Deloitte. WSIB Ontario



Value for Money Audit: Second Injury and Enhancement Fund

Final Report
WSIB | April 2026

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How to read this report

The following content outlines what is included in each section of this Value for Money Audit (VFMA) Report.

Overview of report sections

1. **Executive summary:** This section provides an overview of the VFMA and its goals and the VFMA conclusion, including historical context.
2. **Scope and approach:** This section outlines the detailed objectives and methodology of the VFMA, including the Value for Money (VFM) framework components and audit phases.
3. **Audit criteria and attributes:** This section details the key audit criteria attributes leveraged to assess the Second Injury and Enhancement Fund (SIEF) across the three VFM audit areas: systems, resources, and outcomes. The audit criteria attributes were developed by Deloitte and validated by the WSIB.
4. **Value for money audit conclusion:** This section presents the overall conclusion of the VFMA, summarizing if the SIEF is fulfilling its intended purpose, while supporting program compliance, economy, efficiency, and effectiveness.
5. **Observations and recommendations:** This section outlines the observations and recommendations identified through the VFMA, categorized across ten key themes and organized into three primary categories.
6. **Appendices**
    A. **Appendix A – Mapping of themes and recommendations to audit criteria:** This section demonstrates how the themes and recommendations align to each of the VFMA areas and audit criteria attributes.
    B. **Appendix B – Interviewees:** This section lists the WSIB personnel who were interviewed as part of the VFMA process.
    C. **Appendix C – Jurisdictional scan review:** This section includes the inter-jurisdictional comparison of second injury funds and return-to-work programs of seven organizations, highlighting current and leading practices related to the scope of the VFMA.
    D. **Appendix D – Documentation reviewed:** This section outlines the WSIB-provided documentation that was reviewed and informed findings for the VFMA, such as reports, policies, process documentation, and data.

1. Executive Summary

VFMA Overview

The Workplace Safety and Insurance Board (WSIB) engaged Deloitte LLP (Deloitte) to conduct a Value for Money Audit (VFMA) of the Second Injury and Enhancement Fund (SIEF). The objective was to assess if the program is fulfilling its intended purpose of removing employment obstacles for people with pre-existing conditions, while supporting program compliance, economy, efficiency, and effectiveness.

The scope of the VFMA included the following:

- **Governance:** assess the roles and responsibilities of the SIEF administrators, ensuring alignment with policies, legislative mandates, and guidelines, assessing the governance and oversight of the SIEF activities and decision-making, and determining if the service offerings provided meet the needs of both employers and workers.
- **Effectiveness, Efficiency, and Economy:** assessment of the efficiency and effectiveness of processes and controls in meeting fund objectives, reviewing the SIEF to determine if it supports the rate framework objectives, and determining the effectiveness of the KPIs and whether the SIEF provides overall value for money to the WSIB and supports timely return to work. Assessment includes if the current application of the fund positively impacts employers and injured peoples as intended, early and safe return to work, and hiring practices.
- **Jurisdictional Scan:** comparison of the WSIB's SIEF program to seven national and international cost-relief programs and programs to incentivize employers to hire workers with pre-existing injuries, identifying best practices in cost relief and claims management, especially concerning pre-existing conditions.
- **Consultation:** engagement through 12 consultations with representation from employers, labour groups and employer representatives.

Deloitte developed **audit criteria and attributes** in alignment with Deloitte's VFMA methodology. The audit criteria and attributes were validated by the WSIB (see section *4. VFMA Criteria and Attributes*). **Observations and recommendations across ten themes** were identified based on a review of documentation provided by the WSIB, secondary information obtained through consultation, research and jurisdictional comparison (see section *6. Observations and Recommendations*). Each theme was aligned with the audit criteria and assigned a **rating** ranging from *No or little improvement required* to *Critical* (see page 11). This methodology supported the VFMA's overall conclusion regarding whether the SIEF delivers value for money.

VFMA Conclusion

Based on the results of the VFMA, the SIEF has demonstrated limited to no value for money (see page 7 for the VFMA conclusion range).

The three primary factors driving this conclusion are as follows:

- The SIEF does not appear to be directly associated with the SIEF policy's stated objective of removing employment barriers for workers with pre-existing conditions or disabilities, nor can return-to-work efforts and hiring practices that are in alignment to the WSIB's broader objectives be supported by the SIEF program.
- The new rate framework introduced in 2020 was designed to increase premium rate fairness, stability, and predictability based on each employer's risk and claim experience in order to drive a more transparent and understandable rate framework. However, sample analysis demonstrates instances where the SIEF is not aligned with the new rate framework as it is currently structured to provide cost relief to employers as it did under the previous experience rating framework. Moreover, due to challenges in calculating cost relief realized through the SIEF, fairness and transparency is not consistently experienced by all employers.
- The employment and anti-discrimination regulatory landscape has changed significantly since the introduction of the SIEF. These regulations promote equitable hiring and prevent employers from discriminating on the basis of disability. The SIEF policy has not been modified to account for these regulatory changes.

While some external stakeholders expressed the SIEF delivers value in providing cost relief and supporting hiring decisions, this value could not be quantified based on information gathered and data analyzed. Overall, findings of this audit indicate the SIEF no longer aligns with the WSIB's originally stated objectives and may no longer deliver the same level of impact to employers and workers as it did at the program's inception or prior to the introduction of the WSIB's new rate framework.

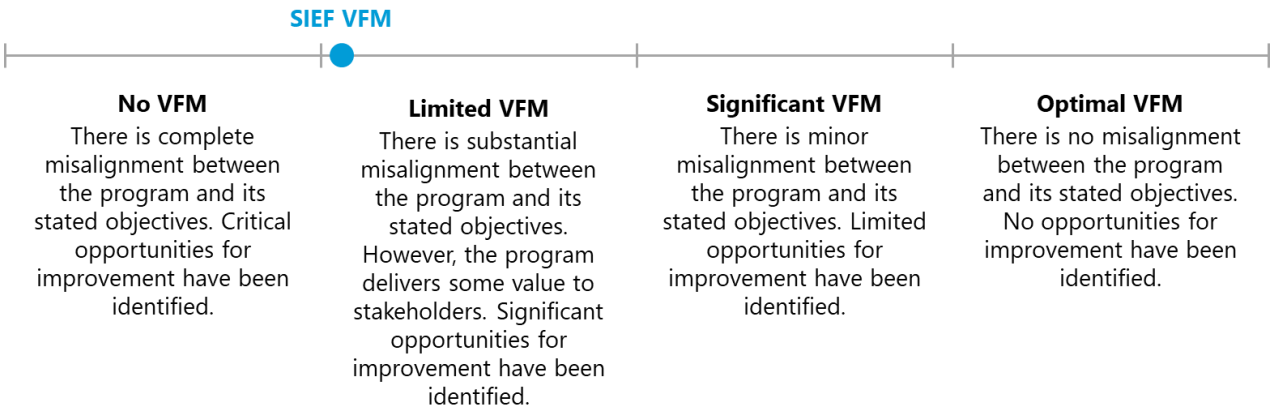
This report presents 36 observations that identify potential gaps, challenges, and risks. Their corresponding recommendations for the WSIB's consideration are aimed at supporting the SIEF to deliver greater value for money and encourage the WSIB's broader strategic goals of working Better, Easier, and Faster. These recommendations are informed by the audit criteria and attributes, leading practices identified through industry experience, and the jurisdictional scan (see section *6. Observations and Recommendations* for details).

Note that the recommendations in this report may require the WSIB to make investments to achieve desired outcomes and value. We have not determined the investment required nor the cost-benefit analysis related thereto.

The observations and recommendations are captured in ten themes and rated across four rating categories (see page 11). Five of the ten themes were rated as *critical* and another two were rated as *significant improvements required* (see page 11). The critical ratings indicate areas where immediate management attention is required to address misalignment between the SIEF's mandate and current program outcomes.

However, any modifications to the SIEF should consider employer categories and worker circumstances that may benefit from SIEF cost relief but may not be delivering its intended benefits under the current structure. Based on inputs gathered during this review, this likely includes workers that are engaged in short-term or project-based work, exposed to hazardous environments resulting in occupational diseases, where manual labour is prevalent or where the SIEF provides support for accidents that arise from circumstances granted 100% SIEF cost relief.

VFMA Conclusion Range:



Recommendations Summary

Category 1: Policy and Program Design:

- **Theme 1: Strategy and objectives**
  - Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work.

  - Explore revising the policy to better support workers with both pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB.
  - Review claims and SIEF outcomes to better understand the inconsistent adoption of the SIEF amongst WSIB classes, employer size and worker demographic to help inform future changes to the SIEF policy to support a program that encourages employment opportunities for workers with pre-existing and permanent injuries.
- **Theme 2: SIEF policy**
  - In collaboration with WSIB programs, complete an in-depth SIEF policy update to cover any recent operational changes and relevant implemented recommendations from this VFMA. Follow WSIB's policy governance framework that supports periodic and ongoing policy reviews.
  - Develop a plan to implement policy changes to ensure seamless adoption internally within the WSIB and externally across impacted stakeholder groups.
- **Theme 3: Performance measures and data analysis**
  - Continue engaging in discussions with relevant jurisdictions, sharing lessons learned and knowledge sharing, and maintain ongoing communication and relationships with the jurisdictions contacted as part of this VFMA that align with the SIEF's strategic direction.
  - Redesign SIEF CM performance measures to enhance quality and comprehensive assessment of file information for effective decisions, rather than solely focusing on timing of decisions (i.e., incorporate file complexity into KPIs and adjust the current target of two decisions per day based on complexity).
  - Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- **Theme 4: Financial management**
  - Consider expanding financial management activities to understand the WSIB's investment in resources to support the SIEF and financial impact on the employer's premium rate calculation.

- Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief.
- Assess the experience of employers in different classes, to determine whether nuanced policies or approaches to specific industries, particularly those with short-term or project-based employment, would support the achievement of more equitable outcomes.

Category 2: Service Delivery and Case Management

- **Theme 5: Team structure and organization**
  - Consider designating and training SIEF "champions" throughout different claims teams that interact with or support SIEF processes.
  - Review and enhance SIEF decision criteria by developing additional guidance materials for SIEF CMs to improve knowledge transfer and consistency in decision making, especially when SIEF CMs leave or join the team.
- **Theme 6: Criteria and decision making**
  - Assess the possibility of developing an internal SIEF-specific medical advisory role to be filled by a nurse or other medical professional to offer accessible, real-time consultation to SIEF CMs, and conduct a final review of decisions with high complexity ratings or where 75% or greater cost relief is awarded.
  - Consider leveraging the existing WSIB QA team to complete a monthly assessment of two random audits of SIEF decisions per SIEF CM to facilitate quality and consistency across decisions. This aligns with how other decisions are audited for quality within the WSIB.
  - Explore enhancing SIEF decision criteria and consider formalizing the connection of the SIEF to return to work as part of the eligibility criteria to support the achievement of strategic objectives and to support injured workers to find employment.
  - Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the Intent To Object (ITO) stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders.
  - Consider exploring how employers without representatives may be at a disadvantage to employers with representation, particularly if the SIEF award

is less for employers without representation compared to those with representation.

- **Theme 7: Intake processes and resource allocation**
  - Consider returning to the previous SIEF identification process so that it is initiated internally by the WSIB rather than externally by employers and employer representatives. Maintain the current structure where requests are referred to the independent SIEF team to make the decision. Additionally, explore the feasibility of implementing an automatic trigger within the file management platform to prompt a SIEF consideration when specific thresholds are met.
  - Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files.
  - Consider strengthening the referral process by updating the referral memo and training general CMs on changes. Consider leveraging the existing platforms to configure required fields to ensure memo completeness.
- **Theme 8: Onboarding and training**
  - Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing Role Specific Learning Services (RSLS) resources to support SIEF onboarding and training material development to accommodate changes made to the SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency.

Category 3: Program Enablement

- **Theme 9: Technology**
  - Consider implementing an Application Programming Interface (API) to connect the Legacy and ACES platforms such that the cost allocation team is not required to switch between two platforms to gather information and complete allocations, reducing the risk of human error and increasing efficiency.
  - Explore the use of technology to improve the SIEF process such as identifying and triggering potential SIEF opportunities, configuring mandatory fields to submit referrals, tracking the decision timeline and digitally communicating updates to the appropriate stakeholders.

- **Theme 10: Stakeholder engagement**
  - Upon revising the SIEF policy, consider engaging in a targeted launch and ongoing awareness campaigns including on the ground employer outreach activities. Additionally, consider leveraging awareness campaigns to address pre-existing conceptions of the SIEF.

Ratings

Each VFMA theme has been assigned a rating. The rating categories, related definitions and theme mapping are provided below.

Rating	Rating category	Rating category definition	Theme
4	Critical	Immediate management attention is needed to make significant changes to strengthen the overall efficiency and/or effectiveness within the specific area	1. Strategy and objectives 2. SIEF policy 3. Performance measures and data analysis 4. Financial management 6. Criteria and decision making
3	Significant improvements required	Ongoing management attention is needed to strengthen the overall efficiency and/or effectiveness within the specific area	7. Intake process and resource allocation 8. Onboarding and training
2	Some improvements required	Limited management attention is warranted to assist in the overall efficiency and/or effectiveness within this specific area	5. Team structure and organization 9. Technology 10. Stakeholder engagement
1	No or little improvement required	No or little improvements are needed in the specific area	

2. Background

The WSIB's mission is *"to reduce the impact of workplace illness and injury on people and businesses in Ontario."* In alignment with this mission, the WSIB is committed to supporting people in recovering from a work-related injury or illness and finding employment opportunities.

Established in 1945, the SIEF is a program that leverages cost relief as an incentive to encourage employers to hire workers with pre-existing conditions, thereby removing employment barriers.

Introduced following World War II, when veterans with visible injuries and disabilities were entering the labour market, programs like the SIEF were introduced throughout North American to address challenges injured veterans experienced due to discriminatory hiring practices. The fund was reserved for cases of permanent disability of workers. In 1978, the policy underwent significant changes, extending cost relief for temporary disability, medical aid, hearing loss, neurosis and psychoneurosis (mental stress injury) to further incentivize employers and therefore increase the impact of the program. Despite changes in the labour market and the regulatory landscape in which employers now operate, with the exception of administrative updates, the SIEF policy has not undergone significant changes since 1978.

Today, the SIEF is available to Schedule 1 employers*, allowing them to request SIEF cost relief when a worker's injury is enhanced or prolonged due to a pre-existing injury. The cost relief percentage is determined by a dedicated SIEF team responsible for reviewing the worker's medical information and applying a defined decision criteria to assess the significance of the pre-existing condition and the severity of the accident. Claims where aggravation of a pre-existing condition is present receive 50% relief. Injuries resulting under certain circumstances such as an epileptic fit or while participating in an approved training are entitled to 100% relief.

The SIEF has undergone numerous internal and external reviews to evaluate the program's effectiveness in achieving its established objectives. Leading up to the introduction of the new rate framework in 2020, it was recommended to discontinue the SIEF program because of the new rate framework's emphasis on better managing fluctuations in employers' premium rates to enhance fairness, as well as a perceived shift away from the SIEF's original objective of addressing employment barriers. However, the WSIB continued the SIEF program due to feedback from employer and employer representative groups and committed to reviewing the impact of the SIEF program and policy at a future date. In 2023, an internal review lead by the WSIB Operational Policy Branch also recommended that the SIEF be discontinued.

