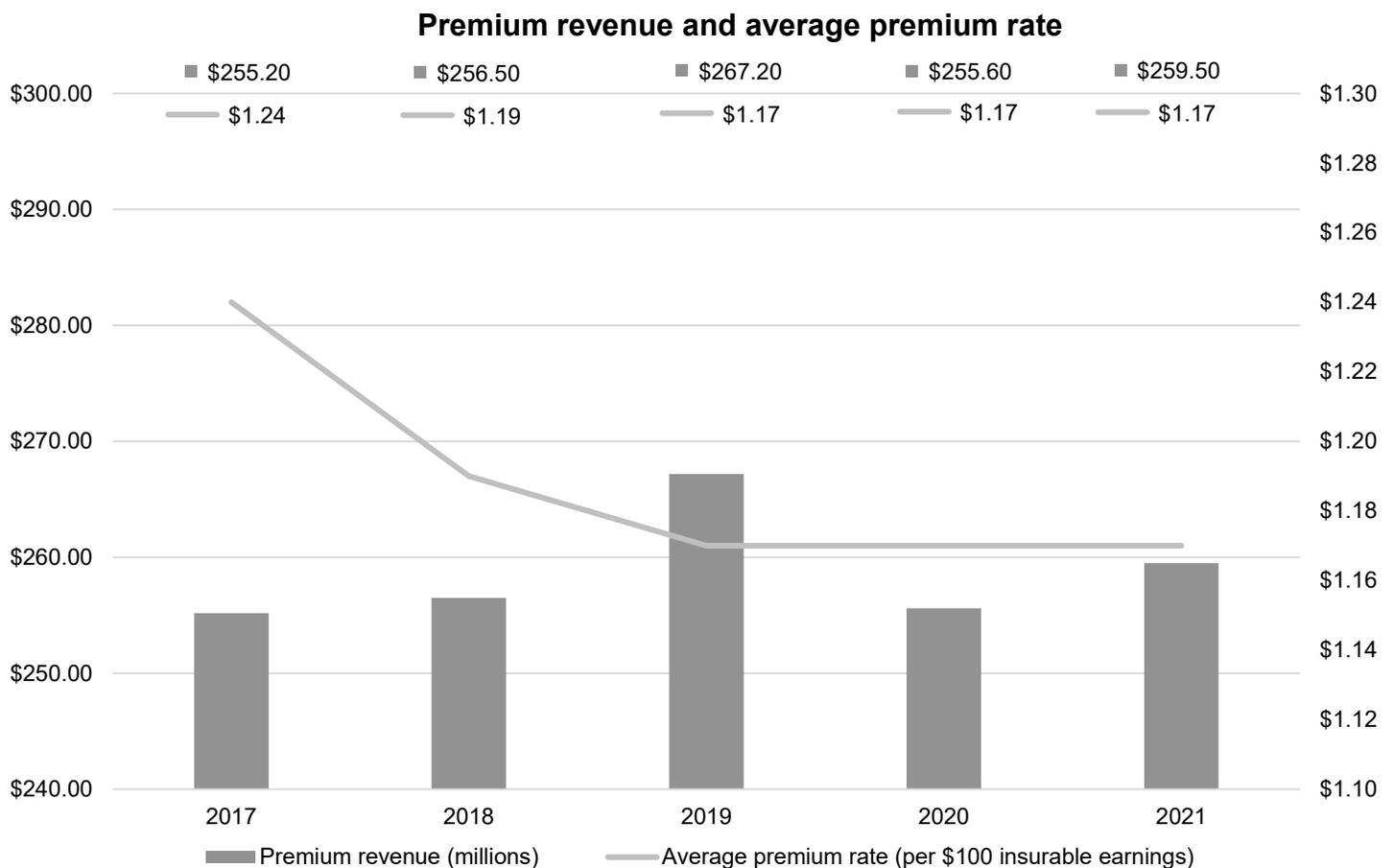


The WCB’s funding policy sets the parameters for the injury fund and each of its reserves. The targeted range for the injury fund is five per cent to 20 per cent of the total of benefit liabilities and the annuity fund payable. This results in a targeted funding percentage range of 105 per cent to 120 per cent. For 2021, the WCB’s funding percentage was 107.6 per cent, which was within the targeted range.

Saskatchewan’s economy continued to be impacted by the COVID-19 pandemic in 2021. Global markets have rebounded from the initial decline in 2020 because of the COVID-19 pandemic. The WCB recorded investment income of \$254.1 million in 2021, compared to investment income of \$77.4 million in 2020.

In 2021, the WCB reported an underwriting loss of \$158.6 million. This compares to an underwriting loss in 2020 of \$145.0 million (after reclassifying the Business Transformation Program expenses to conform with the financial statement presentation adopted for the current year). The operating loss, which includes the Business Transformation Program costs, was \$162.6 million in 2021 compared to \$145.4 million in 2020. The operating loss – combined with investment income of \$254.1 million, annuity fund interest expense of \$18.6 million and finance charges of \$0.2 million – resulted in a total comprehensive income at the end of the year of \$72.6 million. This total comprehensive income and a slight increase in reserves resulted in the funded position of 107.6 per cent. The funded position is discussed in greater detail in a later section.

Premiums



Total premium revenue is made up of base premiums plus discounts and surcharges through the Experience Rating Program (ERP). There are two types of ERPs – the standard program and the advanced program. Employers in the standard program pay less than \$21,000 in WCB premiums over a three-year period, while employers in the advanced program pay more than \$21,000.

Employers in the standard program are subject to a 75 per cent maximum surcharge, while employers in the advanced program are subject to a 200 per cent maximum surcharge. The maximum discount available to employers in the standard program is 25 per cent. Employers in the advanced program are eligible for a maximum 30 per cent discount. In 2021, 1,188 employers paid \$23.8 million in surcharges, while 21,067 employers received discounts of \$24.4 million. The number of employers affected by the ERP was similar to 2020 when 1,255 paid surcharges and 22,890 received discounts.

Employer assessable payrolls increased by 3.1 per cent to a provisional \$22.6 billion in 2021 from an actual \$21.9 billion in 2020. Assessed 2021 payroll was slightly lower than the forecast of \$23.0 billion made at the end of 2020. The provincial economy recovered from some of the most acute effects of the pandemic. There were significant increases in payrolls in several sectors, led by commodity, wholesale and retail trade and the service and hospitality sectors. Payroll decreases were observed in oilwell operations, commercial/industrial construction and personal/business/leisure services. Premium revenue was \$259.5 million in 2021, an increase of \$3.9 million from 2020.

In 2022, the WCB is expecting to collect approximately \$3.3 million less in premium revenue than the required amount as defined by the actuarial model. The WCB increased the board level assessment rate from \$1.17 to \$1.23 per \$100 of payroll, but the actuarial model recommended a charge of \$1.25. This decision is intended to continue to support the province's employers in response to the COVID-19 pandemic.

Expenses

The WCB manages cost effectiveness in five expense categories:

1. claim costs
2. administration
3. safety and prevention
4. legislated obligations
5. annuity fund interest

In addition, the WCB is undertaking a five to seven-year Business Transformation Program, the costs of which will primarily be funded by reserves.

Claim costs

Claim costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. As reported in the statement of operations and other comprehensive income, claim costs totalled \$336.2 million in 2021, a 5.2 per cent increase from 2020. The total claim costs consisted of \$240.9 million in cash expenses plus a \$95.3 million actuarial increase to benefits liabilities. Benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail below.

The compensation component of claim costs consists of:

- short-term wage-loss and long-term earnings replacement payments to injured workers and their dependants,



- health-care services provided to injured workers, and
- vocational rehabilitation costs required to return injured workers to meaningful employment.

In 2021, compensation costs paid were \$228.6 million. This was a \$12.9 million increase from 2020, of which \$11.3 million is from an increase in health-care services and \$4.0 million is from an increase in long-term earnings replacement payments, offset by reductions in the other components. Administration costs for adjudicating and managing claims were also allocated to claim costs, bringing the total 2021 compensation payments to \$240.9 million, a six per cent or \$13.6 million increase from 2020.

The number of Time Loss claims increased in 2021 compared to 2020. The provincial workforce recovered somewhat from the impact of COVID-19 in 2021, which resulted in increased new claims compared to 2020 as well as increased premium revenue. Persistency of injuries increased further in 2021, at least in part because of delays in accessing premium medical treatment and rehabilitation services. In the second half of 2021, the backlog of medical claims from 2020 started to be cleared, increasing claims costs. Overall, the claims environment moved closer to normal, but lingering effects of the pandemic could still be felt in higher than expected costs for current and past workplace injuries.

	2021	2020	Amount change	Percentage change
Average durations of Time Loss claims	40.24	45.27	(5.03)	(11.1%)
Total days paid	423,806	437,112	(13,306)	(3.0%)
Earning replacement cost (in millions)	\$59.1	\$56.0	\$3.1	5.5%
Workers and their dependants receiving long-term benefits	4,809	4,892	(83)	(1.7%)

Health-care payments increased by 14.2 per cent in 2021 to \$91.1 million. There was an inflationary increase in the costs of health-care services in the year and an increase in utilization of tertiary and secondary treatment services due in part to clearing the backlog of services created during the COVID-19 pandemic response. Vocational rehabilitation expense claims remained stable.

Benefits liabilities

Benefits liabilities increased by \$95.3 million in 2021 to \$1,515.7 million. Based on the current composition of claims, the liability is expected to grow over time. In addition to this expected growth, the increase in the benefits liabilities was driven by an increase in 2021 injuries, an increase in claims moving to long-term disability and a resumption of higher medical treatments that had been reduced due to the COVID-19 pandemic.

Except for changing the discount rate from 5.25 per cent to 5.00 per cent, the remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2020. Going forward, wages are expected to increase by 1.0 per cent above the assumed 2.25 per cent inflation rate. The WCB considers these assumptions to be a realistic best estimate of future expectations.

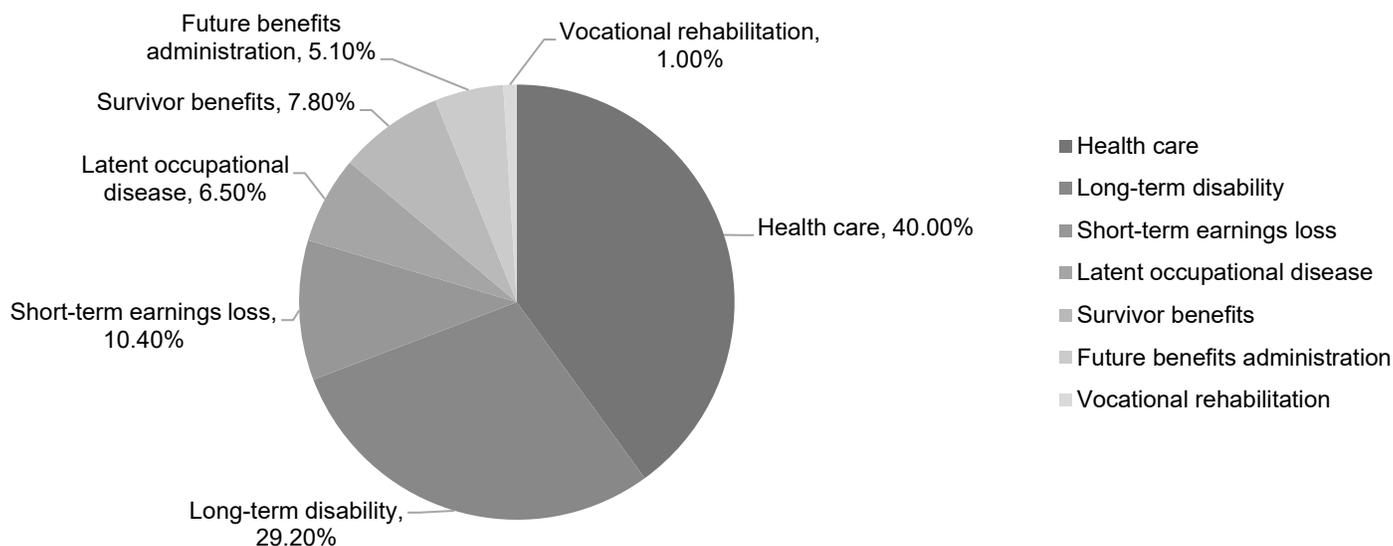
Most wage-based benefits are expected to increase at the rate of inflation and will be discounted at the nominal

rate of five per cent. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 2.75 per cent real rate of return. However, all wage-based benefits, including short-term and long-term disability and survivor benefits, are subject to a ceiling based on the maximum wage rate prescribed under Section 37 of *The Workers' Compensation Act, 2013* (the Act). For the purpose of determining the present value of these future obligations that are capped by statutory limits, the obligations have been discounted using the nominal rate of return of five per cent.

The benefits liabilities also include an amount set aside to administer benefits in future years. For 2021, the allowance for the expenses included in the liability valuation was 4.1 per cent of the liability for long-term disability and survivor awards, and 7.2 per cent of the liability for all other claims. Future benefits administration accounted for \$78.2 million of the \$1,515.7 million total benefits liabilities.

The WCB utilizes a metric of total cost incurred per total claims. This metric had a target in 2021 of \$2,700 of total costs for each claim paid. At December 31, 2021, the actual total cost per claim was \$3,087.

Benefits liabilities (thousands of dollars)



Administration expenses

Administration costs, before costs charged to future benefits administration, increased to \$66.3 million in 2021. This was a 1.2 per cent increase from the 2020 administration expenses of \$65.5 million (after reclassifying the Business Transformation Program expenses to conform with the financial statement presentation adopted for the current year). The largest increases were in computer services, building operations, consulting services and office rental which were mostly offset by decreases in many other expense categories.

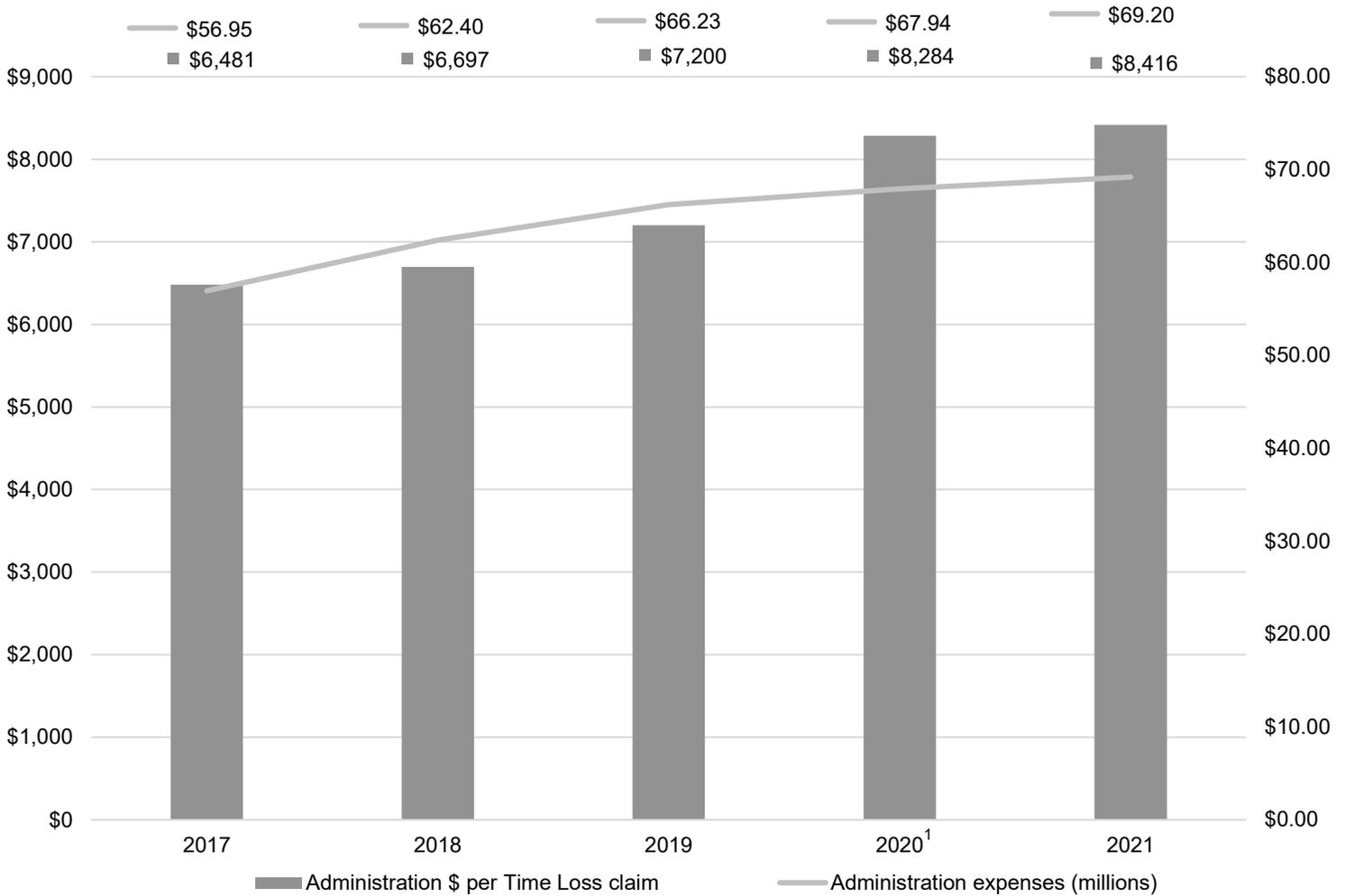
An important measure of administrative efficiency is the administration cost per Time Loss claim. In 2020, the most recent year that data is available from the Association of Workers' Compensation Boards of Canada (AWCBC), Saskatchewan had the sixth lowest administration cost per Time Loss claim in Canada. The WCB calculated this to be \$8,416 in 2021 compared to \$8,680 in 2020.

The increase in the number of Time Loss claims, offset by the increase in administration costs, was the reason for the decrease in this ratio compared to 2020.

A second measure of administrative efficiency is the administration cost per \$100 of assessable payroll.



Administration expenses and administration cost per Time Loss claim



¹ Restated 2020 to reflect the Association of Workers' Compensation Boards of Canada (AWCBC) metrics for comparability.

For 2020, the most recent year that data is available from the AWCBC, the ratio was \$0.29 per \$100 of assessable payroll, making Saskatchewan tied for the third lowest in Canada.



Safety and prevention funding

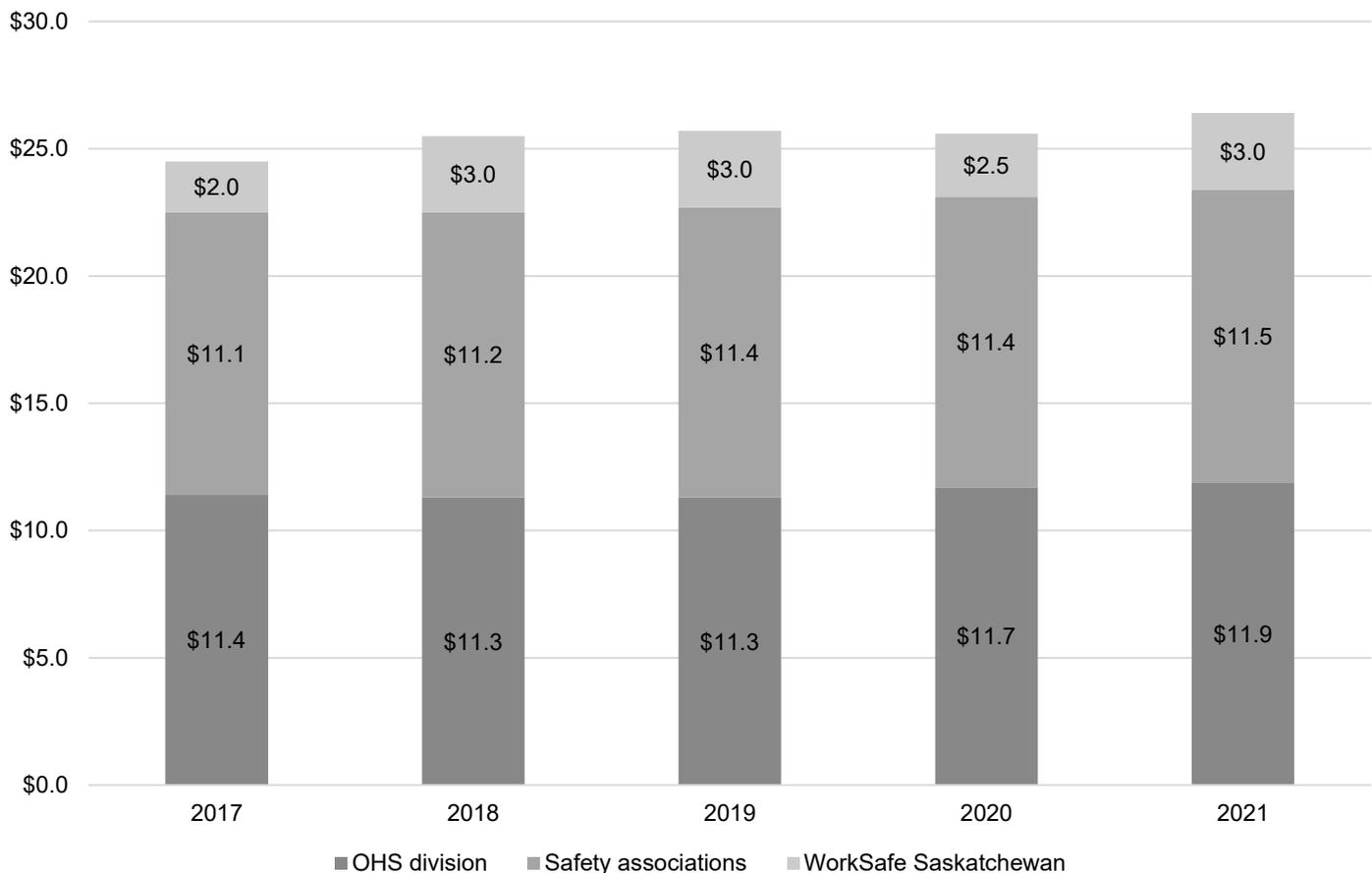
Safety and prevention expenses include funding to the Occupational Health and Safety (OHS) division of the Ministry of Labour Relations and Workplace Safety, funding to safety associations and safety initiatives through the WorkSafe Saskatchewan partnership. The role of the OHS division is to help workplace parties comply with OHS legislation and, in doing so, identify and correct health and safety hazards. The Act requires that the WCB funds the operations of the OHS division.

However, the Government of Saskatchewan approves the OHS budget through the provincial budgeting process. In 2021, the OHS funding increased to \$11.9 million from \$11.8 million.