The employment and anti-discrimination regulatory landscape has changed significantly since the introduction of the SIEF, aimed at promoting equitable hiring practices and preventing discrimination on the basis of disability. These regulations include but are not limited to the Workplace Safety and Insurance Act, 1997 (WSIA), Human Rights Code, Accessibility for Ontarians with Disabilities Act (AODA), Ontario's Freedom of Information and Protection of Privacy Act (FIPPA), and Ontario Employment Standards Act.

At the time of this VFMA, the SIEF continues to operate as usual, with no material changes made to the policy in response to findings in internal and external reviews, changes in employer regulatory requirements nor changes to the rate framework.

**The WSIB classifies individual Schedule 1 employers according to the nature of their business activities as generally described in the North American Industry Classification System (NAICS). The WSIB classification structure is made up of 35 industry classes and subclasses (The Classification Structure | WSIB).*

3. Scope and Approach

Objective

Deloitte was engaged to perform a VFMA on the WSIB's SIEF to assess if the program is fulfilling its intended purpose of removing employment obstacles for people with pre-existing conditions, while supporting program compliance, economy, efficiency, and effectiveness.

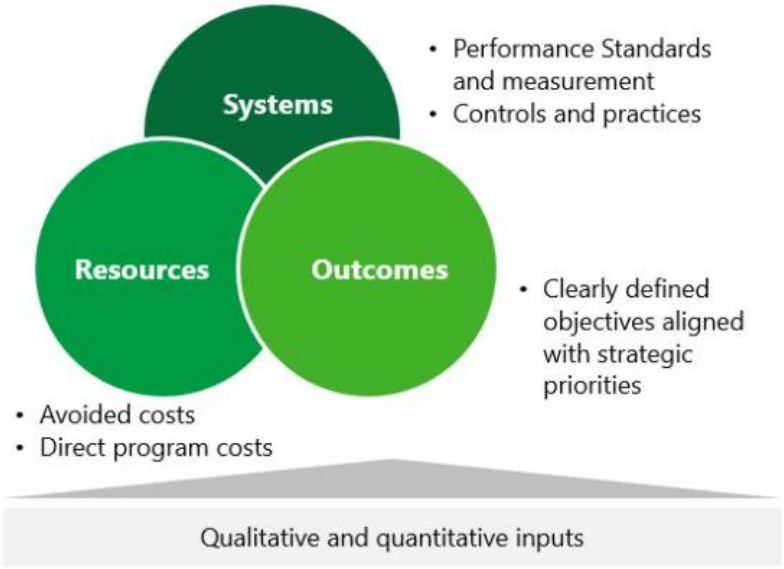
Scope

The VFMA included the following:

- **Governance:** assess the roles and responsibilities of SIEF administrators, ensuring alignment with policies, legislative mandates, and guidelines, assessing the governance and oversight of SIEF activities and decision-making, and determining if the service offerings provided meet the needs of both employers and workers.
- **Effectiveness, Efficiency, and Economy:** assessment of the efficiency and effectiveness of processes and controls in meeting fund objectives, reviewing the SIEF to determine if it supports the rate framework objectives, and determining the effectiveness of the KPIs and whether the SIEF provides overall value for money to the WSIB and supports timely return to work. Assessment includes if the current application of the fund positively impacts employers and injured peoples as intended, early and safe return to work, and hiring practices.
- **Jurisdictional Scan:** comparison of the WSIB's SIEF program to seven national and international cost-relief programs and programs to incentivize employers to hire workers with pre-existing injuries, identifying best practices in cost relief and claims management, especially concerning pre-existing conditions.
- **Consultation:** engagement through a maximum of 12 consultations with representation from employers, labour groups and employer representatives.

Observations identified in this document are aligned to the Value for Money (VFM) framework components and audit criteria which were developed in alignment with typical VFMA methodology and confirmed by the WSIB.

VFMA Audit Areas



The pages in section *6. Observations and Recommendations* provide observations and recommendations identified through the VFMA, inclusive of the following inputs:

- Review of data/documents
- Internal party consultations
- Jurisdictional scan findings
- Focus groups with employers, employer representative and labor groups

Phase 1: Plan and kick-off project

- Conducted kick-off meeting with the project sponsor and project team.
- Confirmed project plan, scope, status meetings, deliverables, and engagement plan.
- Confirmed audit approach and criteria to guide the project.
- Requested and obtained relevant documentation for review.
- Identified and confirmed list of organizations for the jurisdictional scan.
- Finalized project plan.

Phase 2: Conduct documentation review

- Reviewed documentation received and conducted follow-up to seek clarifications as needed.
- Developed question guides for internal interviews with the WSIB.
- Conducted interviews with leaders of Divisions within the WSIB that frequently interact with the SIEF.

- Identified preliminary observations based on documentation and data reviewed.
- Identified areas of focus for focus groups and jurisdictional interviews.

Phase 3: Conduct stakeholder interviews and focus groups

- Developed interview guides for stakeholder interviews and focus groups.
- Conducted stakeholder interviews and focus groups.
- Continued to refine and update preliminary observations.

Phase 4: Perform jurisdictional comparison

- Conducted jurisdictional interviews with comparable organizations to identify leading practices.
- Reviewed and summarized leading practices from organizations in other jurisdictions.
- Identified strengths and opportunities for improvement relative to comparable organizations.

Phase 5: Develop report

- Developed a report containing an overall review conclusion, results of the jurisdictional scan, observations and recommendations.
- Reviewed management responses and finalized report based on management input.
- Presented findings to the WSIB Audit and Finance Committee of the Board of Directors.

As part of the external stakeholder engagement process, virtual focus groups were conducted with three key stakeholder groups: employers, employer representatives and labour groups. The target focus group size was 7-10 participants.

The initial round of outreach resulted in eight focus groups. Focus groups ranged from one to seven participants. In response to stakeholder feedback regarding compressed timelines, a second round of focus groups was organized to provide additional opportunities to register for focus groups. The second outreach resulted in four focus groups. Focus groups ranged from one to two participants.

To support broader participation and accommodate those who were unable to join the second session; participants were informed that they could request a feedback survey if they were unable to join any of the focus group sessions. Deloitte did not receive any requests from participants to complete an online feedback survey.

4. VFMA Criteria and Attributes

Systems



Definition

The adequacy of management systems (including performance standards and measurement), controls and practices, including those intended to control and safeguard assets, and to ensure due regard to cost, efficiency, and effectiveness.

Key Audit Criteria Attributes

S1 Organizational structure for the SIEF program and involved the WSIB staff is effective and adequate to support service delivery.

S2 Program related roles, responsibilities, accountabilities, and performance expectations are defined, understood, and consistently executed by management and staff.

S3 Program related risks (including emerging risks), gaps, challenges and issues are identified, defined, effectively communicated, understood and addressed in a timely manner by the appropriate parties in accordance with the established escalation and resolution policies, procedures, and processes.

S4 Policies, procedures and processes supporting the program (e.g., the WSIB's review of entitlements, appeals) are documented, aligned with program objectives and service delivery standards, include acceptable criteria/thresholds and are communicated, understood and executed by management and staff.

S5 Information gathering processes including associated data sources to support entitlement decision-making are accurate and timely.

S6 The information technology systems in place enable timely and efficient access to information to support complex decision-making, support service provision, (e.g., for specialized treatment, equipment, other services), efficient allocation of the cost relief, and reduce redundancy in data management.

S7 Program communications, consultation, and collaboration with employers, employer representatives and labor groups are effective.

S8 Claim values and cost relief percentages are monitored, reviewed and analyzed to determine and understand SIEF value add to employers. SIEF cost relief impact to employer premium costs are understood, reported and communicated to the employer.

Resources



Definition

The extent to which resources have been managed in conducting relevant activities with due regard to cost, efficiency, and effectiveness.

Key Audit Criteria Attributes

R1 Appropriate and adequate resourcing exists within the SIEF's program to meet the needs of the WSIB, its clients, and delivery of the objectives.

R2 Adequate training and development programs are in place for management and staff of the SIEF program to ensure effective and ongoing service delivery, performance management processes, succession planning and knowledge retention.

R3 Applicable policies and processes for the SIEF program are reviewed, updated, and executed in a timely manner.

R4 Expenses management processes associated with administrating the program are in place and executed to support appropriate budgeting, reporting, review, and analysis. Expense management processes align with program objectives and enable cost efficiency.

Outcomes



Definition

The extent to which programs, operations, or activities of an entity have been effective.

Key Audit Criteria Attributes

O1 Current practices enable accessibility of the program to employers of different sizes across diverse industries.

O2 Current practices are adequate to achieve appropriate, timely and consistent decisions in a financially responsible manner.

O3 The SIEF program has clearly defined objectives that are aligned with broader WSIB strategies, and there are measures in place that demonstrate satisfactory progress towards those objectives.

O4 Entitlement decisions are consistent, fair, cost-effective, timely, and align with program objectives to and achieve expected outcomes for the program and workers.

O5 Evaluation processes are in place to facilitate improvement of the SIEF entitlement decision making process, which includes reviewing relevant and accurate data to inform decision making (e.g., timeliness and effectiveness of decisions, adjustments of claim costs, etc.).

O6 Value-added benchmarking through a comparison of the SIEF to other similar programs (e.g., within worker compensation boards and insurance providers) results in the identification of enhancement opportunities.

5. Value for Money Audit Conclusion

VFMA Conclusion

Based on the results of the VFMA, the SIEF has demonstrated limited to no value for money (see page 7 for the VFMA conclusion range).

The three primary factors driving this conclusion are as follows:

- The SIEF does not appear to be directly associated with the SIEF policy's stated objective of removing employment barriers for workers with pre-existing conditions or disabilities, nor can return-to-work efforts and hiring practices that are in alignment to the WSIB's broader objectives be supported by the SIEF program.
- The new rate framework introduced in 2020 was designed to increase premium rate fairness, stability, and predictability based on each employer's risk and claim experience in order to drive a more transparent and understandable rate framework. However, sample analysis demonstrates instances where the SIEF is not aligned with the new rate framework as it is currently structured to provide cost relief to employers as it did under the previous experience rating framework. Moevoer, due to challenges in calculating cost relief realized through the SIEF, fairness and transparency is not consistently experienced by all employers.
- The employment and anti-discrimination regulatory landscape has changed significantly since the introduction of the SIEF. These regulations promote equitable hiring and prevent employers from discriminating on the basis of disability. The SIEF policy has not been modified to account for these regulatory changes.

While some external stakeholders expressed the SIEF delivers value in providing cost relief and supporting hiring decisions, this value could not be quantified based on information gathered and data analyzed. Overall, findings of this audit indicate the SIEF no longer aligns with the WSIB's originally stated objectives and may no longer deliver the same level of impact to employers and workers as it did at the program's inception or prior to the introduction of the WSIB's new rate framework.

This report presents 36 observations that identify potential gaps, challenges, and risks. Their corresponding recommendations for the WSIB's consideration are aimed at supporting the SIEF to deliver greater value for money and encourage the WSIB's broader strategic goals of working Better, Easier, and Faster. These recommendations are informed by the audit criteria and attributes, leading practices identified through industry experience, and the jurisdictional scan (see section *6. Observations and Recommendations* for details).

Note that the recommendations in this report may require the WSIB to make investments to achieve desired outcomes and value. We have not determined the investment required nor the cost-benefit analysis related thereto.

The observations and recommendations are captured in ten themes and rated across four rating categories (see page 11). Five of the ten themes were rated as *critical* and another two were rated as *significant improvements required* (see page 11). The critical ratings indicate areas where immediate management attention is required to address misalignment between the SIEF's mandate and current program outcomes.

However, any modifications to the SIEF should consider employer categories and worker circumstances that may benefit from SIEF cost relief but may not be delivering its intended benefits under the current structure. Based on inputs gathered during this review, this likely includes workers that are engaged in short-term or project-based work, exposed to hazardous environments resulting in occupational diseases, where manual labour is prevalent or where the SIEF provides support for accidents that arise from circumstances granted 100% SIEF cost relief.

6. Observations and Recommendations

Overview

The observations and recommendations are focused on ten key themes and are organized into three categories.

Category 1: Policy and Program Design:
Observations and recommendations related to how the SIEF as a policy and program has been structured, implemented, and evolved to reduce barriers to employment for workers with pre-existing disabilities.

- **Theme 1: Strategy and objectives:** Outlines how the SIEF meets overarching goals and intended outcomes of the program, ensuring alignment with organizational priorities. (pages 24-29)
- **Theme 2: SIEF policy:** Examines the adoption of the SIEF policy to understand how effectively it governs program operations, adequacy, clarity, and alignment with organizational objectives. (pages 29-32)
- **Theme 3: Performance measures and data analysis:** Outlines how the SIEF program monitors and assesses outcomes to inform decision-making, ensuring they effectively track the SIEF's success and areas for improvement. (pages 32-35)
- **Theme 4: Financial management:** Reviews how the WSIB manages the financial aspects of the program and how employers monitor SIEF driven cost relief. (pages 36-38)

Category 2: Service Delivery and Case Management:
Observations and recommendations related to how the WSIB operates and administers the SIEF program internally and externally to serve their external stakeholders.

- **Theme 5: Team structure and organization:** Outlines how the roles, responsibilities, and reporting lines are defined and managed to support the SIEF's objectives. (pages 38-40)
- **Theme 6: Criteria and decision making:** Examines the guidelines and processes used to establish informed and consistent SIEF decisions. (pages 40-45)
- **Theme 7: Intake processes and resource allocation:** Reviews how requests are received, prioritized, and resourced, evaluating whether these mechanisms enable efficient handling of demand and optimal use of available resources to achieve the SIEF's goals. (pages 45-47)

- **Theme 8: Onboarding and training:** Reviews the processes and materials used to integrate and educate new team members, assessing their effectiveness in preparing new SIEF case managers (CMs) to perform their roles. (pages 47-48)

Category 3: Program Enablement:
Observations and recommendations related to how the WSIB educates, engages with and communicates the SIEF policy and program with external stakeholders.

- **Theme 9: Technology:** Assesses the systems used to support the SIEF's processes. (pages 49-50)
- **Theme 10: Stakeholder engagement:** Examines external stakeholder awareness of the SIEF policy, including communications provided by the WSIB. (pages 50-52)

Theme Structure:

Each theme includes observations on the SIEF program's current state identified during the audit, leading practices, and relevant findings from the jurisdictional scan. Recommendations are provided that directly relate to each observation and are followed by the WSIB's management responses to the recommendations. The **VFMA Observation and Recommendation Guide** below outlines the layout of the page and definitions for the sections in each theme.

VFMA Observation and Recommendation Guide:

Rating: Criteria rating and colour based on scale on page 11.

Context for observation

Background to support the understanding of the observations.

Observations on current state

Strengths or opportunities for improvement identified from the interviews and documentation review.

Leading practices

Leading practices identified from Deloitte's previous client experiences across industries.