Funding is provided to seven industry safety associations that represent 18 rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funding provided for the year increased to \$11.5 million from \$11.4 million.

WorkSafe expenditures increased in 2021 to \$3.0 million from \$2.5 million in 2020.

Safety and prevention (millions)



Legislated obligations

Under the Act, the WCB is obliged to fund the operations of the Office of the Workers' Advocate. Funding in 2021 increased slightly from \$1.4 million to \$1.5 million.



Annuity fund interest

The Act requires the WCB to compensate injured workers for the loss of retirement income due to a workplace injury. An additional 10 per cent of all eligible benefits payments is contributed into an injured worker's annuity fund once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker reaches age 65 or returns to work. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2021, contributions to the fund amounted to \$7.0 million, up from \$6.4 million in 2020.

The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of the WCB's investment portfolio, but spreads gains and losses on investments over five years to reduce the impact of fluctuations in the market rate of return.

In 2021, interest allocated equalled \$18.6 million due to an increase in the rate of return to 8.6 per cent. In 2020, \$15.6 million was allocated at a rate of return of 7.2 per cent.

Investment income

The WCB ensures financial stability through its investment and funding policies. Investment income is an important revenue stream. It supplements premiums to cover expenses. The long-term assumption that investments will generate an annual nominal rate of return of five per cent is built into the calculation of benefits liabilities, as well as the premium rate-setting model. In 2021, the investment portfolio had a return of 12.2 per cent at market, compared to a return of four per cent in 2020. Investment income includes realized income and unrealized gains or losses on investments during the year and can fluctuate significantly year to year to reflect the change in the market value of investments.

Realized investment income decreased by \$23.1 million to \$112.7 million in 2021 from \$135.8 million in 2020. Unrealized gains on investments held at December 31, 2021 were \$416.2 million, compared to unrealized gains of \$274.8 million at December 31, 2020. This is an increase in unrealized investment gains of \$141.4 million.

The \$254.1 million investment income consists of:

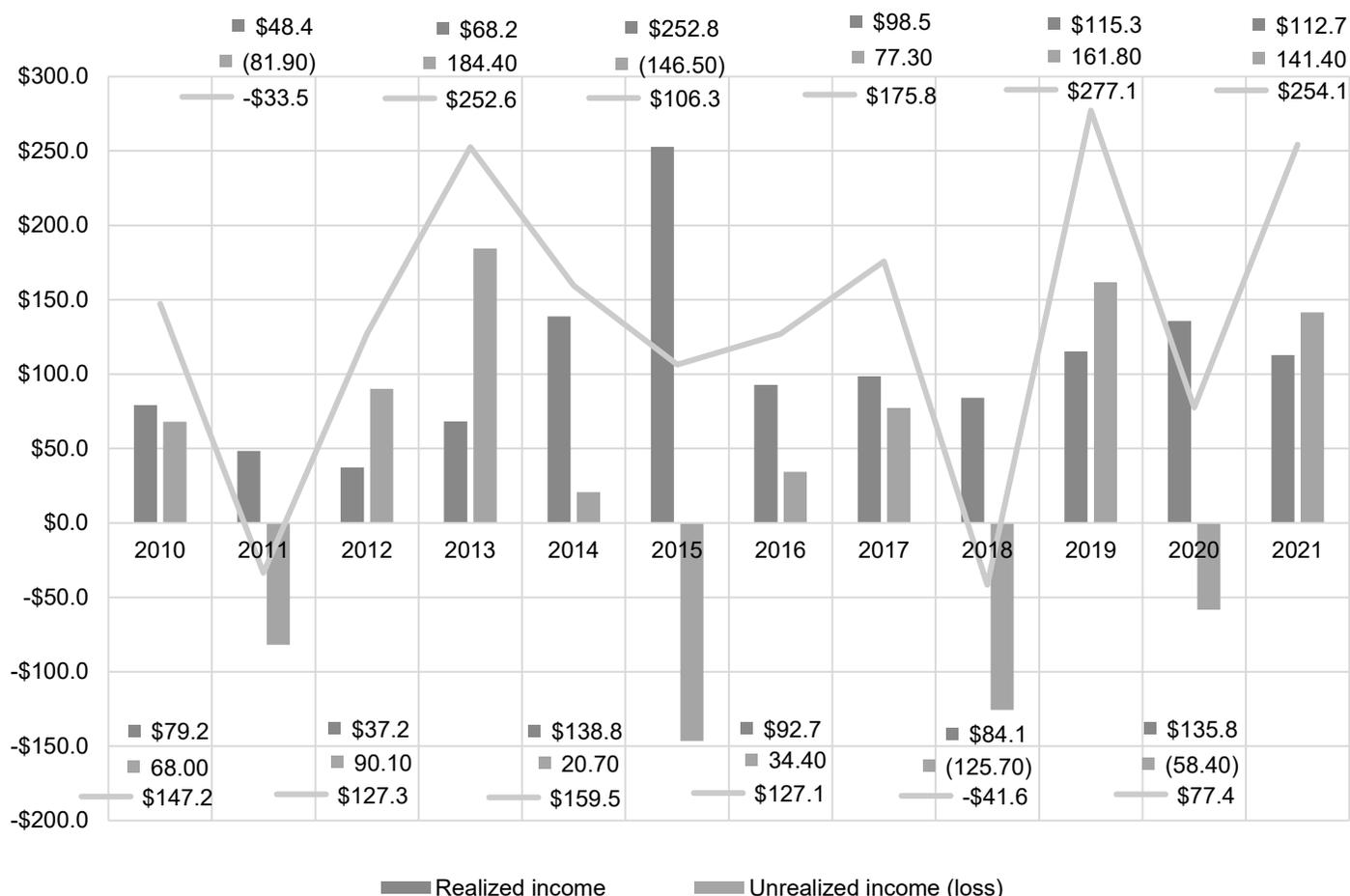
- \$112.7 million of realized investment income made up of:
 - \$82.2 million in income from interest and dividends.
 - \$36.1 million in net gains realized from the sale of equities and bonds.
- Less \$5.6 million for investment expenses.

Plus:

- A \$141.4 million increase in unrealized investment gains for the year.



Investment income (loss)



Investment strategy

The WCB's SIP&G outlines its investment and risk philosophy. It reflects the long-term nature of the WCB's liabilities and the impact of future inflation on existing liabilities. The WCB diversifies investments among asset classes to achieve long-term investment goals and to maximize returns at an acceptable risk.

The WCB further diversifies within asset classes by selecting investment managers with different investment mandates and styles.

The WCB's investment committee reports to the board and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. The investment committee recommends prudent policy goals and objectives to safeguard the funded position. The committee meets regularly to monitor the performance of the investment managers against established benchmarks and to review the ongoing relevance of the policy.



Funding strategy

The funding policy sets the parameters for the injury fund and each of the WCB's reserves. The targeted range for the injury fund is five per cent to 20 per cent of benefits liabilities and annuity fund payable, resulting in a targeted funding percentage of 105 per cent to 120 per cent. The injury fund is maintained in this range to ensure sufficient funds are available to meet required benefit levels and to guard against unexpected claim activity and volatile economic conditions.

The funding policy states that unrealized gains and losses on investments are not considered:

- In the determination of the funded status of the WCB.
- For purposes of determining premium rates or surplus distributions.
- For available benefits enhancements.

The funding policy, therefore, removes these unrealized gains and losses from the injury fund for the purposes of calculating the funding percentage. Accordingly, the funding percentage is not subject to the significant fluctuations in the market value of investments. The funding policy also establishes reserves, appropriated from the injury fund. At December 31, 2021, the WCB maintained the disaster reserve and the second injury and re-employment reserve. The second injury and re-employment reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help workers return to work through retraining. Currently, the \$15.2 million in this reserve is one per cent of the benefits liabilities as recommended by the funding policy.

The disaster reserve was created to meet the requirements of the Act with respect to disasters and has two components: one for less severe disasters that meet the threshold outlined in policy and one for rare, but very severe, disasters. The funding policy specifies one per cent of benefits liabilities for each component. The total of the disaster reserve was \$30.3 million at the end of 2021.

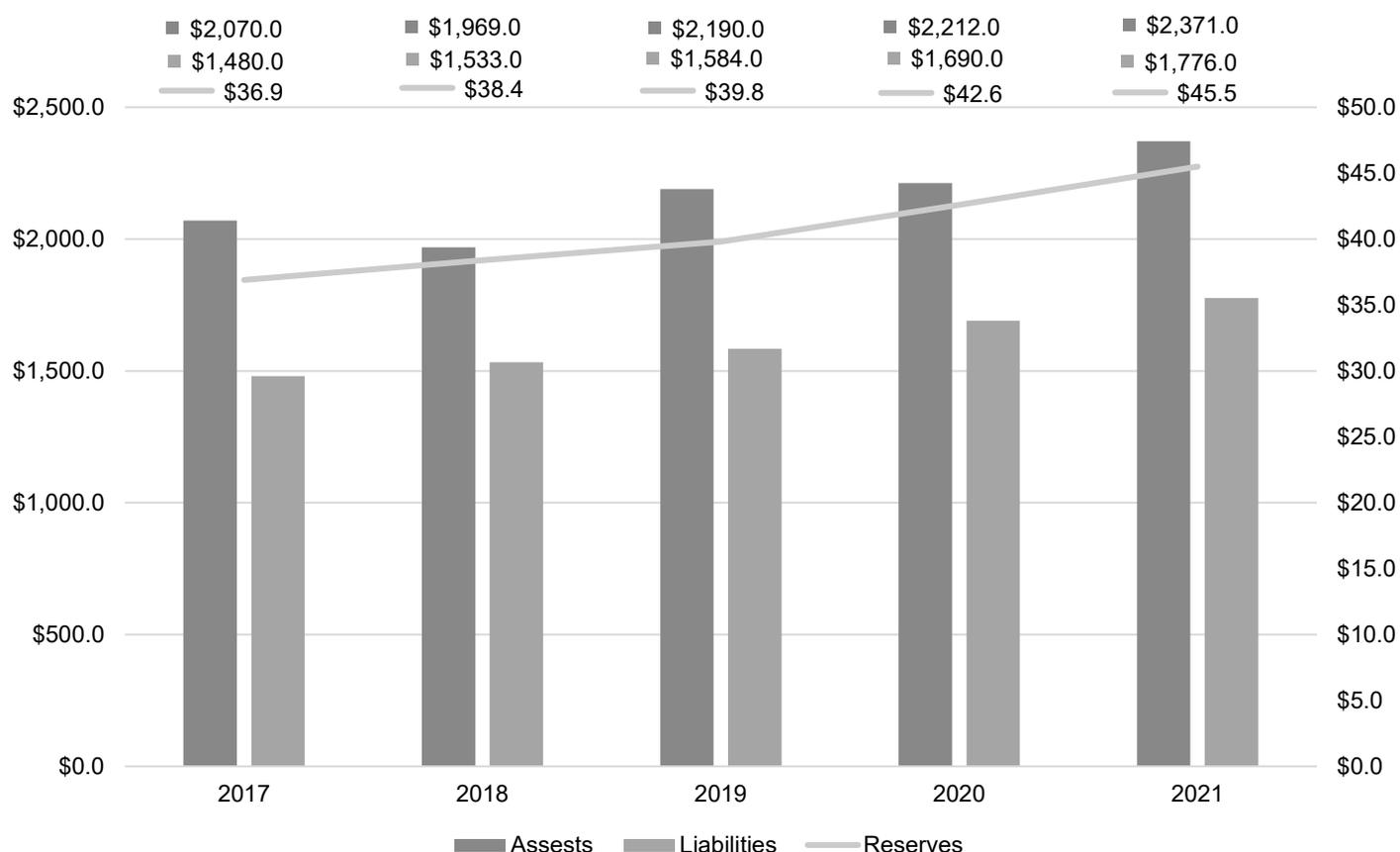
The balances in the two reserves combined for a total of \$45.5 million at December 31, 2021, compared to a total reserve balance of \$42.6 million at the end of 2020.

The net income in 2021 of \$72.6 million and a net \$2.9 million increase to reserves to comply with the funding policy results in a balance of \$549.4 million in the injury fund at the end of 2021. However, for funding policy purposes, net unrealized gains and losses are excluded from the injury fund. When the unrealized gains on investments of \$416.2 million are excluded, this decreases the injury fund to \$133.3 million at December 31, 2021. The calculation of the funding percentages is disclosed in note 19 of the financial statements.

Based on the funding policy, the funding percentage at December 31, 2021 was 107.6 per cent, within the targeted range of 105 per cent to 120 per cent.



Funded position and reserves (millions)



Sustainability study

Given the changing economic environment, the WCB's external actuary has recommended that a financial sustainability study be undertaken. The scope of this actuarial study will aid the WCB in supporting its risk management and strategic planning.

Internal control over financial reporting

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The internal controls over financial reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements. The WCB certifies in its annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

To support the certification, management, with the support of internal audit, assesses the WCB's and provides assurance that internal controls are adequate to prevent material misstatement of the financial statements.

The assessments and evaluation of internal controls related to certain financial processes, transactions and applications in 2021 did not identify any weaknesses in internal controls over financial reporting that would result



in material misstatement of the December 31, 2021 financial statements. The 2021 report by the CEO and the chief financial officer (CFO) can be found on page 82 of this annual report.

Future forward – strategic guidelines

The WCB continues to advance its True North objectives and targets, as set out on pages 32 and 33.



In future years, the WCB will continue its Business Transformation Program journey that formally launched in April 2021, following an independent assessment conducted in 2020. The highest-level objective of the program is to improve customer experience for injured workers and employers and to do so as efficiently and effectively as possible.

Economic outlook

The COVID-19 pandemic continues to affect the global economy into 2022, with Saskatchewan being no exception. However, this province is well positioned to recover this year, according to a number of key economic indicators. Economic performance is expected to increase in accordance with the loosening of public health restrictions later in the first quarter of the year.

While Canada's GDP is expected to rise by 3.6 per cent in 2022, forecasts call for the gross domestic product in this province to increase by between 3.5 per cent and 5.9 per cent.¹⁰ The resource sector was particularly hard hit by the global slowdown since March 2020,¹¹ but appears to be making a recovery. In Saskatchewan, oil and gas production fell by more than 10 per cent in 2020 as the global pandemic took hold. However, production is forecasted to rise by more than \$240.4 million in 2022,¹² largely due to higher West Texas Intermediate (WTI) prices.

Uranium production in the province is also increasing. Production was up 2.9 per cent from January through September of 2021 over the same time period in 2020.¹³ Production has been edging up since the restart of the Cigar Lake mine in northern Saskatchewan, with prices rising close to 75 per cent from early 2020 levels.¹⁴

¹⁰ Government of Saskatchewan. "Strong mid-year revenue growth offset by support due to drought." Nov. 2021, <https://www.saskatchewan.ca/government/news-and-media/2021/november/29/strong-mid-year-revenue-growth-offset-by-support-due-to-drought>

¹¹ Scotiabank. "Provincial outlook 2021." Mar. 2021, https://www.scotiabank.com/content/dam/scotiabank/sub-brands/scotiabank-economics/english/documents/provincial-pulse/provincial_outlook_2021-03-15.pdf

¹² Government of Saskatchewan.

¹³ Ibid.

¹⁴ Caranci, Beata, Burleton, Derek, Abdelrahman, Omar, Sondhi, Rishi. "Provincial Economic Forecast – Strong Growth Likely in 2022, Although Downside Risks Loom." Dec. 2021,

https://economics.td.com/domains/economics.td.com/documents/reports/pef2021/ProvincialEconomicForecast_dec2021.pdf

Saskatchewan potash continues to be a strong source of revenue for provincial coffers. Potash revenues for 2021 are expected to be \$402.5 million above budget projections, primarily due to higher average prices.¹⁵ The manufacturing sector remains strong, with sales in 2021 42.2 per cent higher than the previous year. That growth, on a percentage basis, was the highest in Canada last year.¹⁶

The housing sector is regaining momentum from pre-pandemic performance. Housing starts rose by 42.8 per cent in the third quarter of 2021.¹⁷ Overall last year, Saskatchewan's increase in housing starts trailed only Newfoundland and Labrador among Canadian provinces.

The agriculture sector in the province was hit hard in 2021, with production falling by 47 per cent.¹⁸ Severe drought conditions across most of the growing region were to blame for the decrease. Farm incomes also took a hit as a result of higher costs for fertilizer, feed and fuel. Production is forecast to return to more normal levels in 2022.

Saskatchewan's unemployment rate continues to be lower than most provinces. The unemployment rate was third lowest in the country (5.2 per cent) in November 2021 and averaged seven per cent for 2021,¹⁹ as many people re-entered the workforce across the country. The provincial economy added 13,730 jobs between January and October of last year, compared to the same time period in 2020.²⁰ However, Saskatchewan's employment levels remain 1.8 per cent below pre-pandemic levels.²¹

¹⁵ Government of Saskatchewan.

¹⁶ Government of Saskatchewan.

¹⁷ Ibid.

¹⁸ Caranci, Burleton, Abdelrahman, Sondhi.

¹⁹ Caranci, Burleton, Abdelrahman, Sondhi.

²⁰ Government of Saskatchewan. "Strong mid-year revenue growth offset by support due to drought."

²¹ Caranci, Beata, Burleton, Derek, Abdelrahman, Omar, Sondhi, Rishi.



Responsibility for financial reporting

The financial statements are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent, in all material respects, the financial condition, results of operations and cash flows as at December 31, 2021.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are recorded accurately on a timely basis, are approved properly and result in reliable financial statements. With the support of internal audit, management assesses the WCB's internal controls over financial reporting using the 2013 Internal Control Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this assessment, the effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2021 operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the actuarial certificate.

The financial statements have been examined and approved by the board members. The board members meet periodically with financial officers of the WCB and the external auditors. The internal audit department conducts reviews designed to test the accuracy and consistency of the WCB's internal controls, practices and procedures.

PricewaterhouseCoopers LLP has been appointed as external auditors. The auditors' report outlines the scope of their examination and their opinion.



Phillip Germain
Chief executive officer



Crystal Nett
Chief financial officer
& vice-president
corporate services



Actuarial certification

To the Board of Directors of the Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2021 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 2013* in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of *The Workers' Compensation Act, 2013*, effective January 1, 2014 and reflects future increases in the maximum wage rates. The benefits liabilities include a provision for claims arising in the future in respect of latent occupational diseases. It also includes a provision for future expenses relating to the administration of existing claims. Payments made by the WCB on a self-insured basis are excluded from the valuation of the benefits liabilities.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the WCB's future obligations, with an allowance for inflation increases being slightly higher than best estimate. They are based on the provisions of *The Workers' Compensation Act, 2013*, the WCB's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

The actuarial valuation of the benefits liabilities of \$1,515,723,000 represents the actuarial present value at December 31, 2021 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2021. In our opinion, the amount of the benefits liabilities makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada. Notwithstanding the above certifications, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.



Mark Mervyn
Partner
Fellow, Canadian Institute of Actuaries

Aon
401 West Georgia Street, Suite 1200
Vancouver, British Columbia V6B 5A1

March 11, 2022





Independent auditor's report

To the Members of the Saskatchewan Workers' Compensation Board

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saskatchewan Workers' Compensation Board (the WCB) as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The WCB's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of operations and other comprehensive income for the year then ended;
- the statement of changes in funded position for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the WCB in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The financial statements of the WCB for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 23, 2021.

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the WCB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the WCB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the WCB's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WCB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the WCB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the WCB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
April 7, 2022



Saskatchewan Workers' Compensation Board

Statement of Financial Position

As at December 31

	2021	2020
<i>(thousands of dollars)</i>		
Assets		
Cash and cash equivalents	\$ 4,272	\$ -
Receivables (note 4)	12,982	13,026
Investments (note 5)	2,339,075	2,181,740
Property and equipment (note 6)	9,763	10,327
Other assets (note 7)	4,526	7,197
	<u>\$ 2,370,618</u>	<u>\$ 2,212,290</u>
Liabilities		
Bank indebtedness (note 8)	\$ -	\$ 19,192
Payables and accrued liabilities (note 9)	26,762	23,058
Benefits liabilities (note 10)	1,515,723	1,420,379
Annuity fund payable (note 11)	233,241	227,418
	<u>1,775,726</u>	<u>1,690,047</u>
Funded Position		
Injury Fund	549,420	479,632
Reserves (note 12)	45,472	42,611
	<u>594,892</u>	<u>522,243</u>
	<u>\$ 2,370,618</u>	<u>\$ 2,212,290</u>

See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on April 7, 2022



Gord Dobrowolsky
Chairman



Larry Flowers
Board Member



Garry Hamblin
Board Member



Saskatchewan Workers' Compensation Board

Statement of Operations and Other Comprehensive Income

Year ended December 31

	2021	2020
<i>(thousands of dollars)</i>		
Premiums (note 13)	\$ <u>259,480</u>	\$ <u>255,573</u>
Expenses		
Claim costs (note 10)	336,244	319,551
Administration (schedule 1)	53,998	53,936
Safety and prevention (note 14)	26,369	25,628
Legislated obligations (note 15)	1,454	1,417
	<u>418,065</u>	<u>400,532</u>
Underwriting Loss	(158,585)	(144,959)
Business transformation program (note 18)	<u>(4,002)</u>	<u>(439)</u>
Operating Loss	(162,587)	(145,398)
Investment income (note 5)	254,076	77,438
Annuity fund interest (note 11)	(18,648)	(15,606)
Finance charges	<u>(192)</u>	<u>(73)</u>
Net Income (Loss)	72,649	(83,639)
Other Comprehensive Income		
Employee benefits		
Net actuarial gains (note 16)	<u>-</u>	<u>510</u>
Total Comprehensive Income (Loss)	\$ <u>72,649</u>	\$ <u>(83,129)</u>

See accompanying notes to financial statements.



Saskatchewan Workers' Compensation Board

Statement of Changes in Funded Position

Year ended December 31

	2021	2020
<i>(thousands of dollars)</i>		
Injury Fund		
Balance, beginning of year	\$ 479,632	\$ 567,265
Net income (loss)	72,649	(83,639)
Transfer from Accumulated Other Comprehensive Loss	-	(1,226)
Appropriation of funds to reserves	<u>(2,861)</u>	<u>(2,768)</u>
Balance, end of year	<u>549,420</u>	<u>479,632</u>
Accumulated Other Comprehensive Loss		
Balance, beginning of year	-	(1,736)
Other comprehensive income	-	510
Transfer to Injury Fund (note 16)	<u>-</u>	<u>1,226</u>
Balance, end of year	<u>-</u>	<u>-</u>
Reserves (note 12)		
Balance, beginning of year	42,611	39,843
Appropriation of funds from injury fund	<u>2,861</u>	<u>2,768</u>
Balance, end of year	<u>45,472</u>	<u>42,611</u>
Funded Position	\$ <u>594,892</u>	\$ <u>522,243</u>

See accompanying notes to financial statements.