Jurisdictional scan results supporting leading practices:

Findings from the jurisdictional scan.

Recommendations

Recommendations to address the opportunity for improvement from the current state.

CATEGORY 1 – PROGRAM AND POLICY DESIGN

Theme 1: Strategy and Objectives

Rating: 4 - Critical

Context for observations:

The objective of the SIEF, as outlined in the Second Injury and Enhancement Fund (SIEF) policy (14-05-03), is "*to provide employers with financial relief when a pre-existing condition enhances or prolongs a work-related disability. It thereby encourages employers to hire workers with disabilities. Both physical and psychological disabilities are included.*"

The WSIB emphasizes that the intended purpose of the SIEF policy is to reduce barriers to employment for workers with pre-existing conditions. While not stated in the SIEF policy, the SIEF has informally been referenced by the WSIB to support return-to-work outcomes in alignment with the WSIB's broader objectives of supporting safe return to work.

The SIEF is available to Schedule 1 employers where there is evidence that:

- A workplace injury resulting in the worsening of pre-existing conditions, preventing the employee from returning to work within the anticipated timeframe; or
- Pre-existing conditions prolonging recovery from a workplace injury, preventing the worker from returning to work within the anticipated timeframe.

As a program under the previous experience rating programs, the New Experimental Experience Rating Plan (NEER) and Council Amendment to Draft 7 (CAD-7), the SIEF resulted in rate surcharges, rate reductions, or cash rebates to employers based on their performance. The SIEF allowed employers to receive cash rebates and rate reductions by applying cost relief to their qualifying claims.

In 2020, the WSIB introduced the new rate framework, with the goal of increasing fairness and transparency for stakeholders by modifying the way in which employers are classified, and premium rates are set across classes and risk bands. The new rate framework's objectives are to provide fair premium rates, stability of premium rates, ease of understanding, collective liability and ease of administration. After a review of the SIEF policy in the context of the new rate framework, it was determined that no policy revisions were necessary to support the continued operation of the SIEF, until the program was reviewed at a future date.

Within the *Workplace Safety and Insurance Act, 1997 (WSIA),* there is no direct reference to a 'secondary injury' and no definition of a "second injury enhancement fund". Rather,

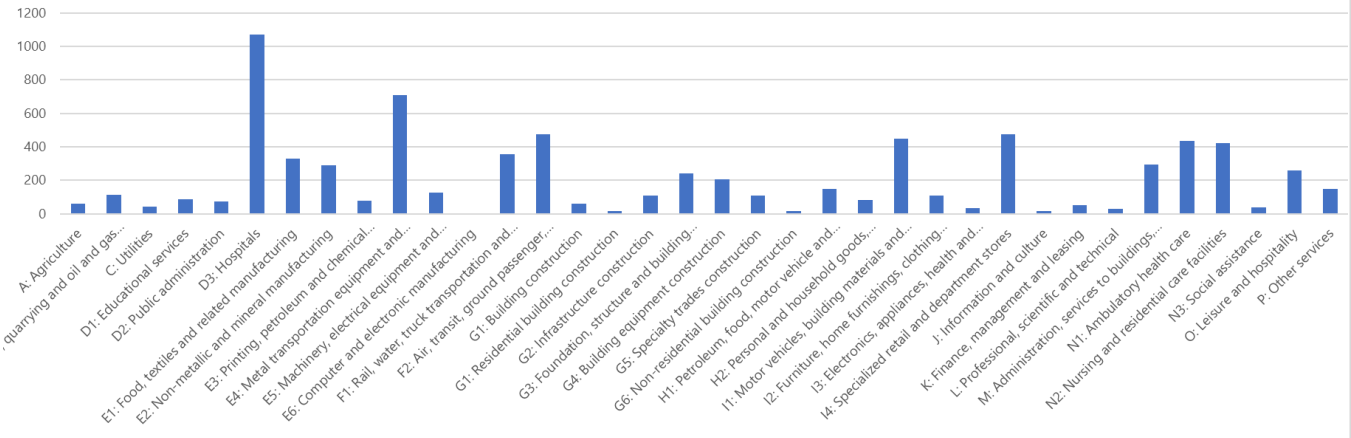
the WSIA authorizes the WSIB to establish a special reserve fund to meet losses arising from a disaster or other circumstances, which would, in the opinion of the WSIB, unfairly burden employers in any class."

Observations on current state:

- O1.1: The SIEF's purpose, informed by the policy, is interpreted and perceived differently by the WSIB and external stakeholders, including employers, employer representatives, and labour representatives.
- O1.1a: The WSIB emphasizes the SIEF's purpose and mandate of removing employment barriers for workers with pre-existing injuries.
- O1.1b: When discussing the SIEF during focus groups, employers, employer representatives, and labour representatives referenced the policy, highlighting cost-relief as the primary purpose of the program. Some referenced removing employment obstacles, but not as the primary goal of the SIEF.
- O1.2: There is limited evidence to demonstrate that the SIEF reduces employment barriers by encouraging employers to hire workers with pre-existing conditions, particularly because under the Ontario Human Rights Code, employers cannot obtain worker medical history.
- O1.2a: Some employer representatives shared in focus groups that the SIEF program does not directly enable them to hire workers with pre-existing conditions nor facilitate return-to-work programs.
- O1.2b: Other employers and employer representatives shared that the SIEF allowed them to hire more inclusively, especially workers with pre-existing conditions.
- O1.3: While not the original intention of the SIEF, within the WSIB, the SIEF has informally become tied to return to work, particularly in how the WSIB understands the impact of the SIEF.
- O1.3a: An analysis of the SIEF data was completed by the WSIB in Spring 2025. One of the objectives of the analysis was to understand the SIEF's impact on claim duration over time, indicating the connection of the SIEF to a worker's return to work.
- O1.4: Based on a preliminary, high-level assessment of the WSIA, the SIEF may not be aligned with the WSIB's overall mandate and legislative obligation to promote health and safety under WSIA, the Ministry of Labour, Immigration, Training and Skills Development (MLITSD), and the Occupational Health and Safety Act (OHSA).
- O1.5: There is inconsistent usage of the SIEF amongst WSIB classes, employer size and claim demographics.

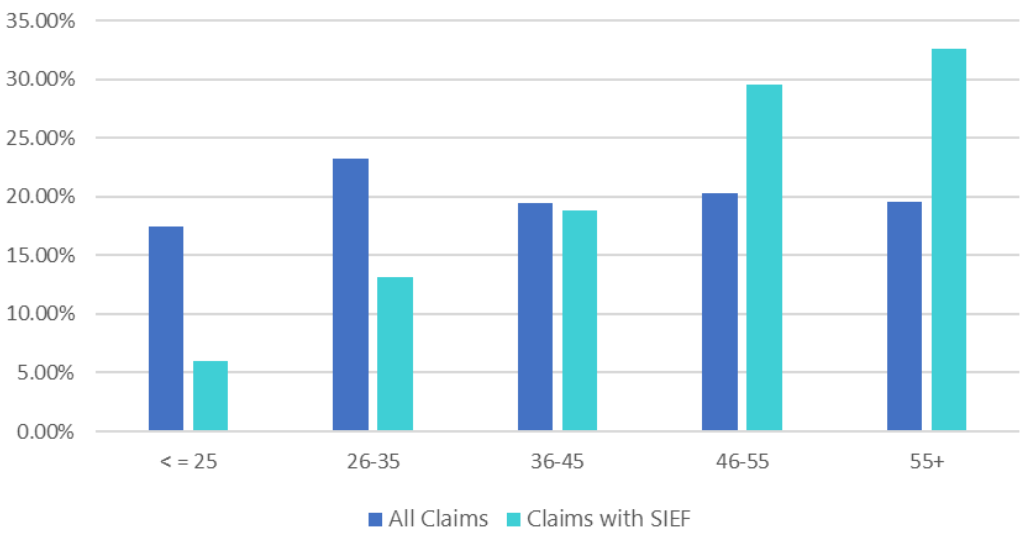
- O1.5a: Employers in some WSIB classes demonstrate higher adoption while others indicate limited use of the SIEF. (See Figure 1)
- O1.5b: Based on WSIB provided data, there is an indication that a greater proportion of claims for workers aged 46-55 and 55 plus receive SIEF awards when compared to all claims. (See Figure 2)
- O1.5c: Data provided by the WSIB demonstrates that between 2020 and 2024, large employers utilized the SIEF more compared to smaller employers. Between 78% and 80% of SIEF relief was awarded to large employers (100+ employees) whereas small employers (less than 20 employees) represent between 5% and 9%, and medium employers (21-100 employees) represent between 14% and 13%. (See Figure 3)

Figure 1: SIEF claims by WSIB class (2017-2024 SIEF approved year)



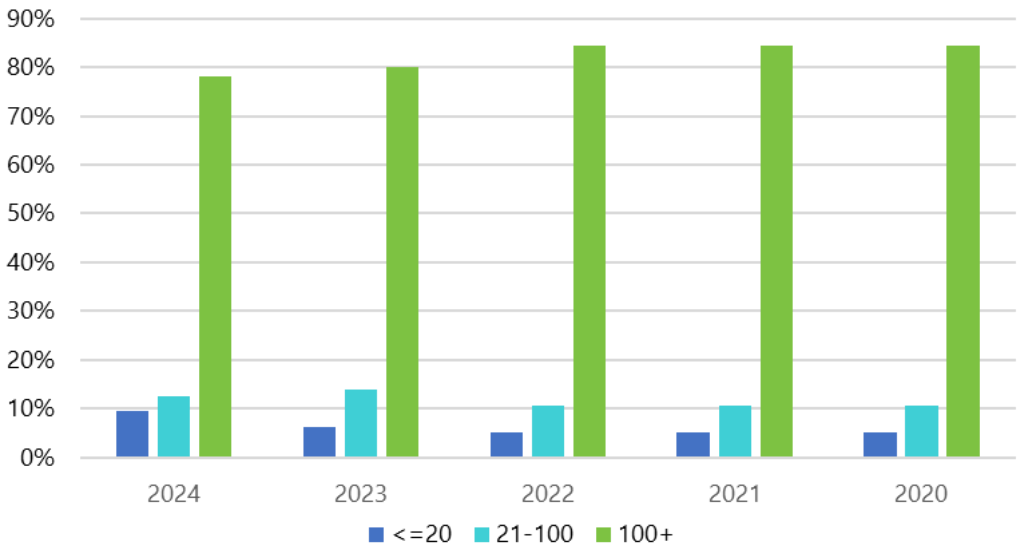
Source: SIEF_Raw_Data_Dec2_2025_Request

Figure 2: Proportion of Claims by Age Group (2020-2024)



Source: SIEF_Analysis_Raw_Data_Dec2_2025_Request

Figure 3: Distribution of SIEF by Employer Size (2020-2024)



Source: SIEF_Analysis_Raw_Data_Mar_2025 - anonymized

Leading practices:

- Programs are designed to encourage employers to hire injured workers through incentives such as wage subsidies and premium exemptions.
- Program policies explicitly identify return to work as the primary objective of the program.
- Information on the program objectives, end-to-end process, and eligibility criteria are digitally available and shared with employers through targeted education and awareness campaigns.

Jurisdictional scan results supporting leading practices:

- **Washington's Department of Labor and Industries (L&I)** offers cost relief from the Second Injury Fund (SIF) only to claims granted a total permanent disability award.
- **Oregon's Department of Consumer and Business Services (DCBS)** and **Washington's Department of L&I** manage Preferred Workers Programs (PWP) to incentivize employers to hire injured workers with permanent restrictions who are unable to return to their regular employment. Examples of incentives includes three years of premium exemptions for employers of preferred workers and reimbursements for expenses that support the worker to return to work, such as tools, equipment, and clothing.
- **WorkSafe Victoria** in Australia provides a WorkSafe Incentive Scheme for Employers (WISE), which facilitates the hiring of injured workers who are unable to return to work with their previous employer by offering monetary incentives to new employers who hire them.
- **ReturnToWorkSA** in Australia offers a Re-employment Incentive Scheme for Employers (RISE) Program, which incentivizes employers to hire injured workers who are unable to return to their previous employer through benefits such as wage subsidies.
- **Oregon's DCBS** has publicly available factsheets and guides on available return-to-work programs that provide a summary of the program, eligibility, and available benefits. Additionally, Oregon has a fact sheet on the Worker Benefit Fund (WBF) assessment that provides information on the assessment process.

Recommendations:

- R1.1: Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work. [O1.1, O1.3]
- R1.2: Explore revising the policy to better support workers with pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB. [O1.2]
- R1.2a: Consider expanding employer incentives to hire injured workers through wage subsidies, allowing temporary reprieve from future claims or provisional premium exceptions once return to work activities with the original employer is determined to be ineffective.
- R1.2b: Consider how the WSIB's mandate and commitment to health and safety is impacted by the revised SIEF policy. [O1.4]
- R1.3: Review claims and SIEF outcomes to better understand the inconsistent adoption of the SIEF amongst WSIB classes, employer size and worker demographic to help inform future changes to the SIEF policy to support a program that encourages employment opportunities for workers with pre-existing and permanent injuries. [O1.5]

Theme 2: SIEF Policy

Rating: 4 - Critical

Context for observations:

In 1945, the Second Injury Fund was established at the WSIB, and reserved for cases of permanent partial disability of workers with a previous permanent disability. In 1978, the policy underwent significant changes, extending cost relief for temporary disability, medical aid, hearing loss, and mental stress injury. While the SIEF's objective has consistently been to remove employment barriers for injured workers, its scope and application have evolved in response to the changing needs of workers' compensation.

The current SIEF policy is available to the public, applicants (i.e., employers and employer representatives), and the WSIB decision makers, including the SIEF team and other internal teams that interact with a SIEF claim. The SIEF team also has access to internal documents including process guides, memo decision templates, and training materials pertaining to the SIEF policy. The SIEF team has created internal supporting

materials to supplement existing guidelines to enable more consistent interpretation of the policy and to support the SIEF decision making process. The Appeals Services Division created a SIEF decision assist tool and best practices guide to support SIEF CMs in making and preparing the cost relief decision.

Observations on current state:

- O2.1: While efforts to review the SIEF policy and decision-making criteria have been made, the SIEF policy has not been significantly updated since 1978 to reflect changes identified in reviews, changes in worker protections and anti-discrimination laws, and WSIB's evolving mission.
- O2.1a: The WSIB Briefing Note prepared by the Operational Policy Branch titled Second Injury and Enhancement Fund & Rate Framework states that the policy has not changed substantially since 1978 and 'aside from very minor housekeeping changes, the SIEF policy has not been updated since it was introduced.
- O2.1b: The SIEF was originally developed to protect workers from potential discrimination resulting from a pre-existing condition. However, the policy has not reflected changes to the regulatory landscape that protects workers from such discrimination.
- O2.1c: The policy does not hold the pre-existing conditions against any limitations such as where the previous injury took place, how long ago the previous injury took place, if the second injury was preventable, or if a previous claim is related to the new accident. Further, the current definitions of medical significant of pre-existing conditions, severity and circumstances are high level and open to interpretation.
- O2.1d: While the SIEF was not originally intended to support return-to-work activities, internal connections between the SIEF and return-to-work initiatives do exist within the WSIB. These connections have not been formalized in the SIEF policy.