Saskatchewan Workers' Compensation Board

Statement of Cash Flows

Year ended December 31

	2021	2020
<i>(thousands of dollars)</i>		
OPERATING ACTIVITIES		
Cash received from:		
Premiums	\$ <u>265,407</u>	\$ <u>262,943</u>
Cash paid to:		
Claimants, or third parties on their behalf	243,875	233,411
Employees and suppliers, for administrative and other goods and services	67,369	58,736
Safety and prevention programs	26,878	33,673
Ministry of Labour Relations and Workplace Safety	<u>750</u>	<u>2,358</u>
	<u>338,872</u>	<u>328,178</u>
Net cash used in operating activities	<u>(73,465)</u>	<u>(65,235)</u>
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	547,389	1,236,132
Dividends	68,431	55,107
Interest	<u>16,098</u>	<u>16,659</u>
	<u>631,918</u>	<u>1,307,898</u>
Cash paid for:		
Purchase of investments	529,643	1,257,022
Purchase of property and equipment	1,157	1,762
Purchase of other assets	<u>3,732</u>	<u>3,477</u>
	<u>534,532</u>	<u>1,262,261</u>
Net cash provided by investing activities	<u>97,386</u>	<u>45,637</u>
FINANCING ACTIVITIES		
Cash paid for:		
Leased buildings	<u>457</u>	<u>457</u>
	<u>457</u>	<u>457</u>
Net cash used in financing activities	<u>(457)</u>	<u>(457)</u>
Increase (decrease) in cash and cash equivalents during the year	23,464	(20,055)
(Bank indebtedness) cash and cash equivalents, beginning of year	<u>(19,192)</u>	<u>863</u>
Cash and cash equivalents (bank indebtedness), end of year	<u>\$ 4,272</u>	<u>\$ (19,192)</u>

See accompanying notes to financial statements.



1. Nature of Operations:

The Saskatchewan Workers' Compensation Board (the WCB) is a statutory corporation that operates under the authority of *The Workers' Compensation Act, 2013* (the Act). Its purpose is to provide workplace insurance and injury prevention services to Saskatchewan employers and provide benefits to workers who are injured in the course of their employment.

The WCB is also considered a Government Business Enterprise and as such, its financial results are included in the Government of Saskatchewan's summary financial statements. As a Government Business Enterprise, the WCB is exempt from income tax. The WCB has its corporate head office in Regina, Saskatchewan.

Though the WCB does not receive government funding or other assistance, it is required by the Act to maintain an injury fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims and operations arising from current claims.

2. Basis of Presentation:

Statement of compliance

The financial statements for the year ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments. The methods used to measure the values of financial instruments are discussed further in note 3.

Statement of financial position classification

The statement of financial position has been prepared using the liquidity format in which the assets and liabilities are presented broadly in order of liquidity. The assets and liabilities comprise both current and non-current amounts.



Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the WCB's functional currency and are rounded to the nearest thousand unless otherwise noted.

Use of estimates and judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 10), the valuation of receivables (note 4) and determination of fair value of level 3 investments (note 5).

Impact of the COVID-19 pandemic

The COVID-19 pandemic continued to affect the global economy in 2021 and create significant economic uncertainty around the world. The economic uncertainty has impacted WCB's valuation of investments (note 5), receivables (note 4) and benefits liabilities (note 10). The extent to which the COVID-19 pandemic may impact the WCB's operations will depend on future developments and the effectiveness of actions taken by governments.

3. Significant Accounting Policies:

Financial Assets and Liabilities

The measurement basis for financial assets and liabilities depends on whether they have been classified as fair value through profit and loss, available for sale, held to maturity, loans and receivables, or other financial liabilities. Financial assets and liabilities classified as fair value through profit and loss are measured at fair value and changes in fair value are recognized in net income. Financial assets classified as available for sale are measured at fair value with unrealized changes in fair value recorded in other comprehensive income; however, unrealized losses considered other than temporary are recognized as a decrease to net income. Financial assets designated as held to maturity, loans and receivables, or other financial liabilities are measured at amortized cost using the effective interest method. The WCB has no financial assets designated as available for sale or held to maturity.

The WCB has designated its cash and investments as fair value through profit and loss. This designation has been made to eliminate or significantly reduce the measurement inconsistency that would arise between these assets and the benefits liabilities. Receivables are designated as loans and receivables. Payables and accrued liabilities are designated as other financial liabilities. Benefits liabilities and annuity fund payable are exempt from the above requirement.

The fair value of financial assets and liabilities other than investments (note 5) approximates carrying value due to their immediate or short-term nature.



Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and bank indebtedness. Bank indebtedness is shown separately on the statement of financial position.

Investments

All investments are carried at fair value through profit and loss. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value of equities is determined based on the quoted market price, based on the latest bid prices. The fair value of pooled equity funds and the pooled bond fund are based on the quoted market values of the underlying investments, based on the latest bid prices. The fair value of bonds and debentures is based on model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of the pooled mortgage fund is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage. The fair value of the pooled real estate fund is determined based on the market values of the underlying real estate investments, normally based on appraisals.

The WCB records its investment purchases and sales on a trade-date basis, being the date when the transactions are entered into.

Investments under Securities Lending Programs

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the statement of financial position given that the risks and rewards of ownership are not transferred from the WCB to the counterparties in the course of such transactions.

Securities received from counterparties as collateral are not recorded on the statement of financial position given that the risks and rewards of ownership are not transferred from the counterparties to the WCB in the course of such transactions.

Property and Equipment

Property and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. As no borrowing costs are attributable to the acquisition of property and equipment, there are no capitalized borrowing costs included in cost. The estimated useful lives of the assets are as follows:

Building	40	Years
Leasehold improvements	15	Years
Office furnishings	10	Years
Computer equipment	3-4	Years

Other Assets

Other assets include software development costs with a finite life. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs ranges from three years to ten years.



Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2021 has been determined by estimating future benefits payments in accordance with the WCB's administrative policies and practices in effect at December 31, 2021.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer.

Annuity Fund Payable

The annuity fund is established pursuant to sections 73 and 81 of the Act. These sections require, where compensation is paid for a period exceeding twenty-four consecutive months, an additional amount equal to 10 per cent of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. This amount is over and above the benefits payments. The WCB recognizes a liability in the annuity fund when a worker's eligible benefit is paid. The fund earns interest based on an internally calculated rate of return. At age 65, the client must provide direction to the WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through the WCB's Experience Rating Program.

Investment Income

The WCB recognizes interest revenue as earned, dividends when declared, pooled fund revenue when a distribution is declared, realized gains and losses on investments when the investment has been sold and unrealized gains and losses based on the changes in market value of the investments held.

Interest revenue includes amortization of any premium or discount recognized at the date of purchase of the security. Amortization is calculated using the effective interest method. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

Transaction costs are included in the acquisition cost of individual investments. Direct investment expenses, such as external custodial, investment management and investment consultant expenses are recorded against investment income.



Self-Insured Employers

The Government of Canada is a self-insured employer whose claims are administered by the WCB. The Government reimburses the WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to the WCB for reimbursement of these claims are reflected in the statement of cash flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2021 were \$6,496,000 (2020 - \$5,712,000).

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the period end date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

Employee Future Benefit Plan

The WCB provides a defined contribution pension plan that provides retirement benefits for its employees. On December 31, 2020, the WCB discontinued a defined benefit plan and all related assets and obligations were discharged prior to January 1, 2021.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations and other comprehensive income in the period during which services are rendered by employees.

Defined benefit plan

The defined benefit plan (the Plan) was wound-up effective April 10, 2020 and a wind-up report was filed with the Financial and Consumer Affairs Authority of Saskatchewan. Following the approval of the wind-up report, all benefits were settled through a buy-out annuity policy effective December 31, 2020 and the surplus was shared between the Plan members and the Saskatchewan Workers' Compensation Board.



Future Accounting Policy Changes

The following future changes to accounting standards will have applicability to the WCB:

IFRS 17, *Insurance Contracts*

On May 18, 2017, the IASB issued IFRS 17, which is effective for annual periods beginning on or after January 1, 2023. IFRS 17 will replace IFRS 4, *Insurance Contracts*. In June 2020, IASB issued amendments to IFRS 17 which are designed to simplify certain requirements in the standard and make it easier for entities to explain the results from applying IFRS 17.

This standard introduces consistent accounting for all insurance contracts. The standard requires companies to measure insurance contract liabilities as the risk-adjusted present value of the cash flows plus the contractual service margin, which represents the unearned profit the entity will recognize as future service is provided. This is referred to as the general model. Expedients are specified, provided the insurance contracts meet certain conditions. If, at initial recognition or subsequently, the contractual service margin becomes negative, the contract is considered onerous and the excess is recognized immediately in the statement of operations and other comprehensive income. The standard also includes significant changes to the presentation and disclosure of insurance contracts within entities' financial statements. The WCB is evaluating the impact this standard will have on the financial statements.

IFRS 9, *Financial Instruments*

IFRS 9 is generally effective for annual periods beginning on or after January 1, 2018. IFRS 9 requires financial assets to be measured at either fair value or amortized cost, on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. A financial asset that is held by the entity for the purpose of collecting contractual cash flows on specified dates per contractual terms should be measured at amortized cost. All other financial assets should be measured at fair value.

For equity instruments, management has an option on initial recognition to irrevocably designate on an instrument-by-instrument basis to present the changes in their fair value directly in the funded position. There is no subsequent recycling of fair value gains and losses from equity to the statement of operations and other comprehensive income.

The standard includes introduction of a fair value through other comprehensive income measurement category for debt instruments meeting certain criteria. In this measurement category, the statement of financial position will reflect the fair value carrying amount while amortized cost information is presented in the statement of operations and other comprehensive income. The difference between the fair value and amortized cost information will be recognized in other comprehensive income.

The standard introduces a forward-looking impairment model. IFRS 9 replaces the incurred loss model under IAS 39 with an expected credit loss model.

In September 2016, the IASB issued amendments to IFRS 4, which provide optional relief to eligible insurers in respect of IFRS 9. Entities, who have not previously applied any version of IFRS 9 and whose predominant activity is issuing insurance contracts within the scope of IFRS 17, are provided a temporary exemption to defer the implementation of IFRS 9. The WCB will be required to adopt IFRS



9 on January 1, 2023, with additional required disclosures, which aligns with the effective date of IFRS 17.

The WCB evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions and concluded that all of the liabilities were predominantly connected with insurance. Additionally, the WCB has not previously applied any version of IFRS 9. Therefore, the WCB is an eligible insurer that qualifies for optional relief from the application of IFRS 9. As at January 1, 2018, the WCB has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. The WCB will continue to apply IAS 39, *Financial instruments: Recognition and measurement* until January 1, 2023.

The table below categorizes the WCB's financial assets between two groups: a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) and b) all other financial assets. SPPI includes cash and cash equivalents, receivables, short-term holdings and bonds and debentures. Other financial assets include invested assets in a pooled bond fund, pooled equity funds, equities, a pooled real estate fund and a pooled mortgage fund.