Leading practices:

- Policies are routinely reviewed and updated when required to align with current workers' compensation laws and regulatory requirements.
- There is alignment between policies and return-to-work outcomes.
- Comprehensive training on policies is provided to CMs.
- Resources on the program's policies and objectives, end-to-end process, and eligibility criteria are digitally available in a centralized location.

Jurisdictional scan results supporting leading practices:

- **Connecticut's Office of the Treasurer** amended the policy for the second injury fund (SIF) following the introduction of the 1990 Americans with Disabilities Act (ADA), which prohibits employers from discriminating against individuals with disabilities during hiring and requires reasonable accommodations for employees. The amendments to the SIF policy included limiting cost relief available from the fund. Amendments were not exclusively a result of the regulatory changes.
- **Oregon's DCBS** and **Washington's Department of L&I** manage PWP to incentivize employers to hire injured workers who are unable to return to their regular employment. Examples of incentives includes three years of premium exemptions for preferred workers and reimbursements for expenses that support the worker to return to work, such as tools, equipment, and clothing.
- **Oregon's DCBS** has a dedicated team of seven to eight individuals who conduct employer outreach activities to raise employers' awareness of the PWP and EAIP.
- **Oregon's DCBS** has publicly available guidance on the WBF assessment. This includes information on the assessment's purpose, the assessment process, and commonly asked questions. Additionally, Oregon has webpages dedicated to the WBF and the return-to-work programs that centralize information and educational resources.
- **The WCB of Manitoba** offers a 16-week new hire training program, of which two hours are dedicated to cost relief. The WCB is considering offering additional bi-annual optional training for case managers.
- **ReturnToWorkSA** offers 170 mobile claim staff that provide in-person engagement and support to workers and employers throughout the region.
- **WorkSafe Victoria** provides WISE, which facilitates the hiring of injured workers who are unable to return to work with their previous employer by offering monetary incentives to new employers who hire them.
- **ReturnToWorkSA** offers a RISE Program, which incentivizes employers to hire injured workers who are unable to return to their previous employer through benefits such as wage subsidies.

Recommendations:

- R2.1: In collaboration with WSIB programs, complete an in-depth SIEF policy update to cover any recent operational changes and relevant implemented

recommendations from this VFMA. Follow WSIB's policy governance framework that supports periodic and ongoing policy reviews. [O2.1]

- R2.1a: Consider revising the SIEF policy and decision-making criteria to better align with the WSIB objective to reduce barriers to employment.
- R2.2: Develop a plan to implement policy changes to ensure seamless adoption internally within the WSIB and externally across impacted stakeholder groups. [O2.1]

Theme 3: Performance Measures and Data Analysis

Rating: 4 - Critical

Context for observations:

SIEF performance is assessed at both the program and the team level:

Program level: The SIEF's overall performance is measured against previous years, and more recently, against the experience rating program. However, its performance is not measured on a regular, ongoing basis but rather at key moments when the WSIB is reviewing the effectiveness and value of the program. Data provided for purposes of the SIEF VFMA was prepared by the WSIB Centre Corporate Business Intelligence and Analytics (CBIA). Datasets included appeals and claim details (e.g., employer size, sector, injury category, and SIEF decision date).

The SIEF program has also been included in multiple WSIB-driven and third-party reviews to evaluate program effectiveness and identify areas requiring improvement.

These include, but are not limited to:

- *Reform of the Second Injury and Enhancement Fund, WSIB (1990)*
    - A WSIB discussion paper published in 1990 raised the question around whether the increased cost of SIEF cost transfers was a true reflection of return-to-work efforts or employer cost cutting measures.
- *Recommendations for experience rating prepared, Morneau Sobeco (2008)*
    - The report stated the SIEF program under the experience rating program resulted in an inequity in sharing the workers compensation costs as a result of SIEF usage. The report also states that large employers are more likely to use the SIEF compared to smaller employers. Moreover, the report states that sample WSIB audits did not demonstrate a positive impact on return to work and in some cases, the SIEF demonstrated a negative impact.

- *WSIB Adjudication & Claims Administration (ACA) Program Value for Money Audit Report, KPMG (2010)*
    - The 2010 VFMA included a review of the SIEF program. In addition to stating the SIEF negatively impacts return-to-work outcomes, the VFMA also reports that, at the time of reporting, the most common use of the policy relates to cases where a worker has a pre-existing age-related degenerative condition. *"Given the aging workforce, SIEF has become overused and no longer operates to incent employers to hire previously injured workers"*.

In 2023, an internal WSIB review of the SIEF was completed by the WSIB's Policy Services team, in keeping with the commitment to monitor and review the impact of SIEF cost relief on premium calculations under the new rate framework. However, due to system limitations, it was not possible to determine the impact of the SIEF on class rates and individual employer rates. In the absence of a systematic approach, the WSIB agreed to use appeal data from 2022 and 2023 as a next best option. This analysis demonstrated that the SIEF had minimum impact on the employer's rate.

Team level: The SIEF Director of Operations receives weekly reports that provide insight into individual performance metrics in addition to identifying potential delays, team capacity challenges, and enabling the allocation of the inventory of SIEF requests for that week.

The report also includes data on incoming referral volume, inventory, average duration to make a first decision, number of first decisions completed, number of decisions completed under 28 days, percentage of decisions completed under 28 days, and the team's full-time employees (FTE). The most important KPIs for SIEF CMs are time to first decision, reconsideration response time (under 14 days), throughput (two decisions per day), and a 90% call quality.

The SIEF Manager engages in a monthly one-on-one meeting with each SIEF CM where their performance is discussed. Issues are addressed outside of the monthly meetings if a weekly report indicates poor performance or highlights the need for the SIEF Director of Operations to speak with the team member. At the time interviews for this VFMA were conducted, the SIEF Director of Operations was providing coverage for the responsibilities of the SIEF Manager role, which was vacant.

The WSIB gathers jurisdictional information to informally benchmark its programs. For example, a jurisdictional scan was completed in December 2024 by PEI on Canadian jurisdictions providing cost relief to employers.

Observations on current state:

- O3.1: The WSIB informally benchmarks its programs, including for the SIEF, by gathering jurisdictional information, collaborating with the International Association of Industrial Accident Boards and Commissions (IAIABC) and sharing insights from worker compensation boards across Canada.
- O3.2: Program reviews of the impact and outcomes of the SIEF since the new rate framework was introduced is carried out intermittently, rather than continuously.
- O3.2a: The latest review completed in March 2025 measured outcomes of the SIEF under the experience rating framework and new rate framework but not impact of cost relief on employers as a result of the SIEF.
- O3.3: SIEF performance measurement does not include monitoring or communicating the volume of SIEF claims that may not impact the employer's premium rate calculation, either as a result of not meeting the minimum requirement to move in the risk band or reaching the maximum volume of SIEF decisions.
- O3.3a: The WSIB does not proactively communicate the impact of a specific SIEF decision on the employer's risk band movement or premium rate calculation making it difficult for employers to understand the value a SIEF decision has on cost relief.
- O3.4: Calculating employer SIEF cost savings under the new rate framework can be manual and tedious for the WSIB. Current system limitations may not support program wide analysis of the SIEF's impact under the new rate framework, making it difficult to understand and communicate the true impact.
- O3.5: SIEF CM KPIs prioritize speed but do not necessarily capture decision quality. The same KPIs are applied across all SIEF referrals, regardless of the file size or actual time it takes to review the relevant documents.
- O3.6: While data on the SIEF program exists, with the exception of a manual weekly KPI report, the SIEF Director of Operations and SIEF CMs do not have access to a live dashboard, which can help make informed strategic and program level decision-making.

Leading practices:

- Program effectiveness is monitored based on worker re-employment outcomes.
- KPIs are used to measure and encourage quality of decision-making, in addition to timeliness.

Jurisdictional scan results supporting leading practices:

- **Oregon's DCBS** monitors wage recovery and employment rates for the PWP participants to assess the program's effectiveness. A research team compares outcomes for the program's participants against a control group after 13 quarters to determine if the program's participants experience higher wage recovery and employment rates.
- **WorkSafe Victoria** conducts a monthly review of a sample of WorkSafe agent's decisions to assess the quality of initial decisions and medical decisions. Feedback is provided to WorkSafe agents for improvement. WorkSafe agents are also assessed on the percentage of injured workers who returned to work within six months, one year, and two years.
- **RTWSA** monitors the performance of return to work and job placement service providers. Metrics include costs of services, duration of services, return-to-work outcomes, and increases in capacity for injured workers.

Recommendations:

- R3.1: Continue engaging in discussions with relevant jurisdictions, sharing lessons learned and knowledge sharing, and maintain ongoing communication and relationships with the jurisdictions contacted as part of this VFMA that align with the SIEF's strategic direction. [O3.1]
- R3.2: Redesign SIEF CM performance measures to enhance quality and comprehensive assessment of file information for effective decisions, rather than solely focusing on timing of decisions (i.e., incorporate file complexity into KPIs and adjust the current target of two decisions per day based on complexity). [O3.5]
- R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations. [O3.2, O3.3, O3.4, O3.6]

Theme 4: Financial Management

Rating: 4 - Critical

Context for observations:

Financial management in the context of the SIEF pertains to employer cost relief by way of reducing premium rate costs. For the WSIB, financial management pertains to the cost of the SIEF program to the WSIB. The SIEF is not a separate fund, rather, the SIEF utilizes the broader claims budget to reduce employer costs by applying cost-relief to eligible claims, thereby enabling employers to save on their premium costs.

The introduction of the new rate framework in 2020 changed the way in which premium rates were calculated, thus impacting how cost savings through the SIEF were determined. The goal of the new rate framework is to distribute risk across the employer classes, thereby making the premium calculation fairer. Under the new rate framework, employers are assigned to a risk band within their North American Industrial Classification System (NAICS) class and charged based on their class's experience, to better reflect emerging industries and changes in the economy. An employer's assignment to a risk band is weighted more heavily based on the most recent three years, with a lower weight on the remaining three years used in the calculation. Employers can only move up to three risk bands each year, until they are within their projected risk rating band. Additionally, the impact of a single high-cost or catastrophic accident is limited in its impact to the premium rate.

The transition from the experience rating program to the new rate framework impacted the visibility into SIEF-specific spend and cost-saving data, in particular, to the employer. Under the experience rating program, employers would receive a cheque for cost relief provided from the SIEF. With the new rate framework, cost relief is provided to employers through a lower premium rate. Cheques directly associated to SIEF cost relief are only provided to employers if the accident year falls outside of the years included in the premium calculation. In this scenario, an employer receives a cheque if their previous premium was impacted by the cost relief.

Observations on current state:

- O4.1: The WSIB monitors the annual cost of the SIEF but does not manage the financial implications of the program on a more granular level, causing difficulties in understanding the WSIB's investment in the SIEF.
- O4.2: The new rate framework presents challenges when determining the impact of SIEF cost relief to employer premiums. The calculation of the premium rate under the new rate framework is more complicated than the

previous experience rating program, making it difficult to identify or predict cost savings to the employer.

- O4.3: SIEF awards may not result in employer cost relief under the new rate framework as it can take multiple SIEF awards to impact the employer's premium rate calculation. Analysis of the raw data provided by the WSIB indicates that the majority of employers that received SIEF between 2020 and 2024 may not have had an impact on the premium rate calculation.
- O4.4: Analysis of 2020 – 2024 claims data provided by the WSIB indicates that unfair impacts may be present in WSIB classes where a small portion of employers are exercising the SIEF.
- O4.5: Through discussions with a WSIB personnel, it was shared that an employer's SIEF relief may be allocated to the collective rate of a class separate from the class used to calculate the employer's rate, potentially creating unfair contributions to a class's collective rate and another employer's rate within that class.
- O4.6: The actuarial predictability factor and the introduction of the collective and individual experience applied in the new rate framework may result in an unintended allocation of SIEF relief to smaller employers that do not use the SIEF in classes with larger employers that do leverage the SIEF.

Leading practices:

- Educational materials are publicly accessible and explain the cost relief available to employers, including the specific benefits if an application is approved, and how the cost relief affects both current and future premiums.

Jurisdictional scan results supporting leading practices:

- **Oregon's DCBS** maintains publicly available fact sheets on the Preferred Worker Program and Employer-at-Injury Program. The fact sheets include details on the cost relief and financial benefits employers can receive through the programs, including impacts to their premiums.

Recommendations:

- R4.1 Consider expanding financial management activities to understand the WSIB's investment in resources to support the SIEF and financial impact on the employer's premium rate calculation. [O4.1]
- R4.2: Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief. [O4.2]

- R4.2a: Consider comparing employer premium rates with and without SIEF claims across the WSIB classes to determine financial value add and impact on achieving more equitable outcomes for employers. [O4.3]
- R4.2b: Measure the implications of transferring the cost to each risk band to understand how employers with limited or no SIEF usage are financially impacted by employers with higher SIEF usage. Determine what consequences may exist for SIEF decisions that do not impact the employer's premium calculations due to the maximum three risk band movement per year limitation. [O4.4]
- R4.2c: Consider exploring the potential impact of allocating an employer's SIEF relief to their non-predominant collective class rate. Especially, the financial impact to smaller employers in the impacted class rate. [O4.5]
- R4.2d: Explore how an employer's actuarial predictability factor may impact the weighting of the collective experience in the premium rate calculation. In particular, for smaller employers in classes with larger employers with high SIEF usage to determine if it puts smaller employers at a disadvantage. [O4.6]
- R4.3: Assess the experience of employers in different classes, to determine whether nuanced policies or approaches to specific industries, particularly those with short-term or project-based employment, would support the achievement of more equitable outcomes. [O4.4, O4.5, O4.6]

CATEGORY 2 – SERVICE DELIVERY AND CASE MANAGEMENT

Theme 5: Team Structure and Organization

Rating: 2 - Some improvements required

Context for observations:

The SIEF team is led by a Director of Operations (SIEF), who reports to the Senior Director of Case Management. The SIEF team includes the Director, a Manager and a team of SIEF Case Managers (CMs). As of November 2025, there are four CMs, due to resource constraints. Under typical circumstances, the SIEF team has 12 Full Time Employees (FTEs).

The SIEF team operates separately from the other 700+ general CMs; SIEF CMs are solely responsible for reviewing and deciding on both physical and psychological SIEF claims. The organization, governance, and reporting relationships within the SIEF team are understood by the SIEF team members.

SIEF speciality team

- The Director of Operations has carriage over the SIEF program, manages the SIEF team's performance and assigns the SIEF claims to the SIEF CMs.
- The Manager is responsible for training and onboarding new SIEF CMs and reviews and approves any cost relief decisions over 75%.
- SIEF CMs receive the SIEF request and review the file documents such as medical history, reports, and letters. Based on this information, the SIEF CM makes a decision to determine if there is evidence that a pre-existing injury enhanced or prolonged the recovery of a workplace injury, and the quantum of SIEF percentage. cost relief award.

Complementary roles

- An external medical expert is available on an as needed basis but is not part of the core SIEF team. SIEF CMs submit a request when they require a medical perspective on a file.
- The general CM who owns the claim at the time of referral is responsible for the primary claim and for collecting the relevant medical information.
- Four areas including the Serious Injury Program (SIP) (except Traumatic Mental Stress (TMS)), Occupational Diseases (OD), Noice Induced Hearing Loss (NIHL), and Non-Imaged Claims make their own SIEF decisions. CMs from these areas have access to the SIEF specialty team for consultation and guidance when needed.

Prior to the creation of a dedicated SIEF team, which was formed in September 2009, general CMs identified and determined the SIEF relief based on several factors such as the worker's medical information, medical significance of the pre-existing condition, severity of the new injury, specifics of the accident, and recovery duration. Through an interview with WSIB personnel, it was shared that the dedicated team resulted in a decrease in appeals, which may be connected to increased consistency in SIEF decision making because of the dedicated SIEF team.

Observations on current state:

- O5.1: The division of responsibility between the SIEF CM and general CM is understood. SIEF CM's share a sentiment that general CMs are not fully aware of the SIEF decision making process creating opportunities for improvement in the referral stage.
- O5.2: Turnover in the SIEF CM team has the potential to impact collective team knowledge and the consistency of SIEF decisions.

- O5.2a: Through internal focus groups and interviews, it was shared that the collective team knowledge and consistency of SIEF claim decisions seemed to be impacted when new SIEF CMs join the team or SIEF CMs leave for new learning opportunities, which may impact collective team knowledge and consistency of SIEF claim decisions.

Leading practices:

- Subject matter experts (e.g., medical professionals) are designated and trained on cost-relief processes in other relevant divisions to support effective execution of related processes.
- Detailed guidance and training programs are delivered for CMs to support effective operations.

Jurisdictional scan results supporting leading practices:

- **The WCB of Manitoba** offers a 16-week new hire training program, of which two hours are dedicated to cost relief. The WCB is considering offering additional bi-annual optional training for CMs.

Recommendations:

- R5.1: Consider designating and training SIEF "champions" throughout different claims teams that interact with or support SIEF processes. [O5.1]
- R5.2: Review and enhance SIEF decision criteria by developing additional guidance materials for SIEF CMs to improve knowledge transfer and consistency in decision making, especially when SIEF CMs leave or join the team. [O5.2]

Theme 6: Criteria and Decision Making

Rating: 4 - Critical

Context for observations:

The SIEF criteria for decision making are outlined in the SIEF policy. To make a decision, the medical significance of a pre-existing injury or condition and the severity of the new injury, are determined using the provided medical information and assessments that the general CM prepares for the SIEF CM. SIEF CMs do not gather medical information, rather, they are solely responsible for reviewing what has been made available by the general CM. If information is missing, the SIEF CM will work with the general CM to gather missing documentation or details.

To award SIEF relief, there must be evidence to demonstrate the pre-existing condition impacted the new injury. SIEF CMs review the claim, original decision, and claim history '*to determine if there is evidence that a pre-existing condition prolonged or enhanced the recovery period or the prior disability caused or contributed to the accident*'. (SIEF policy 14-05-03)

The medical significance of a pre-existing condition and severity of the new injury is defined as follows:

- Minor: expected to cause non-disabling or minor disabling injury.
- Moderate: expected to cause disabling injury.
- Major: expected to cause serious disability or probable permanent disability.

The *SIEF-application to the employer costs* table within the SIEF policy outlines the percentage of cost transfer depending on the medical significance of the pre-existing conditions and severity of the new injury. Cost relief ranges from 0% for minor medical significance of a pre-existing condition and major severity of accident (with the exception of Noise Induced Hearing Loss (NIHL), which is a maximum of 99%) to 90%-100% for major medical significance of a pre-existing condition and minor severity of accident. For psychological conditions, possible pre-existing trauma from life experience can be used as evidence to justify recommending employer cost relief, even if there is no pre-existing psychological impairment. Injuries occurring under certain circumstances such as an epileptic seizure are eligible for 100% SIEF relief.

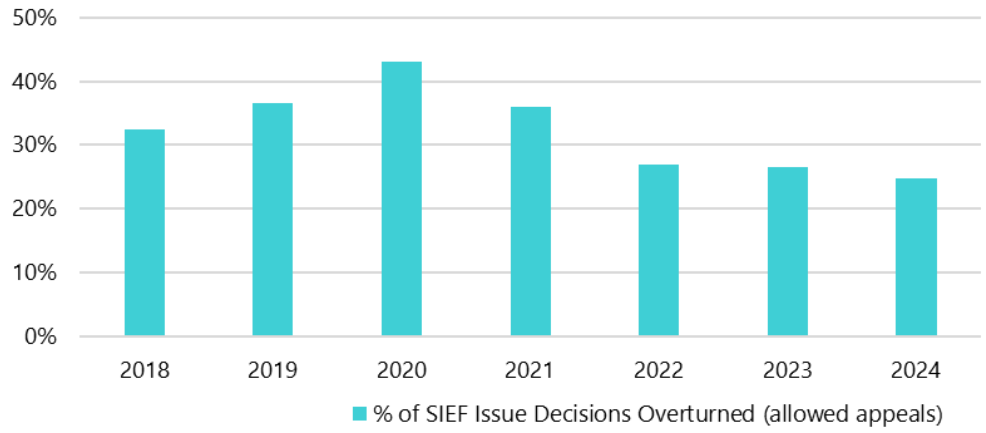
SIEF for Hand Arm Vibration Syndrome (HAVS) and NIHL decisions is determined based on the number of years the worker has been employed with the current employer compared to the number of total years of exposure. SIEF on aggravation basis decisions receive 50% cost relief.

Once an initial decision is made, employers or employer representatives dissatisfied with the decision can complete an ITO, where the claim undergoes a second review, sometimes with new medical information. In response to an ITO, the WSIB will follow-up with the employer or employer representative to confirm four pieces of critical information: issues, reason for objection, remedy sought, and implementation requirements. The WSIB will then provide further explanation regarding the decision. If the employer or employer representative is still dissatisfied, they complete an Appeals Readiness Form (ARF) where they provide a rebuttal on why they believe the initial decision is inaccurate. This goes to an Appeals Resolution Officer (ARO), who are WSIB staff. If the employer or employer representative and the Board cannot come to an agreement, a final decision is made by the Workplace Safety and Insurance Appeals Tribunal (WSIAT). Once the SIEF cost relief decision has been made, the decision is shared with the cost-allocation team to implement.

The SIEF appeal rate declined to 27% in 2022 from 36% in 2021. The appeal rate continued to decline to 26% (2023) and 25% (2024). (Refer to Figure 4) This is aligned with SIEF CM feedback that they experienced a decrease in appeals when the decision memo template was updated to become more fulsome, providing more information to the employer and employer representative.

Employer and employer representative focus group discussions were completed shortly after the labour disruption from May to July 2025, which may have impacted the perception of the SIEF team's ability to maintain the expected time to decision.

Figure 4: Percentage of SIEF issue decisions overturned (2018-2024)



Source: Appeals SIEF Issues 2018-2024

Observations on current state:

- O6.1: The consistent application of the SIEF's eligibility criteria can be impacted by the SIEF CM's understanding and interpretation of the medical information, limited engagement with the third-party medical advisor, as well as the completeness of the provided claim file.
- O6.2: SIEF cost relief eligibility is solely based on the worker's case file and is not contingent or measured against the employer's participation or involvement in other programs, such as return-to-work programs, efforts to provide alternative employment opportunities, or modifying the work environment.
- O6.3: In addition to delays during the SIEF process, employers and employer representatives report experiencing various challenges as they go through the SIEF process, such as receiving redacted medical history from the claim file and receiving limited status updates from the WSIB.

- O6.3a: SIEF CMs shared that during the appeals process, they are required to follow-up with the appellant three times, causing bottlenecks.
- O6.3b: SIEF decision status updates are initiated by the employer and employer representative, typically through a phone call, rather than receiving real time access to a status tracker.
- O6.4: ITOs and appeal rates may be higher due to employer and employer representative perception that the SIEF decision-making process is inconsistent.
- O6.5: Employers without representation may be at a disadvantage during the appeal process as employer representatives experience a higher appeal success rate.

Leading practices:

- Monthly reviews of a sample of decisions are conducted to assess decision quality.
- Nurse advisors are available to CMs for medical subject matter expertise in decision making.
- An automatic system 'nudge' is sent to CMs if a decision has not been made within an established duration of time following claim intake.
- Employer representatives may receive the same access to records as the employer if there is an issue in dispute, provided the employer has granted written authorization for the representative. (WSIA Section 58)
- Programs are designed to encourage employers to hire injured workers through incentives such as wage subsidies and premium exemptions.
- Program policies explicitly identify return to work as the primary objective of the program.

Jurisdictional scan results supporting leading practices:

- **WorkSafe Victoria** conducts reviews of WorkSafe agent decisions. This includes reviewing a selection of decisions, including initial decisions and medical decisions, to assess quality. Feedback is provided to WorkSafe agents for improvement.
- **Washington's Department of L&I** CMs and pension adjudicators may seek medical opinions from in-house nurse advisors.
- **Connecticut's Office of the Treasurer** has a medical panel that reviews disputes over the medical eligibility of a claimant for cost relief.
- **The WCB of Manitoba** CMs internally identify opportunities to grant cost relief based on claims that extend beyond 12 weeks. The case management platform

creates an automated task for the CM to determine if cost relief will be granted. The system-generated task to determine cost relief is due once the claim has been open for 32 weeks. A CM cannot close a claim file until the task is complete.

- **The WCB of Manitoba** allows for employer representatives to access the same information provided to employers, provided the representative has been formally appointed to represent the employer, the WCB has received written request, and the necessary documentation from the employer.
- **Oregon's DCBS** and **Washington's Department of L&I** manage PWP to incentivize employers to hire injured workers who are unable to return to their regular employment. Examples of incentives includes three years of premium exemptions for preferred workers and reimbursements for expenses that support the worker to return to work, such as tools, equipment, and clothing.
- **WorkSafe Victoria** provides a WISE Program, which facilitates the hiring of injured workers who are unable to return to work with their previous employer by offering monetary incentives to new employers who hire them.
- **ReturnToWorkSA** offers a RISE Program, which incentivizes employers to hire injured workers who are unable to return to their previous employer through benefits such as wage subsidies.
- **Washington's Department of L&I** offers cost relief from the SIF only to claims granted a total permanent disability award.

Recommendations:

- R6.1: Assess the possibility of developing an internal SIEF-specific medical advisory role to be filled by a nurse or other medical professional to offer accessible, real-time consultation to SIEF CMs, and conduct a final review of decisions with high complexity ratings or where 75% or greater cost relief is awarded. [O6.1]
- R6.2: Consider leveraging the existing WSIB QA team to complete a monthly assessment of two random audits of SIEF decisions per SIEF CM to facilitate quality and consistency across decisions. This aligns with how other decisions are audited for quality within the WSIB. [O6.1]
- R6.3: Explore enhancing SIEF decision criteria and consider formalizing the connection of the SIEF to return to work as part of the eligibility criteria to support the achievement of strategic objectives and to support injured workers to find employment. [O6.2]
- R6.4: Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the

WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the ITO stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders. [O6.3, O6.4]

- R6.5: Consider exploring how employers without representatives may be at a disadvantage to employers with representation, particularly if the SIEF award is less for employers without representation compared to those with representation. [O6.5]

Theme 7: Intake Process and Resource Allocation

Rating: 3 - Significant improvements required

Context for observations:

According to interviews with WSIB personnel and through focus groups with employers and employer representatives, most SIEF requests are initiated by an employer (or a representative that operates on behalf of the employer) by submitting a SIEF request letter to the WSIB. The letter is received by the claims CM or a Customer Service Representative (CSR). Requests can be made through fax, mail or phone and are documented in a memo. The case is then assigned to the appropriate CM (in the event the original CM of the claim is no longer available, the request is assigned to a new CM). The CM reviews the letter and completes a five-question referral memo, which is received by the SIEF team. The Director reviews the incoming referrals each Monday and assigns up to 25 claims to each SIEF CMs.

SIEF consideration on decisions made under the Aggravation Basis Policy and Pre-existing Condition Policy are internally identified.

Observations on current state:

- O7.1: Employer initiated SIEF referrals may result in gaps and delays in the decision-making process.
- O7.1a: During a focus group, an employer representative shared the sentiment that having employers initiate the SIEF process instead of the WSIB, as was previously structured, puts the employer at a disadvantage because they have limited access to worker medical information and only know that recovery is taking longer than expected.

- O7.2: During SIEF intake, referrals are assigned to the SIEF CMs based solely on their capacity, despite other variables that could influence consistent decision making such as the complexity of the referral The only exception is during onboarding and training when less complex referrals are assigned to SIEF CMs undergoing training.
- O7.3: The general CMs understanding of the SIEF decision process can sometimes be insufficient to prepare a file for intake and review by the SIEF CM resulting in longer review times for SIEF decisions.

Leading practices:

- Cases that could be eligible for cost relief are identified internally.
- Technology requirements include controls to drive the consistent collection and submission of necessary information to support decision-making processes.

Jurisdictional scan results supporting leading practices:

- **The WCB of Manitoba** CMs internally identify opportunities to grant cost relief based on claims that extend beyond 12 weeks. The claims platform creates an automated task for the CM to determine if cost relief will be granted. The system-generated task to determine cost relief is due once the claim has been open for 32 weeks.
- **The WCB of Manitoba** case management platform requires CMs to complete certain fields before closing a file. For example, in Manitoba, a jurisdiction where cost relief is identified internally, CMs must acknowledge if the claim will be granted cost relief before closing the claim.

Recommendations:

- R7.1: Consider returning to the previous SIEF identification process so that it is initiated internally by the WSIB rather than externally by employers and employer representatives. Maintain the current structure where requests are referred to the independent SIEF team to make the decision. Additionally, explore the feasibility of implementing an automatic trigger within the file management platform to prompt a SIEF consideration when specific thresholds are met. [O7.1]
- R7.2: Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files. [O7.2]

- R7.3: Consider strengthening the referral process by updating the referral memo and training general CMs on changes. Consider leveraging the existing platforms to configure required fields to ensure memo completeness. [O7.3]
- R7.3a: Consider allocating the Intake and QA role to also review incoming referral memos for completeness before it is assigned to a SIEF CM.

Theme 8: Onboarding and Training

Rating: 3 - Significant improvements required

Context for observations:

SIEF CMs that join the SIEF team are required to have prior WSIB claims experience. SIEF CMs bring training from their initial WSIB onboarding, in addition to a background in initial entitlement and the adjudicative process. Unlike other roles at the WSIB where there is a dedicated internal onboarding and training resource known as a RSLS, the SIEF Manager is responsible for training new SIEF CMs and has developed much of the training material. Training materials include a program overview, how to prepare memos, supplemental training materials prepared by the appeals team, sample decisions and other internal documents such as best practice guides that the team has created. An experienced SIEF CM is assigned to the new SIEF CM as a mentor to support their initial claim review and decision process until the mentor feels the SIEF CM is comfortable to work independently.