<i>(thousands of dollars)</i>	Change in unrealized		Change in unrealized	
	2021	gains (losses)	2020	gains (losses)
SPPI	\$ 430,734	\$ (14,123)	\$ 424,192	\$ 9,344
Other financial assets	1,925,595	155,490	1,770,574	(67,695)
	<u>\$ 2,356,329</u>	<u>\$ 141,367</u>	<u>\$ 2,194,766</u>	<u>\$ (58,351)</u>

Credit risk exposure related to financial assets categorized as SPPI:

	2021	2020
	Fair Value	Fair Value
AAA	\$ 111,302	\$ 99,546
AA	160,224	170,110
A	62,796	53,015
BBB	37,073	42,088
Not rated	59,339	59,433
	<u>\$ 430,734</u>	<u>\$ 424,192</u>

IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

In May 2020, the IASB issued an amendment to IAS 37 which clarifies which costs should be included as the cost of fulfilling a contract when assessing whether a contract is onerous. The application date of the amendment is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022, but early application is permitted. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

IAS 1, *Presentation of Financial Statements*

Narrow-scope amendments to IAS 1 were issued in January 2020 to provide clarification over the classification of debt and other liabilities as current or non-current. The amendments aim to promote consistency in the application of the classification requirements of the standard by entities. Further, the amendments affect only the presentation of liabilities in the balance sheet, not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities



disclose about those items. In July 2020, the IASB issued an amendment to defer the effective date to January 1, 2023. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, Definition of Accounting Estimates (Amendment). Effective for the annual periods beginning on or after January 1, 2023; early adoption is permitted. The amendment clarifies the definition of “accounting policies” and “accounting estimates” by making those two definitions more distinct and concise. The standard will be effective for the WCB on January 1, 2023, and reflected in the financial statements for the year ended December 31, 2023. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

Annual Improvements 2018–2020 Cycles

Annual improvements 2018-2020 Cycles was issued in May 2020 by the IASB and included minor amendments to IFRS 9, *Financial Instruments*. The annual improvements process is used to make necessary but non-urgent changes to IFRS that are not included in other projects. The amendments issued are all effective for annual periods beginning on or after January 1, 2022. The WCB does not expect these amendments to impact the financial statements.

4. Receivables:

	2021	2020
<i>(thousands of dollars)</i>		
Recoverable claims costs	\$ 6,371	\$ 6,321
Premiums	4,130	5,405
Accrued interest	1,872	1,861
Subrogation	1,774	1,649
Government of Canada	1,657	1,161
Interprovincial claims	1,209	1,205
Investment proceeds and other	133	114
	<u>17,146</u>	<u>17,716</u>
Allowance for doubtful accounts	<u>(4,164)</u>	<u>(4,690)</u>
	<u>\$ 12,982</u>	<u>\$ 13,026</u>

At the end of the year, receivables of \$10,065,000 (2020 - \$10,275,000) were due within one year.

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

	2021		2020
<i>(thousands of dollars)</i>			
Balance, beginning of year	\$ 4,690	\$	4,604
Amounts written off	(487)		(888)
Current provision	(39)		974
Balance, end of year	<u>\$ 4,164</u>	<u>\$</u>	<u>4,690</u>

The aging of receivables is as follows:

	2021		2020
<i>(thousands of dollars)</i>			
Less than 60 days	\$ 6,431	\$	6,666
61 to 180 days	2,423		2,275
181 to 365 days	1,211		1,334
Greater than one year	7,081		7,441
	<u>\$ 17,146</u>	<u>\$</u>	<u>17,716</u>

5. Investments and Investments under Securities Lending Programs:

(a) The fair value of investments and investments under securities lending programs is as follows:

	2021		2020
<i>(thousands of dollars)</i>			
Investments			
Bonds and debentures	\$ 213,976	\$	224,485
Pooled bond fund	130,460		126,776
Pooled equity funds	1,065,510		982,571
Equities	259,024		216,291
Pooled real estate fund	286,265		249,765
Pooled mortgage fund	146,573		141,917
Short-term holdings	42,085		46,407
	<u>2,143,893</u>		1,988,212
Investments under Securities Lending Programs			
Bonds and debentures	157,419		140,274
Equities	37,763		53,254
	<u>195,182</u>		<u>193,528</u>
	<u>\$ 2,339,075</u>	<u>\$</u>	<u>2,181,740</u>



Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

<i>(thousands of dollars)</i>	Term to Maturity in Years	2021		2020	
		Fair Value	Average Effective Yield	Fair Value	Average Effective Yield
Government of Canada Securities					
	1 - 5	\$ 61,629	1.81%	\$ 85,499	1.95%
	6 - 10	32,231	1.59%	-	0.00%
	Over 10	12,719	3.00%	11,306	2.40%
Provincial & Municipal Securities					
	1 - 5	7,957	2.59%	27,820	2.79%
	6 - 10	5,470	2.79%	18,511	2.28%
	Over 10	99,608	3.22%	75,459	2.71%
Corporate Securities					
	1 - 5	72,966	1.93%	69,324	2.47%
	6 - 10	44,635	2.91%	46,085	2.77%
	Over 10	34,180	4.01%	30,755	3.85%
Total		<u>\$ 371,395</u>		<u>\$ 364,759</u>	

(ii) Pooled bond fund

The WCB has invested in a global pooled bond fund. The fund returns are based on the success of the fund manager.

(iii) Equities and pooled equity funds:

The WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

The WCB's equity investments include foreign equities of \$1,071,256,000 (2020 - \$1,005,262,000).

The WCB has investments in pooled equity funds with the following carrying values:

	2021	2020
Global Low Volatility Equity funds	\$ 662,618,000	\$601,508,000
Europe, Asia and the Far East (EAFE) Equity fund	\$ 147,265,000	\$157,667,000
Canadian Low Volatility Equity fund	\$ 135,785,000	\$122,254,000
Global Equity Small Cap fund	\$ 108,618,000	\$ 91,812,000
Canadian Special Equity fund	\$ 11,224,000	\$ 9,330,000
	<u>\$1,065,510,000</u>	<u>\$982,571,000</u>

(iv) Pooled real estate fund:

The WCB has an investment in a pooled real estate fund that is invested in Canadian commercial properties.

(v) Pooled mortgage fund:

The WCB has an investment in a pooled mortgage fund that is invested in Canadian mortgages.

(vi) Short-term holdings:

Short-term holdings are comprised of treasury bills and bank notes with effective interest rates of 0.1% to 0.5% (2020 – 0.1% to 0.2%) and average term to maturity of 2.13 months (2020 – 2.23 months).

(vii) Securities lending:

The WCB's Statement of Investment Policies and Goals (SIP&G) allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for held collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105 per cent of the market value of the securities lent.

At December 31, 2021, the WCB had \$195,182,000 (2020 - \$193,528,000) in equities and bonds on loan to various counterparties. At December 31, 2021, the total amount of collateral pledged to the WCB amounted to \$204,943,000 (2020 - \$203,218,000).

(b) Investment income

Net investment income was derived from the following sources:

<i>(thousands of dollars)</i>	2021			2020		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Cash and foreign exchange	\$ 101	\$ -	\$ 101	\$ 231	\$ -	\$ 231
Bonds and debentures	8,166	(14,121)	(5,955)	21,447	9,344	30,791
Pooled bond fund	64	3,620	3,684	59	5,503	5,562
Pooled equity funds	65,234	84,439	149,673	35,034	(30,191)	4,843
Equities	38,084	32,726	70,810	77,305	(40,789)	36,516
Pooled real estate fund	-	36,500	36,500	-	(4,789)	(4,789)
Pooled mortgage fund	6,451	(1,795)	4,656	6,252	2,571	8,823
Short-term holdings	214	(2)	212	607	-	607
Investment expenses	(5,605)	-	(5,605)	(5,146)	-	(5,146)
	<u>\$ 112,709</u>	<u>\$ 141,367</u>	<u>\$ 254,076</u>	<u>\$ 135,789</u>	<u>\$ (58,351)</u>	<u>\$ 77,438</u>

Included in realized investment income is interest income of \$16,098,000 (2020 - \$16,659,000).

(c) Determination of fair value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:



Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

The WCB defines active markets based on the frequency of valuation and any restrictions or illiquidity on disposition of the underlying investment and trading volumes. Assets measured at fair value and classified as Level 1 include equity funds and equities. Fair value is based on market price data for identical assets obtained from the investment custodian, investment managers or dealer markets;

Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 2 inputs include observable market information, including quoted prices for assets in markets that are considered less active. Assets measured at fair value and classified as Level 2 include bonds and debentures, pooled bond fund, pooled mortgage fund and short-term holdings. Fair value is based on, or derived from, market price data for similar instruments obtained from the investment custodian, investment managers or dealer markets; and

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities;

Level 3 assets and liabilities include financial instruments whose values are determined using internal pricing models, discounted cash flow methodologies or similar techniques that are not based on observable market data, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. Assets classified as Level 3 include the investment in the pooled real estate fund. The fair value of the investment is based on the WCB's share of the net asset value of the respective fund, as determined by its investment manager, and used to value purchases and sales of units in the investment. The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties. Real estate properties are appraised by external, independent professional real estate appraisers who are accredited through the Appraisal Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and, are based primarily on the discounted cash flow and income capitalization methods.



Assets at fair value as at December 31, 2021

<i>(thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 371,395	\$ -	\$ 371,395
Pooled bond fund		130,460	-	130,460
Pooled equity funds	1,065,510	-	-	1,065,510
Equities	296,787	-	-	296,787
Pooled real estate fund	-	-	286,265	286,265
Pooled mortgage fund	-	146,573	-	146,573
Short-term holdings	-	42,085	-	42,085
	\$ 1,362,297	\$ 690,513	\$ 286,265	\$ 2,339,075

Assets at fair value as at December 31, 2020

<i>(thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 364,759	\$ -	\$ 364,759
Pooled bond fund		126,776	-	126,776
Pooled equity funds	982,571	-	-	982,571
Equities	269,545	-	-	269,545
Pooled real estate fund	-	-	249,765	249,765
Pooled mortgage fund	-	141,917	-	141,917
Short-term holdings	-	46,407	-	46,407
	\$ 1,252,116	\$ 679,859	\$ 249,765	\$ 2,181,740

During the year, no investments were transferred between levels.

Level 3 Reconciliation

<i>(thousands of dollars)</i>	2021	2020
	Pooled Real Estate Fund	Pooled Real Estate Fund
Balance, beginning of year	\$ 249,765	\$ 254,554
Acquisitions	-	-
Dispositions	-	-
Realized gain	-	-
Change in unrealized gain	36,500	(4,789)
Balance, end of year	\$ 286,265	\$ 249,765

The fair value of the pooled real estate fund is determined using appraisals based primarily on the discounted cash flows. Changes in the rate used to discount the cash flows can cause significant changes in the fair value. The rates vary by each asset depending on quality and leasing profile, property type and location. The range of rates used to discount the cash flows when determining the appraisal values is 5% to 8.5%. The approximate impact of a one quarter per cent increase in the average discount rate results in a decrease in the fair value of \$4,580,000.



(d) Financial risk management

The WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board Members review the SIP&G annually and, through the investment committee, receive regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

(i) Market risk

The WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity price risk

The WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets. In the SIP&G, the WCB limits its investment concentration in any one investee or related group of investees to 10 per cent of the investee's share capital. In addition, no one holding can represent more than 10 per cent of the fair value of the WCB's equity portfolio. Investment in pooled funds shall not exceed 10 per cent of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to net income based on a 10 per cent change in the WCB's benchmark indices at December 31, 2021:

Change in Equity Benchmarks	2021		2020	
<i>(thousands of dollars)</i>				
World (ex-Canada) Index	\$	66,262	\$	60,151
MSCI EAFE Index		14,715		15,767
S&P 500 Index		19,253		15,459
S&P/TSX Composite Index		13,579		12,225
MSCI World Small Cap		10,862		9,181

Interest rate risk

The WCB is exposed to fluctuations in interest rates that can impact the fair value of its short-term holdings, bonds and debentures, pooled bond fund and pooled mortgage fund. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a one per cent increase in interest rates would decrease net income by approximately \$29,475,000 at December 31, 2021 (2020 - \$24,561,000), representing 4.3% (2020 – 3.6%) of the \$690,513,000

(2020 - \$679,859,000) fair value of short-term holdings, bonds and debentures, the pooled bond fund and the pooled mortgage fund.

Foreign exchange risk

The WCB has certain investments denominated in foreign currencies. During the year the WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, the WCB limits its holdings in foreign equities to 45 per cent of the investment portfolio. As at December 31, 2021, the WCB's holdings in foreign equities and pooled equity funds had a fair value of \$1,071,256,000 (2020 - \$1,005,262,000) representing 45.8% (2020 – 46.1%) of the fair value of the total investment portfolio. At December 31, 2021, it is estimated that a 10 per cent appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in a decrease in net income of approximately \$66,995,000 (2020 - \$100,526,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. The WCB's credit risk arises primarily from cash and cash equivalents, receivables, short-term holdings, bonds and debentures, the pooled bond fund and the pooled mortgage fund. The maximum credit exposure related to these financial instruments is \$707,767,000 (2020 - \$692,885,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15 per cent to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For short-term holdings, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10 per cent of the market value of the bond investment portfolio. The WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by the WCB (note 4).

Credit ratings for the bonds and debentures are as follows:

<i>(thousands of dollars)</i>	2021		2020	
	Fair Value	Per cent of Portfolio	Fair Value	Per cent of Portfolio
Credit Rating				
AAA	\$ 111,302	30.0%	\$ 99,546	27.3%
AA	160,224	43.1%	170,110	46.7%
A	62,796	16.9%	53,015	14.5%
BBB	37,073	10.0%	42,088	11.5%
	<u>\$ 371,395</u>		<u>\$ 364,759</u>	

(iii) Liquidity risk

Liquidity risk is the risk that the WCB is unable to meet its financial obligations. Cash resources are managed daily based on anticipated cash flows. Receivables and payables and accrued liabilities are short-term in nature and the amounts due within one year are disclosed in notes 4 and 9. The cash flow to pay claims benefits is disclosed in note 10 and to pay annuity funds is disclosed in note 11. The WCB generally maintains positive cash flows through cash generated from premiums



received and from investing activities. To cover any short-term cash needs WCB has a \$25 million line of credit.

6. Property and Equipment:

<i>(thousands of dollars)</i>	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2021 Total	2020 Total
Cost								
Balance, beginning of year	\$ 1,375	\$ 14,017	\$ 4,214	\$ 1,706	\$ 2,291	\$ 3,685	\$ 27,288	\$ 25,122
Additions during the year	-	-	324	-	244	923	1,491	3,383
Disposals during the year	-	-	(20)	-	(570)	(648)	(1,238)	(1,217)
Balance, end of year	<u>\$ 1,375</u>	<u>\$ 14,017</u>	<u>\$ 4,518</u>	<u>\$ 1,706</u>	<u>\$ 1,965</u>	<u>\$ 3,960</u>	<u>\$ 27,541</u>	<u>\$ 27,288</u>
Accumulated Amortization								
Balance, beginning of year	\$ -	\$ 9,911	\$ 2,685	\$ 364	\$ 1,583	\$ 2,418	\$ 16,961	\$ 16,067
Amortization for the year	-	351	249	363	152	940	2,055	2,111
Disposals during the year	-	-	(20)	-	(570)	(648)	(1,238)	(1,217)
Balance, end of year	<u>\$ -</u>	<u>\$ 10,262</u>	<u>\$ 2,914</u>	<u>\$ 727</u>	<u>\$ 1,165</u>	<u>\$ 2,710</u>	<u>\$ 17,778</u>	<u>\$ 16,961</u>
Net Book Value	<u>\$ 1,375</u>	<u>\$ 3,755</u>	<u>\$ 1,604</u>	<u>\$ 979</u>	<u>\$ 800</u>	<u>\$ 1,250</u>	<u>\$ 9,763</u>	<u>\$ 10,327</u>

The leased buildings represent the right-of-use assets related to the leases payable in note 9.

7. Other Assets:

<i>(thousands of dollars)</i>	2021	2020
Intangible assets	\$ 3,639	\$ 6,751
Prepaid expenses	887	446
	<u>\$ 4,526</u>	<u>\$ 7,197</u>

Intangible Assets

Intangible assets are comprised of the following:

<i>(thousands of dollars)</i>	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
System development				
Balance, beginning of year	\$ 62,852	\$ (56,101)	\$ 6,751	\$ 9,910
Additions during the year	3,568	-	3,568	3,563
Amortization for the year	-	(6,680)	(6,680)	(6,722)
Disposals during the year	(1,267)	1,267	-	-
Balance, end of year	<u>\$ 65,153</u>	<u>\$ (61,514)</u>	<u>\$ 3,639</u>	<u>\$ 6,751</u>

During the year, \$3,568,000 (2020 - \$3,563,000) of internally generated system development costs were capitalized.

8. Bank Indebtedness:

	2021	2020
<i>(thousands of dollars)</i>		
Line of credit	\$ -	\$ 14,256
Outstanding cheques	-	4,936
	<u>\$ -</u>	<u>\$ 19,192</u>

In accordance with Section 118(1) of the Act, WCB has secured a \$25 million unsecured line of credit with interest at Scotiabank's prime lending rate.

9. Payables and Accrued Liabilities:

	2021	2020
<i>(thousands of dollars)</i>		
Salaries and employee benefits	\$ 8,805	\$ 8,136
Premium refunds	5,952	6,459
Claims payable	3,647	778
Accounts payable	3,373	2,365
Occupational Health & Safety	3,324	3,227
Leases	1,173	1,630
Workers' Advocate	488	450
Accrued investment purchases	-	13
	<u>\$ 26,762</u>	<u>\$ 23,058</u>

At the end of the year, payables and accrued liabilities of \$25,914,000 (2020 - \$21,807,000) were due within one year.

10. Benefits Liabilities and Claim Costs Expense:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2021 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Projected future benefits payments have been discounted to their present value by applying a discount rate of five per cent per annum. The determination of the projected future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.



Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	2021	2020
Inflation	2.25%	2.25%
Expected future growth in gross wages	3.25%	3.25%
Expected future increase in health care costs	5.00%	5.00%
Discount rate	5.00%	5.25%

The current year's claim costs expense includes the actuarial cost of claims for reported and unreported work-related injuries that occurred during the year and adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods.

Benefits Liabilities Continuance Schedule

	2021							2020	
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Latent Occupational Disease	Total	Total
<i>(thousands of dollars)</i>									
Balance, beginning of year	\$ 148,833	\$ 413,323	\$ 99,013	\$ 554,449	\$ 16,154	\$ 72,805	\$ 115,802	\$ 1,420,379	\$ 1,328,098
ADD:									
Claim costs incurred:									
Current year injuries	74,169	33,294	8,238	81,510	2,330	13,079	2,619	215,239	198,793
Prior years' injuries	10,564	45,044	1,425	60,774	(1,390)	4,588	-	121,005	120,758
	84,733	78,338	9,663	142,284	940	17,667	2,619	336,244	319,551
DEDUCT:									
Claim payments made:									
Current year injuries	25,504	991	684	27,685	51	3,902	-	58,817	52,546
Prior years' injuries	50,607	47,516	9,921	63,392	2,275	8,372	-	182,083	174,724
	76,111	48,507	10,605	91,077	2,326	12,274	-	240,900	227,270
Balance, end of year	\$ 157,455	\$ 443,154	\$ 98,071	\$ 605,656	\$ 14,768	\$ 78,198	\$ 118,421	\$ 1,515,723	\$ 1,420,379

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

	<i>(thousands of dollars)</i>
2022	\$ 181,990
2023 - 2026	405,296
2027 - 2031	296,154
2032 - 2036	194,047
2037 - 2041	137,566
2042 - 2046	100,931
2047 and beyond	199,739
	<u>\$ 1,515,723</u>

The following is a reconciliation of the benefits liabilities:

<i>(thousands of dollars)</i>	2021	2020
Balance, beginning of year	\$ 1,420,379	\$ 1,328,098
ADD:		
Provision for current year injuries	210,261	190,159
Provision for prior years' injuries		
Interest allocated	63,710	59,514
Prior years' claim cost experience higher than expected	16,561	62,679
Effect of actual cost of living adjustment higher (lower) than expected	13,956	(15,224)
Impact of change in provision for latent occupational disease	(8,171)	3,008
Changes in actuarial methods and assumptions	39,927	19,415
	<u>336,244</u>	<u>319,551</u>
DEDUCT:		
Benefit payments	228,626	215,723
Claim adjudication expense	12,274	11,547
	<u>240,900</u>	<u>227,270</u>
Balance, end of year	<u>\$ 1,515,723</u>	<u>\$ 1,420,379</u>



Claims Development Table:

The table illustrates how the estimate of total claims for each injury year has changed at successive year-ends and reconciles the cumulative claims to the current estimate of the outstanding claims liabilities. All amounts shown have been adjusted with interest to the current year-end.

(thousands of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
End of year	\$ 289,251	\$ 266,540	\$ 230,952	\$ 224,056	\$ 233,817	\$ 207,925	\$ 221,201	\$ 213,172	\$ 200,959	\$ 214,076
One year later	287,450	253,880	244,316	226,937	233,530	215,558	225,118	234,449	218,794	
Two years later	275,774	253,382	252,583	222,162	238,193	214,476	230,320	242,747		
Three years later	270,144	260,992	254,955	230,498	241,091	221,861	238,268			
Four years later	273,242	262,815	261,322	232,988	250,705	227,688				
Five years later	260,017	260,825	262,484	238,361	255,545					
Six years later	267,099	262,838	266,875	242,192						
Seven years later	267,555	265,083	269,059							
Eight years later	270,309	266,636								
Nine years later	271,116									
Estimate of cumulative claims	271,116	266,636	269,059	242,192	255,545	227,688	238,268	242,747	218,794	214,076
Cumulative payments	(226,102)	(218,235)	(212,550)	(188,775)	(190,941)	(165,392)	(164,690)	(156,424)	(113,051)	(60,269)
Benefits liabilities	\$ 45,014	\$ 48,401	\$ 56,509	\$ 53,417	\$ 64,604	\$ 62,296	\$ 73,578	\$ 86,323	\$ 105,743	\$ 153,807
Post 2011 benefits liabilities										\$ 749,692
Pre-2012 benefits liabilities										647,610
Latent occupational disease										118,421
Total benefits liabilities										\$ 1,515,723

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed discount rate of five per cent. The approximate impact of a one per cent decrease in the assumed discount rate results in a \$185,482,000 increase in the benefits liabilities.

A one per cent increase in inflation rates for general prices and wages (while holding the assumed investment return constant), results in a \$175,831,000 increase in the benefits liabilities.



Health care benefits liabilities are calculated assuming a future rate of escalation of health care costs of five per cent per year. A one-half per cent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately \$56,191,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes the WCB's injured worker claim termination experience. A flat reduction of five per cent in these termination rates would increase benefits liabilities by approximately \$12,117,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of five per cent in these mortality rates would increase benefits liabilities by approximately \$1,517,000.