Observations on current state:

- O8.1: SIEF decision making may be impacted by the current SIEF CM training program in addition to not having a dedicated learning resource for the development and delivery of the training. This requires the SIEF manager and other departments, such as the Appeals team, to produce training materials, which can potentially compromise the quality and consistency.
- O8.1a: Interviews with WSIB personnel shared that they felt some of the SIEF CMs come to the team without sufficient previous experience in reviewing complex decisions or reviewing medical information at a level necessary to apply the policy. A SIEF CM shared that it took them six months to a year to feel confident in their decisions.
- O8.2: General CM SIEF training content was created in November 2025, resulting in a lack of training on the SIEF decision making process, which can be linked to gaps and inefficiencies in how general CMs participate in the SIEF process.

- O8.2a: Training developed in November 2025 is delivered across two slides and includes limited information on the decision-making process, how to complete a referral memo or prepare a file for SIEF CM review.

Leading practices:

- Rigorous training and mentorship are provided during the CM onboarding process.
- Bi-annual refresher training is provided to CMs.

Jurisdictional scan results supporting leading practices:

- **Washington's Department of L&I** requires claims administrators for self-insured claims to receive mentorship from a certified claims administrator for a minimum of one year and complete an L&I approved training program within six months of hire.
- **The WCB of Manitoba** offers a 16-week new hire training program, of which two hours are dedicated to cost relief. The WCB is considering offering additional bi-annual optional training for case managers.

Recommendation:

- R8.1: Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing RSLS resources to support SIEF onboarding and training material development to accommodate changes made to the SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency. [O8.1, O8.2]
- R8.1a: Have the RSLS conduct regular reviews of onboarding and training materials to support accuracy, reflecting changes to the SIEF or any challenges identified by SIEF CMs.

CATEGORY 3 – PROGRAM ENABLEMENT

Theme 9: Technology

Rating: 2 - Some improvements required

Context for observations:

The SIEF referral and decision-making process operates on the same three ACES GuideWire systems as the general WSIB claims management and adjudication process which are noted below:

1. Claims (where all claims are managed);
2. Billing (for employer account billing); and
3. Account management where employer accounts are housed.

Additionally, the WSIB maintains a legacy system where claim costs are also housed. While an integration exists, there is still a manual level of effort required to interact between the necessary systems, (e.g., when a decision is implemented by the cost allocation team).

The SIEF CMs use the ACES platform to receive and review the SIEF referral memo, view the case files including medical information and document the basis for their decisions, and enter the final SIEF decision to be implemented by cost-allocation.

Observations on current state:

- O9.1: Current systems appear to cause inefficiencies for other WSIB team roles participating in the SIEF process.
- O9.1a: Through interviews with the WSIB's internal stakeholders, it was shared that having multiple systems makes adjusting the premium rate costs can cause additional work for the cost allocation team. This is particularly prevalent when costs are applied retroactively because the team must go back and implement the adjustments to the historical values and manually recalculate the premium rate.
- O9.2: It was shared that the platform does not require general CMs to complete the referral memo or necessary fields to submit a referral to the SIEF CM team, which is reported to result in more incomplete referral memos being submitted by the general CMs.
- O9.3: Reliance on physical mail to communicate SIEF decisions may result in delays and communication barriers with employers and employer representatives.

- O9.3a: SIEF decision status updates are initiated by the employer and employer representative, typically through a phone call, rather than receiving real time access to a status tracker.

Leading practices:

- Controls and guardrails are integrated into technology systems to support consistency.
- Regular claim status updates are available through a secure, digital portal.

Jurisdictional scan results supporting leading practices:

- **The WCB of Manitoba's** case management platform requires case managers to complete certain fields before closing a file. For example, in the WCB, a jurisdiction where cost relief is identified internally, CMs must acknowledge if the claim will be granted cost relief before closing each claim.

Recommendations:

- R9.1: Consider implementing an API to connect the Legacy and ACES platforms such that the cost allocation team is not required to switch between two platforms to gather information and complete allocations, reducing the risk of human error and increasing efficiency. [O9.1]
- R9.2: Explore the use of technology to improve the SIEF process such as identifying and triggering potential SIEF opportunities, configuring mandatory fields to submit referrals, tracking the decision timeline and digitally communicating updates to the appropriate stakeholders. [O9.2, O9.3]

Theme 10: Stakeholder Engagement

Rating: 2 - Some improvements required

Context for observations:

The WSIB's engagement with external stakeholders, including employers, employer representatives, and labour group representatives, has primarily occurred in the context of internal and external program reviews and related changes. For example, stakeholders were consulted in 2015 during the rate framework modernization, with stakeholders preparing submissions in response to the proposed new rate framework. In 2023, an internal review of the SIEF proposed discontinuing the SIEF, however, the WSIB continued the program due to feedback from employer and employer representative groups.

Beyond consultations on program or process changes, ongoing external engagement or education regarding the SIEF is limited. As shared during employer and employer representative focus groups, the WSIB previously was more involved in on-the-ground education and generating awareness about policies such as the SIEF. It was also noted limited awareness of the SIEF policy, particularly among smaller employers, may affect program usage. Currently, information and resources about the SIEF on the WSIB website is limited, aside from the SIEF policy itself.

Observations on current state:

- O10.1: There may be a misalignment in how external stakeholders view the purpose and impact of the SIEF.
- O10.1a: In focus groups, employer representatives and employers referenced the SIEF as an important program to promote fairness and equity to employers, enabling employers to not have to bear the full cost and liability for workers with pre-existing conditions. Whereas, during focus groups, labour representatives questioned the value of the SIEF as a cost relief tool given other available WSIB rebate programs.
- O10.1b: While the intention of the SIEF decision making process is to not impact the worker, during a focus group, labour representatives shared instances where the SIEF has impacted the employer-worker relationship and the worker's entitlement eligibility.
- O10.1c: There is limited supplemental information about the SIEF policy and the WSIB engages in limited education and outreach about the program.
- O10.2: WSIB personnel shared that there may be legacy expectations of the SIEF's value to employers due to the new rate framework.
- O10.2a: During an interview with the WSIB personnel, it was shared that pre-existing knowledge of SIEF cost savings under the experience rating program is creating a perception that the SIEF provides more cost relief that it actually does.

Leading practices:

- Information on the program objectives, end-to-end process, and eligibility criteria are digitally available and shared with employers through targeted education and awareness campaigns.

Jurisdictional scan results supporting leading practices:

- **Oregon's DCBS** has publicly available factsheets and guides on available return-to-work programs that provide a summary of the program, eligibility,

and available benefits. Additionally, Oregon has a fact sheet on the Worker Benefit Fund (WBF) assessment that provides information on the assessment process.

- **Oregon's DCBS** has a dedicated team of seven to eight individuals who conduct employer outreach activities to raise employers' awareness of the PWP and Employer-at-Injury Program (EAIP). The team offers:
    - Education opportunities for employers to learn about the program's benefits and how to apply; and
    - Multiple appointment times and options for both in-person or virtual sessions to meet employers where they are.
- **ReturnToWorkSA** offers 170 mobile claim staff that provide in-person engagement and support to workers and employers throughout the region.

Recommendations:

- R10.1: Upon revising the SIEF policy, consider engaging in a targeted launch and ongoing awareness campaigns including on the ground employer outreach activities. Additionally, consider leveraging awareness campaigns to address pre-existing conceptions of the SIEF. [O10.1]
- R10.1a: Consider addressing the misalignment of the purpose and impact of the SIEF program by external stakeholders. Explore opportunities to communicate the intended impact of the SIEF on workers, rather than fairness and equity for employers, which is not the goal of the SIEF. Consider emphasizing how the new rate framework delivers fairness and equity for employers.
- R10.1b: Consider improving communication with external stakeholders on how the SIEF operates under the new rate framework. Explore developing educational materials, revising employer statements to better communicate SIEF impact on the premium rate calculation, and producing an annual memo for Schedule 1 employers outlining the impact of SIEF on cost relief. [O10.2]

Second injury and enhancement fund value for money audit

WSIB management response February 27, 2026

The WSIB agrees with the conclusions and recommendations contained within this report. As stated in the conclusion, the WSIB agrees that the Second injury and enhancement fund (SIEF) provides little to no-value and does not align with the objective of removing employment barriers for workers with pre-existing conditions or disabilities.

Furthermore, the WSIB agrees that since the introduction of the new rate framework the current structure of the SIEF does not provide cost relief to employers as it once did under past experience rating programs causing a misalignment between the two programs. The rate framework is designed to consider employer-specific factors that can influence the rate including but not limited to their size, claims, classification, and results in inconsistency when applying the SIEF. It is understood that larger employers of similar size within the same class may have different experiences and outcomes when cost-relief is applied. Smaller employers achieve no relief when SIEF is applied under the current rate framework. These inconsistencies have created a fairness issue within the system and is misaligned with the intent of rate framework that was implemented with a focus on fairness, predictability, and stability when rate setting. Paired with significant changes within the employment and anti-discrimination regulatory landscape since the inception of the SIEF, people with pre-existing conditions and illnesses are better protected from discriminatory hiring practices. The WSIB sees an opportunity to explore program(s) that increase fairness and benefit both people with injuries or illnesses and employers.

Considering these overall facts, the WSIB is choosing to evaluate the continued use of the SIEF policy and other potential options for cost-relief that better align with the new rate framework. As part of this consideration, the WSIB will:

- Consider the removal of the SIEF policy noting both the misalignment and lack of fairness with the original intent of the program and also the current employment and anti-discrimination landscape.

- Explore the use of experiences from other jurisdictions that have altered their cost-relief programs and adopted a 'leading practice' approach that is accessible, transparent and fair.
- Collaborate with the Workplace Health and Safety Services division to leverage existing programming that supports prevention of workplace injuries and illnesses as well as education on accommodating pre-existing and permanent injuries.
- Leverage existing practices and approaches within the Return-to-Work program that support sustainable suitable work with employers in cases where permanent injuries exist.
- Explore providing stakeholders with education sessions that outline:
    - a clear understanding of how SIEF interacts with the new rate framework and does not provide similar cost-savings compared to previous experience rate frameworks.
    - how to access existing programming within Workplace Health and Safety Services as outlined above.

The WSIB is committed to delivering best in-class programs that meet our vision of better, easier, faster and aligns with our mission to reduce the impact of workplace injury and illness on people and business in Ontario.

Appendices

Appendix A: Mapping of themes and recommendations to audit criteria attributes

This summarizes the information in section 6. See section 6.0 Observations and Recommendations for details.

Systems: The adequacy of management systems (including performance standards and measurement), controls and practices, including those intended to control and safeguard assets, and to ensure due regard to cost, efficiency, and effectiveness.

Attribute S1 Organizational structure for the SIEF program and involved WSIB staff is effective and adequate to support service delivery.

Theme and recommendation:

- 5. Team structure and organization
    - R5.1: Consider designating and training SIEF "champions" throughout different claims teams that interact with or support SIEF processes.
- 6. Criteria and decision making
    - R6.1: Assess the possibility of developing an internal SIEF-specific medical advisory role to be filled by a nurse or other medical professional to offer accessible, real-time consultation to SIEF CMs, and conduct a final review of decisions with high complexity ratings or where 75% or greater cost relief is awarded.
- 7. Intake process and resource allocation
    - R7.2: Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files.

Attribute S2 Program related roles, responsibilities, accountabilities and performance expectations are defined, understood, and consistently executed by management and staff.

Theme and recommendation:

- 3. Performance measures
    - R3.2: Redesign SIEF CM performance measures to enhance quality and comprehensive assessment of file information for effective decisions,

rather than solely focusing on timing of decisions (i.e., incorporate file complexity into KPIs and adjust the current target of two decisions per day based on complexity).

- 5. Team structure and organization
  - R5.2: Review and enhance SIEF decision criteria by developing additional guidance materials for SIEF CMs to improve knowledge transfer and consistency in decision making, especially when SIEF CMs leave or join the team.
- 8. Onboarding and training
  - R8.1: Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing RSLS resources to support SIEF onboarding and training material development to accommodate changes made to the SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency.

Attribute S3 Program related risks (including emerging risks), gaps, challenges and issues are identified, defined, effectively communicated, understood and addressed in a timely manner by the appropriate parties in accordance with the established escalation and resolution policies, procedures, and processes.

Theme and recommendation:

- 3. Performance measures
  - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- 6. Criteria and decision making
  - R6.2: Consider leveraging the existing WSIB QA team to complete a monthly assessment of two random audits of SIEF decisions per SIEF CM to facilitate quality and consistency across decisions. This aligns with how other decisions are audited for quality within the WSIB.

Attribute S4 Policies, procedures and processes supporting the program (e.g., the WSIB's review of entitlements, appeals) are documented, aligned with program

objectives and service delivery standards, include acceptable criteria/thresholds and are communicated, understood and executed by management and staff.

Theme and recommendation:

- 1. Strategy and objectives
    - R1.1: Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work.
    - R1.2: Explore revising the policy to better support workers with pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB.
- 5. Team Structure and organization
    - R5.2: Review and enhance SIEF decision criteria by developing additional guidance materials for SIEF CMs to improve knowledge transfer and consistency in decision making, especially when SIEF CMs leave or join the team.
- 6. Criteria and decision making
    - R6.3: Explore enhancing SIEF decision criteria and consider formalizing the connection of the SIEF to return to work as part of the eligibility criteria to support the achievement of strategic objectives and to support injured workers to find employment.
- 7. Intake process and resource allocation
    - R7.1: Consider returning to the previous SIEF identification process so that it is initiated internally by the WSIB rather than externally by employers and employer representatives. Maintain the current structure where requests are referred to the independent SIEF team to make the decision. Additionally, explore the feasibility of implementing an automatic trigger within the file management platform to prompt a SIEF consideration when specific thresholds are met.
    - R7.3: Consider strengthening the referral process by updating the referral memo and training general CMs on changes. Consider leveraging the existing platforms to configure required fields to ensure memo completeness.
- 8. Onboarding and training
    - R8.1: Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing RSLS resources to support SIEF onboarding and training material development to accommodate changes made to the

SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency.

Attribute S5 Information gathering processes including associated data sources to support entitlement decision-making are accurate and timely.

Theme and recommendation:

- 6. Criteria and decision making
    - R6.4: Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the ITO stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders.
- 7. Intake process and cost allocation
    - R7.3: Consider strengthening the referral process by updating the referral memo and training general CMs on changes. Consider leveraging the existing platforms to configure required fields to ensure memo completeness.
- 9. Technology
    - R9.2: Explore the use of technology to improve the SIEF process such as identifying and triggering potential SIEF opportunities, configuring mandatory fields to submit referrals, tracking the decision timeline and digitally communicating updates to the appropriate stakeholders.

Attribute S6 The information technology systems in place enable timely and efficient access to information to support complex decision-making, support service provision, (e.g., for specialized treatment, equipment, other services), efficient allocation of the cost relief, and reduce redundancy in data management.

Theme and recommendation:

- 3. Performance measures
    - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised

performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.