Insurance Risk Management

The WCB is exposed to certain insurance risks related to its current claims costs and its benefits liabilities relating to future claims costs. These insurance risks include employers' return-to-work practices, medical intervention, the WCB's effectiveness in managing claims and determining premium rates, and changes in coverage from amendments to the Act. The WCB manages these risks through active involvement in return-to-work programs, vocational rehabilitation programs, contracts with medical providers, certification of medical providers, and standard operating procedures for adjudicating claims and extensive training for new staff. The WCB utilizes actuarial models to monitor claims patterns, calculate average premiums, and estimate future claims costs considering past experience and using statistical methods consistent with sound actuarial principles. No provision is made for any proposed amendments to the Act until such changes are passed.

11. Annuity Fund Payable:

	2021	2020
<i>(thousands of dollars)</i>		
Balance, beginning of year	\$ 227,418	\$ 225,332
ADD: Contributions		
Principal	7,002	6,424
Interest	18,648	15,606
	<u>25,650</u>	<u>22,030</u>
DEDUCT: Payouts		
Principal	6,544	6,484
Interest	13,283	13,460
	<u>19,827</u>	<u>19,944</u>
Balance, end of year	<u>\$ 233,241</u>	<u>\$ 227,418</u>

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2021.



(thousands of dollars)

2022	\$	26,024
2023 - 2026		97,818
2027 - 2031		52,508
2032 - 2036		26,930
2037 - 2041		15,822
2042 - 2046		7,773
2047 and beyond		6,366
	\$	233,241

12. Reserves:

	2021			2020	
	Disaster Reserves	Occupational Disease Reserve	Second Injury & Re-employment	Total	Total
(thousands of dollars)					
Balance, beginning of year	\$ 28,407	\$ -	\$ 14,204	\$ 42,611	\$ 39,843
Appropriation from Injury Fund	1,907	-	954	2,861	2,768
Appropriation to fund cost relief for employers	16,289	8,398	42,067	66,754	60,359
Allocations for cost relief for employers	(16,289)	(8,398)	(42,067)	(66,754)	(60,359)
Balance, end of year	\$ 30,314	\$ -	\$ 15,158	\$ 45,472	\$ 42,611

To maintain a funded status that is consistent with the statutory requirements of the Act, the WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, revised in 2017, maintains the following reserves and specifies that they be determined based on the current benefits liabilities:

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two per cent of benefits liabilities for this reserve. During the current year, \$1,907,000 (2020 - \$1,845,000) was transferred from the injury fund to this reserve.

(b) The Occupational Disease Reserve is used to cover costs that may have arisen from latent occupational diseases where exposure today may result in the establishment of a future claim. During the year, the cost relief for employers included \$5,768,000 (2020 - \$381,000) related to claims from the COVID-19 pandemic.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one per cent of benefit liabilities for this reserve. During the current year, \$954,000 (2020 - \$923,000) was transferred from the injury fund to this reserve.



13. Premiums:

	2021	2020
<i>(thousands of dollars)</i>		
Premiums	\$ 260,098	\$ 259,033
Experience Rating Program - discounts	(24,446)	(27,064)
Experience Rating Program - surcharges	23,828	23,604
	<u>\$ 259,480</u>	<u>\$ 255,573</u>

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three-year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claim records.

14. Safety and Prevention:

	2021	2020
<i>(thousands of dollars)</i>		
Occupational Health & Safety	\$ 11,853	\$ 11,756
Safety associations	11,468	11,397
WorkSafe Saskatchewan	3,048	2,475
	<u>\$ 26,369</u>	<u>\$ 25,628</u>

Section 115(g) of the Act allows the WCB to expend monies for the cost of administration of the occupational health and safety program.

The WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. During the year, funds were collected on behalf of and disbursed to the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Energy Safety Canada.

15. Legislated Obligations:

	2021	2020
<i>(thousands of dollars)</i>		
Workers' Advocate	\$ 1,454	\$ 1,417
Committee of Review	-	-
	<u>\$ 1,454</u>	<u>\$ 1,417</u>

Section 115(h) and (i) of the Act allow the WCB to expend monies for the expenses, including salaries and remuneration, of the office of the Workers' Advocate and the expenses of any



Committee of Review established under the Act.

16. Employee Future Benefits:

The WCB sponsors a defined contribution pension arrangement covering all current employees. The defined benefits plan sponsored by WCB, which had been closed to new members since 1977, was terminated on December 31, 2020.

Defined Contribution Plan

The WCB employees are members of a defined contribution plan. The WCB's financial liability is limited to matching employee contributions of seven and one quarter per cent to the plan. During the year, the WCB incurred costs of \$2,829,000 (2020 - \$2,833,000) related to its defined contribution plan.

Defined Benefit Plan

On January 15, 2020, the WCB approved entering into a Buy-in annuity contract with Brookfield Annuity Company (Brookfield) and, on January 31, 2020, the Pension Plan for Employees of the Saskatchewan Workers' Compensation Board (the Plan) transferred \$39.4 million to Brookfield. Under the terms of this contract, beginning in April 2020 Brookfield provided the funds to the Public Employees Benefits Agency (PEBA) for the monthly pension payments to the members of the Plan. The Financial and Consumer Affairs Authority (FCAA) approved the termination of the Plan and the distribution of the surplus on November 13, 2020. The Buy-in annuity contract was converted to a Buy-out annuity contract with Brookfield on December 23, 2020 and, effective January 2021, Brookfield began making monthly annuity payments directly to members of the Plan. The Plan was terminated on December 31, 2020 with all surplus funds being dispersed, 50% to members of the plan and 50% to WCB, in accordance with the wind-up plan approved by FCAA.

At December 31, 2020, the remaining accumulated other comprehensive loss from the defined benefit plan of \$1,226,000 was transferred directly to the injury fund when the pension plan was terminated. The 2019 balance in accumulated other comprehensive loss of \$1,736,000 less the \$510,000 net actuarial gains, shown in the statement of operations and other comprehensive income, resulted in the final amount transferred to the injury fund of \$1,226,000.



Movement in net accrued pension benefit (asset) liability

The following table shows a reconciliation of the opening balances to the closing balances for the net accrued pension benefit (asset) liability and its components.

<i>(thousands of dollars)</i>	Defined Benefit Obligation		Fair Value of Plan Assets		Net Accrued Pension Benefit (Asset) Liability	
	2021	2020	2021	2020	2021	2020
Balance at January 1	\$ -	\$ 38,436	\$ -	\$ (39,948)	\$ -	\$ (1,512)
Included in profit or loss						
Settlement loss	-	950	-	-	-	950
Interest cost (income)	-	1,139	-	(707)	-	432
	-	2,089	-	(707)	-	1,382
Included in Other Comprehensive Income						
Return on plan assets excluding interest income	-	-	-	(510)	-	(510)
	-	-	-	(510)	-	(510)
Other						
Refund of surplus to members	-	(640)	-	640	-	-
Refund of surplus to WCB	-	-	-	640	-	640
Conversion to Buy-out agreement	-	(37,482)	-	-	-	(37,482)
Purchase of Buy-in annuity	-	-	-	39,281	-	39,281
Payments from Buy-in	-	-	-	(1,799)	-	(1,799)
Benefits paid	-	(2,403)	-	2,403	-	-
	-	(40,525)	-	41,165	-	640
Balance at December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

17. Related Parties:

i) Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the WCB by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan. All operating transactions are routine and are settled at the exchange amount agreed to by the related parties. The WCB has elected to take a partial exemption under IAS 24, *Related Party Disclosures*, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

ii) Key Management Compensation:

At December 31, 2021, key management personnel is made up of 10 people (2020 - nine people) and includes the Chairman of the Board, two board members, the Chief Executive Officer, the Chief Financial Officer, and five (2020 - four) members of the senior executive group.

<i>(thousands of dollars)</i>	2021	2020
Salaries and other short-term benefits	\$ 2,730	\$ 2,439
Post employment benefits	169	137
	\$ 2,899	\$ 2,576



18. Business Transformation Program:

	2021	2020
<i>(thousands of dollars)</i>		
Consulting services	\$ 3,439	\$ 439
Salaries and employee benefits	531	-
Other	32	-
	<u>\$ 4,002</u>	<u>\$ 439</u>

In 2020, an independent review of the WCB's processes, technologies and organizational culture confirmed a number of opportunities to significantly improve service-delivery, modernize its technologies and add value for the benefit of its customers.

The Business Transformation Program (BTP) was launched in 2021 to address key risks and opportunities relating to service delivery, process efficiency and technology obsolescence. Costs incurred include items related to internal BTP salaries, project delivery and various program planning and consulting costs.

19. Capital Management:

The WCB's objectives when managing capital are to build a funded position that supports the long-term financial stability of the WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing the WCB's funded position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and sets the target range for the injury fund, excluding unrealized gains and losses on investments at the end of the year, at five per cent to 20 per cent of benefits liabilities plus annuity fund payable.

Where the injury fund shifts out of the targeted range, the funding policy states the WCB will replenish or regulate the fund to maintain the targeted range. Where the funding percentage falls below 100 per cent, the WCB will take action to replenish the injury fund immediately to reach 100 per cent. If the funded percentage falls below 103 per cent, the WCB, at its discretion, will take action to replenish the Injury Fund to reach 105 per cent within 3 years. Generally, where the funding percentage rises above 122 per cent, the WCB, at its discretion, will distribute surplus funds to employers, within the year following the WCB's fiscal year in which the funding percentage exceeded 122 per cent.

The WCB monitors its funded status on the basis of its funding percentage. The funding percentage is calculated as the benefits liabilities plus the annuity fund payable, plus the balance in the injury fund, excluding unrealized gains and losses on investments at the end of the year, divided by the benefits liabilities plus the annuity fund payable.



The funding percentages at December 31 were as follows:

<i>(thousands of dollars)</i>	2021	2020
Injury fund	\$ 549,420	\$ 479,632
Unrealized gains on investments	(416,158)	(274,791)
	\$ 133,262	\$ 204,841
Benefits liabilities plus annuity fund payable	1,748,964	1,647,797
Injury fund, less unrealized gains on investments, as a percentage of benefits liabilities plus annuity fund payable	7.6%	12.4%
Funding percentage	107.6%	112.4%

20. Comparative Figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

In the statement of operations and other comprehensive income for 2020, \$439,000 of administration expenses has been moved to the business transformation program to be consistent with the 2021 presentation.



Saskatchewan Workers' Compensation Board

Schedule 1 - Administration Expenses

Year ended December 31

	2021	2020
<i>(thousands of dollars)</i>		
Salaries and employee benefits	\$ 47,566	\$ 47,941
Amortization (notes 6 & 7)	8,735	8,833
Computer services	3,569	2,454
Building operations	2,341	1,929
Consulting services	1,906	1,421
Communications and postage	1,475	1,459
Office rental	1,073	971
Office expenses	943	997
Professional services	625	605
Training and development	437	476
Market research	202	118
Travel and automobile expenses	171	208
Community relations	148	197
Advertising	131	61
Miscellaneous	(122)	272
	<u>69,200</u>	<u>67,942</u>
Less:		
Fees charged to self-insurers	<u>2,928</u>	<u>2,459</u>
	<u>66,272</u>	<u>65,483</u>
Less:		
Administration costs charged to Future Benefits Administration (note 10)	<u>12,274</u>	<u>11,547</u>
	<u>\$ 53,998</u>	<u>\$ 53,936</u>

See accompanying notes to financial statements.





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