- 7. Intake process and cost allocation
  - R7.3: Consider strengthening the referral process by updating the referral memo and training general CMs on changes. Consider leveraging the existing platforms to configure required fields to ensure memo completeness.
- 9. Technology
  - R9.1: Consider implementing an API to connect the Legacy and ACES platforms such that the cost allocation team is not required to switch between two platforms to gather information and complete allocations, reducing the risk of human error and increasing efficiency.
  - R9.2: Explore the use of technology to improve the SIEF process such as identifying and triggering potential SIEF opportunities, configuring mandatory fields to submit referrals, tracking the decision timeline and digitally communicating updates to the appropriate stakeholders.

Attribute S7 Program communications, consultation, and collaboration with employers, employer representatives and labour groups are effective.

Theme and recommendation:

- 3. Performance measures and data analysis
  - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- 6. Criteria and decision making
  - R6.4: Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the ITO stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first

decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders.

- 9. Technology
  - R9.2: Explore the use of technology to improve the SIEF process such as identifying and triggering potential SIEF opportunities, configuring mandatory fields to submit referrals, tracking the decision timeline and digitally communicating updates to the appropriate stakeholders.
- 10. Stakeholder engagement
  - R10.1: Upon revising the SIEF policy, consider engaging in a targeted launch and ongoing awareness campaigns including on the ground employer outreach activities. Additionally, consider leveraging awareness campaigns to address pre-existing conceptions of the SIEF.

Attribute S8 Expenses for claimants are appropriately budgeted, reviewed and analyzed to ensure cost efficiency and align with program objectives.

Theme and recommendation:

- 3. Performance measures and data analysis
  - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- 4. Financial management
  - R4.1 Consider expanding financial management activities to understand the WSIB's investment in resources to support the SIEF and financial impact on the employer's premium rate calculation.
  - R4.2: Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief.
  - R4.3: Assess the experience of employers in different classes, to determine whether nuanced policies or approaches to specific industries, particularly those with short-term or project-based employment, would support the achievement of more equitable outcomes.

Resources: The extent to which resources have been managed in conducting relevant activities with due regard to cost, efficiency, and effectiveness.

Attribute R1 Appropriate and adequate resourcing exists within the SIEF's program to meet the needs of the WSIB, its clients, and delivery of the objectives.

Theme and recommendation:

- 5. Team structure and organization
    - R5.1: Consider designating and training SIEF "champions" throughout different claims teams that interact with or support SIEF processes.
- 6. Criteria and decision making
    - R6.1: Assess the possibility of developing an internal SIEF-specific medical advisory role to be filled by a nurse or other medical professional to offer accessible, real-time consultation to SIEF CMs, and conduct a final review of decisions with high complexity ratings or where 75% or greater cost relief is awarded.
- 7. Intake process and resource allocation
    - R7.2: Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files.
- 8. Onboarding and training
    - R8.1: Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing RSLS resources to support SIEF onboarding and training material development to accommodate changes made to the SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency.

Attribute R2 Adequate training and development programs are in place for management and staff of the SIEF program in addition to general CM's to ensure effective and ongoing service delivery, performance management processes, succession planning and knowledge retention.

Theme and recommendation:

- 8. Onboarding and training
    - R8.1: Reconsider the SIEF CM minimum previous experience requirement. Explore leveraging existing RSLS resources to support SIEF onboarding

and training material development to accommodate changes made to the SIEF policy and program (i.e., decision making). The RSLS should support both the SIEF team and general CM training materials as it pertains to the SIEF, ensuring consistency.

Attribute R3 Applicable policies and processes for the SIEF program are reviewed, updated, and executed in a timely manner.

Theme and recommendation:

- 1. Strategy and objectives
  - R1.1: Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work.
  - R1.2: Explore revising the policy to better support workers with pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB.
- 2. SIEF policy
  - R2.1: In collaboration with WSIB programs, complete an in-depth SIEF policy update to cover any recent operational changes and relevant implemented recommendations from this VFMA. Follow WSIB's policy governance framework that supports periodic and ongoing policy reviews.
  - R2.2: Develop a plan to implement policy changes to ensure seamless adoption internally within the WSIB and externally across impacted stakeholder groups.

Attribute R4 Expenses management processes associated with administrating the program are in place and executed to support appropriate budgeting, reporting, review, and analysis. Expense management processes align with program objectives and enable cost efficiency.

Theme and recommendation:

- 3. Performance measures and data analysis
  - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting

to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.

- 4. Financial management
    - R4.1 Consider expanding financial management activities to understand the WSIB's investment in resources to support the SIEF and financial impact on the employer's premium rate calculation.

Outcomes: the extent to which programs, operations, or activities of an entity have been effective.

Attribute O1 Current practices enable accessibility of the program to employers of different sizes across diverse industries.

Theme and recommendation:

- 1. Strategy and objectives
    - R1.3: Review claims and SIEF outcomes to better understand the inconsistent adoption of the SIEF amongst WSIB classes, employer size and worker demographic to help inform future changes to the SIEF policy to support a program that encourages employment opportunities for workers with pre-existing and permanent injuries.
- 6. Criteria and decision making
    - R6.5: Consider exploring how employers without representatives may be at a disadvantage to employers with representation, particularly if the SIEF award is less for employers without representation compared to those with representation.
- 7. Intake process and resource allocation
    - R7.1: Consider returning to the previous SIEF identification process so that it is initiated internally by the WSIB rather than externally by employers and employer representatives. Maintain the current structure where requests are referred to the independent SIEF team to make the decision. Additionally, explore the feasibility of implementing an automatic trigger within the file management platform to prompt a SIEF consideration when specific thresholds are met.
- 10. Stakeholder engagement
    - R10.1: Upon revising the SIEF policy, consider engaging in a targeted launch and ongoing awareness campaigns including on the ground employer outreach activities. Additionally, consider leveraging awareness campaigns to address pre-existing conceptions of the SIEF.

Attribute O2 Current practices are adequate to achieve appropriate, timely and consistent decisions in a financially responsible manner.

Theme and recommendation:

- 3. Performance measures and data analysis
    - R3.2: Redesign SIEF CM performance measures to enhance quality and comprehensive assessment of file information for effective decisions, rather than solely focusing on timing of decisions (i.e., incorporate file complexity into KPIs and adjust the current target of two decisions per day based on complexity).
- 4. Financial management
    - R4.1 Consider expanding financial management activities to understand the WSIB's investment in resources to support the SIEF and financial impact on the employer's premium rate calculation.
    - R4.2: Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief.
    - R4.3: Assess the experience of employers in different classes, to determine whether nuanced policies or approaches to specific industries, particularly those with short-term or project-based employment, would support the achievement of more equitable outcomes.
- 6. Criteria and decision making
    - R6.4: Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the ITO stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders.
- 7. Intake process and resource allocation
    - R7.1: Consider returning to the previous SIEF identification process so that it is initiated internally by the WSIB rather than externally by employers and employer representatives. Maintain the current structure where requests are referred to the independent SIEF team to make the decision. Additionally, explore the feasibility of implementing an automatic trigger within the file management platform to prompt a SIEF consideration when specific thresholds are met.

- R7.2: Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files.

Attribute O3 The SIEF program has clearly defined objectives that are aligned with broader WSIB strategies, and there are measures in place that demonstrate satisfactory progress towards those objectives.

Theme and recommendation:

- 1. Strategy and objectives
  - R1.1: Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work.
  - R1.2: Explore revising the policy to better support workers with pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB.
- 2. SIEF policy
  - R2.1: In collaboration with WSIB programs, complete an in-depth SIEF policy update to cover any recent operational changes and relevant implemented recommendations from this VFMA. Follow WSIB's policy governance framework that supports periodic and ongoing policy reviews.
- 3. Performance measures and data analysis
  - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- 4. Financial Management
  - R4.2: Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief.

- 6. Criteria and decision making
    - R6.3: Explore enhancing SIEF decision criteria and consider formalizing the connection of the SIEF to return to work as part of the eligibility criteria to support the achievement of strategic objectives and to support injured workers to find employment.

Attribute O4 Entitlement decisions are consistent, fair, cost-effective, timely, and align with program objectives to and achieve expected outcomes for the program and workers.

Theme and recommendation:

- 1. Strategy and objectives
    - R1.1: Consider revising the SIEF policy to better align with the WSIB objective to reduce barriers to employment and reduce the emphasis on cost relief. Explore if the SIEF policy should be revised to include supporting return-to-work outcomes for workers with pre-existing and permanent injuries to formalize the SIEF's informal connection to return to work.
    - R1.2: Explore revising the policy to better support workers with pre-existing and permanent injuries find employment given changes in the regulatory landscape and the evolution of the WSIB.
    - R1.3: Review claims and SIEF outcomes to better understand the inconsistent adoption of the SIEF amongst WSIB classes, employer size and worker demographic to help inform future changes to the SIEF policy to support a program that encourages employment opportunities for workers with pre-existing and permanent injuries.
- 2. SIEF policy
    - R2.1: In collaboration with WSIB programs, complete an in-depth SIEF policy update to cover any recent operational changes and relevant implemented recommendations from this VFMA. Follow WSIB's policy governance framework that supports periodic and ongoing policy reviews.
- 4. Financial management
    - R4.2: Consider reviewing a sample of SIEF claims and data to understand how it operates under the new rate framework, in particular, delivering cost relief.
    - R4.3: Assess the experience of employers in different classes, to determine whether nuanced policies or approaches to specific industries, particularly those with short-term or project-based employment, would support the achievement of more equitable outcomes.
- 6. Criteria and decision making

    - R6.1: Assess the possibility of developing an internal SIEF-specific medical advisory role to be filled by a nurse or other medical professional to offer accessible, real-time consultation to SIEF CMs, and conduct a final review of decisions with high complexity ratings or where 75% or greater cost relief is awarded.
    - R6.2: Consider leveraging the existing WSIB QA team to complete a monthly assessment of two random audits of SIEF decisions per SIEF CM to facilitate quality and consistency across decisions. This aligns with how other decisions are audited for quality within the WSIB.
    - R6.4: Explore improving the decision making duration and better managing expectations by revising the Employer Appeal Readiness Form to include the WSIB's commitment to protecting worker's privacy and information as required by WSIA Section 59, reconsider the three call requirement during the ITO stage, dedicating ITO reviews to rotating SIEF CM members to shorten decision lifecycle and remove it from the first decision-making queue and leveraging the platform to track and communicate the decision lifecycle, including the cost-allocation timeline, to relevant stakeholders.
    - R6.5: Consider exploring how employers without representatives may be at a disadvantage to employers with representation, particularly if the SIEF award is less for employers without representation compared to those with representation.
- 7. Intake process and resource allocation
    - R7.2: Continue to assign incoming referrals based on capacity but explore the feasibility introducing an Intake and QA role to determine the referral complexity to determine the target decision duration and identify industry and injury subject matter experts within the SIEF CM team as a way to build internal capacity to address injury and industry specific questions on their files.

Attribute O5 Evaluation processes are in place to facilitate improvement of the SIEF entitlement decision making process, which includes reviewing relevant and accurate data to inform decision making (e.g., timeliness and effectiveness of decisions, adjustments of claim costs, etc.).

Theme and recommendation:

- 3. Performance measures and data analysis
    - R3.2: Redesign SIEF CM performance measures to enhance quality and comprehensive assessment of file information for effective decisions, rather than solely focusing on timing of decisions (i.e., incorporate file

complexity into KPIs and adjust the current target of two decisions per day based on complexity).
    - R3.3: Collaborate with the CBIA to develop a comprehensive data and governance strategy (i.e. improve naming, categorization and maintenance of datasets) to collect quality data based on decision details and revised performance metrics. Consider leveraging outcomes to improve internal access to data analytics through live dashboards and automated reporting to better track the decision lifecycle and the number of total SIEF referrals; and enhance communication with employers on the impact of SIEF decisions on their premium rate calculations.
- 6. Criteria and decision making
    - R6.2: Consider leveraging the existing WSIB QA team to complete a monthly assessment of two random audits of SIEF decisions per SIEF CM to facilitate quality and consistency across decisions. This aligns with how other decisions are audited for quality within the WSIB.

Attribute O6 Value-added benchmarking through a comparison of the SIEF to other similar programs (e.g., within worker compensation boards and insurance providers) results in the identification of enhancement opportunities.

Theme and recommendation:

- 3. Performance measures and data analysis
    - R3.1: Continue engaging in discussions with relevant jurisdictions, sharing lessons learned and knowledge sharing, and maintain ongoing communication and relationships with the jurisdictions contacted as part of this VFMA that align with the SIEF's strategic direction.

Appendix B: Interviewees

Internal WSIB Interviewees

1. Ryan Moisan, Director, Operations
2. Laurie McMann, Director, Operations
3. Carina Fernley, Manager, Operational Policy
4. Camal McDoom, Team Lead, Experience Rating & Cost Allocation
5. Lisa Slanic, Manager, Employer Services
6. Gianpaolo Betti, Assistant Director, Employer Services
7. Jasmine Gu, Director, Actuarial Services
8. Mark Parker, Director, Mental Stress Injuries Program
9. Kerri Smith, Director, Mental Stress Injuries Program
10. Nancy Nasso, Manager, Occupational Disease
11. Zahra Ali, Director, Return to Work
12. Iryna Glaz, SIEF Case Manager
13. Irene Bowman, SIEF Case Manager
14. Jennifer Klawitter, SIEF Case Manager
15. Enqing Shen, Statistician

Appendix C: Jurisdictional Scan Review

Intended purpose and use of this section

This section provides information on current and leading practices related to the scope of the VFMA which were identified from an inter-jurisdictional comparison of second injury funds and return-to-work programs of the following seven organizations:

- Oregon's Department of Consumer and Business Services (DCBS) (see pages 72-78)
- The Workers Compensation Board of Manitoba (WCB) (see pages 79-82)
- Washington's Department of Labor and Industries (L&I) (see pages 83-89)
- Connecticut's Office of the Treasurer (see pages 90-94)
- California's Department of Industrial Relations (DIR) (see pages 95-99)
- Australia's WorkSafe Victoria (see pages 100-104)
- Australia's ReturnToWorkSA (see pages 105-109)

The jurisdictions were chosen in collaboration with the WSIB VFMA working group based on jurisdictions with similar cost-relief programs and programs to incentivize employers to hire workers with pre-existing injuries. The information in this section serves as an input into the formulation of recommendations for the observations.

Our approach

The approach for the inter-jurisdictional scan involved a combination of the review of publicly available documents and interviews with representatives from each organization. The areas of focus were as follows:

- The organization's background;
- The program's mandate and policies;
- The organization's service delivery model for cost relief and return-to-work programs;
- Threshold criteria and eligibility for cost relief and return-to-work programs;
- Financial model used to fund cost relief and return-to-work programs;
- Case management model and team structure for cost relief and return-to-work programs;
- Performance measures for programs and services related to cost relief and return-to-work programs;
- Practices for training, onboarding and professional development; and
- Organizational highlights, including notable organization features and practices.

Limitations of the review

Information collected from the inter-jurisdictional comparison is limited to publicly available information and information provided to Deloitte during the interviews conducted. Information provided by the representative from each of the organizations is based on the knowledge and willingness of the interviews and valid at the time of the inter-jurisdictional comparison. The organizations that participated in the inter-jurisdictional comparison have various mandates that may vary from the WSIB's mandate.

The subsequent pages provide a summary of the comparators, while the comprehensive observations and leading practices can be found in section *6. Observations and Recommendations* preceding this summary.

Oregon Department of Consumer and Business Services (DCBS)

Background

The Oregon Department of Consumer and Business Services (DCBS) is Oregon's largest consumer protection and business regulatory agency. The Workers' Compensation Division of DCBS (WCD) administers laws and rules that impact the workers' compensation system. The WCD encourages return to work by incentivizing employers through premium exemptions and wage subsidies.

The WCD employs approximately 180 employees, and covers areas such as benefits, compliance, dispute resolution, and operations. The WCD includes positions in administrative/clerical support, compliance specialists, operations and policy analysts, and public service representatives.

Assessments are used to fund administration and programs for workers' compensation. Assessments are deposited into two funds that are managed by DCBS: the Consumer and Business Services Fund and the Workers' Benefit Fund (WBF). The WBF provides support for several expenditures, the most relevant of which are discussed in this section.

Employers pay three types of payments, including an insurance premium to their insurer, the workers' compensation premium assessment, and the WBF assessment. The WBF assessment is based on the payroll an employer pays to their employees. The assessment rate is split by employers and their employees and calculated based on hours worked within a quarter. DCBS determines the assessment rate annually based on cash balances and projected needs of the WBF.

Mandate and policies

Oregon provides the following programs to support return-to-work outcomes through employer incentives. Each program is governed by Oregon's workers' compensation laws. Programs include:

- The **Re-employment Assistance Program**, which supports the hiring of injured workers by providing incentives to employers, including but not limited to premium exemptions and reimbursements for claim costs and certain purchases or worksite modifications. The Re-employment Assistance Program includes return-to-work programs, such as:
    - The **Employer-at-Injury Program (EAIP)**, which promotes early return to work to prevent claims from becoming disabling. Through EAIP, employers can receive reimbursements for return to work and claim costs.

        - The **Preferred Worker Program (PWP)**, which supports the hiring of workers with permanent restrictions who are unable to return to their regular employment. The program provides incentives and hiring benefits to the new employer.
    - The **Re-employment Assistance Program**, which supports the hiring of injured workers by providing incentives to employers, including but not limited to premium exemptions and reimbursements for claim costs and certain purchases or worksite modifications. The Re-employment Assistance Program includes return-to-work programs, such as:
        - The **Workers with Disabilities Program**, which supported the hiring of workers with impairments by providing claim cost reimbursement for additional injuries that occurred due to the pre-existing impairment. Cost relief from the program included reimbursements for the percentage of claim costs that could be attributed to the pre-existing impairment.
        - The Workers with Disabilities Program was closed in 1990 to new claims. The program was closed when the incentives of the Re-employment Assistance Program were increased.

Service delivery model

Employers may apply for financial support through their insurer or directly to the DCBS, depending on the program. In addition, the WCD proactively sends notification letters to workers and employers who are automatically determined to be eligible for a program.

The Re-employment Assistance Program

The services offered through the Re-employment Assistance Program vary based on the specific program from which benefits are requested.

The EAIP

Use of the EAIP is optional. If an employer wishes to participate in the program, their insurer must administer the program. This includes obtaining the worker's medical reports, helping the employer to identify transitional work, processing wage subsidy requests, and submitting requests for reimbursement to the WCD.

Service delivery model (continued)

The EAIP provides the following services:

- Wage subsidy for 50% of early return-to-work gross wages for up to 66 workdays within a consecutive 24-month period;
- Reimbursement for worksite modifications and purchases up to $5,000; and
- Reimbursement for purchases that support early return to work, such as:

- Tuition, books, and course fees, up to a maximum benefit of $1,000; and
- Clothing required for transitional work, up to a maximum benefit of $400.

In 2024, the EAIP had 6,319 total worker placements, 4,231 of which were disabling claim placements and 2,088 were nondisabling claim placements. The program was used by 1,310 employers. The EAIP mean cost per placement was $3,439.

The PWP

Workers are found automatically eligible for the PWP following their workers' compensation claim. If eligible, a preferred worker will be automatically sent a preferred worker identification card when their claim closes. The preferred worker identification card informs potential employers about the PWP and available benefits.

When an employer hires a preferred worker, they must report to their insurer that they are adding a preferred worker to their workers 'compensation insurance policy. For premium exemption, the employer must also notify the WCD within 90 days of hiring the preferred worker.

The PWP provides the following services:

- Premium exemption on a preferred worker for three years. The employer does not have to report the preferred worker's payroll to their workers' compensation insurer;
- Reimbursement for claim costs to the insurer if the preferred worker files a claim during the premium exemption period;
- Wage subsidy for 50% of the preferred worker's wages for 183 days, up to a total lifetime amount of $40,000;
- Reimbursement for worksite modifications that support the preferred worker to do the job, $35,000 per use, up to $50,000; and
- Reimbursement for purchases that support a preferred worker to find, accept, or keep a job in Oregon, such as:
    - Tuition, books, and course fees, $1,000 per use, up to $2,000;
    - Expenses for overnight travel to classes, up to $1,000;
    - Equipment required for the job, $2,500 per use, up to $5,000;
    - Clothing required for the job, $500 per use, up to $1,000;
    - Transportation (excluding vehicle purchases) up to $1,000 within the first 90 days of employment;
    - Union initiation fees or dues, up to $1,000;
    - Moving expenses if the new job is 50 miles or more from the worker's home, but still within Oregon;
    - Occupational certification or license costs, $500 per use, up to $1,000;

- Worksite creation costs if the employer created a new job for the worker, $5,000 per use, up to $10,000;
- Job placement assistance costs, including $1,000 for job search skills, and $3,000 for placement and retention; and
- Other relevant purchases, up to $2,500.

In 2024, the PWP had 571 eligibilities, of which 117 were eligibilities with benefit use. 260 workers started one or more new contracts through the program. There were 111 wage subsidies, 90 worksite modifications, and 524 employment purchases that were reimbursed.

The Workers with Disabilities Program

Currently, the Workers with Disabilities Program only provides reimbursement for claims that were found eligible prior to May 1, 1990. Additionally, insurers are not eligible for reimbursement through the Workers with Disabilities Program if the employer is receiving premium reimbursement for the injured worker from the Re-employment Assistance Program.

The employer is responsible for requesting relief from the Workers with Disabilities Program. The employer must submit an application to the Director of DCBS with sufficient evidence to establish eligibility for relief. The WCD will then determine the percentage of reimbursement to be granted.

The Workers with Disabilities Program provides the following services:

- Compensation reimbursement to the insurer or self-insured employer for subsequent injuries the worker may face due to their condition throughout their career, in excess of $1,000 per claimant.

Threshold and eligibility criteria

The Re-employment Assistance Program

Eligibility criteria for the Re-employment Assistance Program varies based on the specific program from which benefits are requested.

The EAIP

The EAIP requires the following to be eligible:

- The employer must be the employer at the time of the new injury or aggravation, have Oregon workers' compensation insurance, and adhere to Oregon workers' compensation laws; and
- The worker must have an Oregon workers' compensation claim and doctor release form allowing the worker to return to work with restrictions.

The employer may still receive benefits from the EAIP even if the workplace injury claim decision has not been made by the insurer. The insurer has 60 days to accept or deny the claim. If the workplace injury claim is denied by the insurer, the employer may still receive wage reimbursements from the EAIP up to the date of denial.

The PWP

The PWP requires the following to be eligible:

- The employer must have Oregon workers' compensation insurance and adhere to Oregon workers' compensation laws;
- The worker's permanent restriction was caused by the workplace injury and is preventing them from returning to their regular employment; and
- The workers' compensation claim must be closed.

The Workers with Disabilities Program

The Workers with Disabilities Program requires the following to be eligible:

- The worker must have experienced a subsequent compensable injury that results in claim costs in excess of $1,000, or must have caused injury to other worker(s) under the same employment that results in claim costs in excess of $1,000;
- The worker must have a permanent impairment that is equal to or greater than 25% of the whole person; and
- The workplace injury would not have occurred without the impairment, the workplace injury was substantially greater due to the impairment, or the impairment significantly contributed to the workplace injury.

Financial model

The Re-employment Assistance Program and the Workers with Disabilities Program are funded by the WBF.

On an annual basis, DCBS may adjust the WBF assessment rate to meet the fund's requirements. In 2025, the assessment rate was announced at 2.0 cents per hour worked, split between employers and workers.

Case management model and team structure

The WCD includes re-employment specialists, who support administering return-to-work benefits and support in training for the EAIP. Additionally, an outreach role was recently created who prioritizes supporting outreach for employers and employees on return-to-work programs. Oregon also has officers who support in engagement outreach. Additionally, there is a research team that compares outcomes for workers within the Preferred Worker Program and a control group.

Performance measurement
The WCD monitors employer participation in return-to-work programs to identify employers who may be underutilizing the programs. The WCD conducts outreach to flagged employers to share more information on the programs.

For the PWP, a monthly report is generated containing new preferred workers within Oregon's system. These preferred workers are contacted to share information about the benefits available through the program. Additionally, wage recovery and employment rates for the PWP participants are monitored to assess the program's effectiveness. A DCBS research team compares outcomes for the PWP participants against a control group after 13 quarters to determine if program participants experience higher wage recovery and employment rates.

Training, onboarding and professional development
Team members are required to learn and properly apply Oregon's workers' compensation laws. Hiring and professional development activities focus on case management skills, adaptability to unique situations, empathy and outcome-orientated approaches, and remaining neutral while administering benefits.

Organizational highlights
Oregon focuses innovation efforts on outreach to employers and injured workers. Oregon has established a team of seven-eight individuals who focus on employer outreach to raise employers' awareness of available programs. An additional role was recently added to the team who supports in scheduling, planning, and preparing the team for outreach activities.

For the PWP, workers found automatically eligible within Oregon's system will be sent a preferred worker identification card when their claim closes. Additionally, the outreach team contacts new preferred workers to share information on the program and available supports.

Oregon has a centralized web page outlining an overview of the WBF, programs funded by the WBF, current assessment rates, and additional resources outlining details of the fund. Oregon also has similar web pages that centralize information on their return-to-work programs.

Documentation reviewed
DCBS Organizational Chart *– accessed November 2025*
Department of Consumer and Business Services Return-to-work assistance – Employer-at-Injury Program *– accessed November 2025*

Department of Consumer and Business Services Return-to-work assistance – Preferred Worker Program *– accessed November 2025*
Department of Consumer and Business Services Workers' Benefit Fund *– accessed November 2025*
Department of Consumer and Business Services Working at DCBS – Workers' Compensation Division (WCD) *– accessed November 2025*
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The Workers Compensation Board of Manitoba

Background

The Workers Compensation Board of Manitoba (WCB) is a statutory corporation that provides workplace injury and disability insurance for workers and employers in Manitoba. The WCB provides a wide range of services to support injured workers to return to safe and suitable work. The WCB has approximately 600 employees and covers approximately 40,058 employer accounts with 73% workforce coverage.

The WCB is funded collectively by employers. The WCB aims to operate on a fully funded basis, with employers paying for both the current and future cost of claims. In alignment with the Workers' Compensation Act, employers in Manitoba are categorized into four employer classes, Classes B-E. Class B-D employers are individually liable for their claim costs and administrative costs, whereas Class E employers collectively pay for the workers' compensation system and are subject to collective liability.

The WCB has an Accident Fund that funds the workers' compensation system. Annual employer assessments for each class are used to ensure the Accident Fund can meet the system's annual costs and cover the cost of claims under certain circumstances, including but not limited to claims that are impacted by pre-existing conditions.

Mandate and policies

The WCB is governed by the Workers' Compensation Act, which outlines the WCB's mandate, and the responsibilities of all parties involved in the workers' compensation system. The WCB maintains two policies for cost relief or cost transfer, depending on the class of employer. Cost relief or cost transfer for Class E employers is documented in Policy 31.05.10, and cost transfer for Class B-D employers is documented in Policy 31.05.15. The goal of each cost relief policy is to ensure fairness and accountability for employers.

Note there are several circumstances in which the WCB may provide cost relief or cost transfer. The most relevant circumstance is for pre-existing conditions, which is discussed in this section. Cost relief for pre-existing conditions is only available for Class E employers. Cost transfer is not available for pre-existing conditions.

Service delivery model

To receive cost relief, a claim must first be reported by the worker to the WCB. The WCB gathers information from the worker, employer, and the worker's healthcare provider to make a decision on the claim. For pre-existing conditions, the WCB assesses available evidence to determine if the workplace injury is contributing to the worker's loss of earning capacity.

Initially, all claim costs are charged to the employer's Claim Costs Experience. An employer's Claim Costs Experience includes:

- Assigned claim costs;
- Proxy costs assigned as a result of an accepted fatality claim; and
- Any costs that have been transferred to the employer in alignment with the WCB's policies.

Following the initiation of a claim, the process for cost relief will commence in the following circumstances:

- When an employer directly applies to the WCB for cost relief or cost transfer; or
- When the WCB's system automatically flags a claim for a cost relief decision if the claim has been open past the threshold duration.

Based on the available information, the WCB case manager assigned to the claim determines if the employer is eligible for cost relief.

Cost relief is excluded from the rate setting for an employer. As such, if cost relief is provided, the WCB may use the updated Claim Costs Experience to recalculate the assessment rate for the employer. However, this is only done for the current and prior years when the cost relief granted meets or exceeds the pre-determined threshold for the year. The threshold for 2026 is $16,140.

If a Class E employer is approved for cost relief, the WCB provides the following:

- Cost relief of 50% of the claim costs; and
- The employer's Claim Costs Experience may be altered for future assessment rates and may be used to recalculate the assessment rate for current and prior periods.

Threshold and eligibility criteria

Cost relief is provided to the employer when:

- The pre-existing condition was not caused by a previous workplace accident with the same employer;
- The worker's pre-existing condition contributed to the severity of the workplace injury; or
- The pre-existing condition significantly prolongs the worker's recovery, and the injured worker's loss time is more than 12 weeks.

Financial model

Class E employers are assessed based on their payroll and Claim Costs Experience. The WCB maintains a rate-setting model that is used to determine assessment rates and the amount to be collected from each employer.

The WCB leverages a classification system that groups employers into specific industry classifications, depending on their business activities. There are approximately 175 industry classifications in Manitoba. An employer's assigned Industry Classification indicates their risk category that describes the cost of injuries to the group compared to the system average.

Assessments collected from employers are deposited into the Accident Fund and other relevant funds to support the workers' compensation system. This includes the Cost Apportionment Fund, which is used to cover claim costs that are not fully assigned to Class E employers.

Case management model and team structure
Cost relief decisions are made by the case manager who owns the claim file. The WCB has approximately 60 general case managers and 11specialized case managers.

Performance measurement
The WCB does not track KPIs specific to cost-relief.

Training, onboarding and professional development
The WCB hosts 16-week training programs for internal case management hires, and 18-week programs for external hires. The first 12 weeks are spent covering approximately 50 topics. One topic is dedicated to cost relief, which is approximately two hours long.

Following the 12 weeks of instruction, case managers spend four weeks simulating claims with various scenarios. Once the training program is complete, case managers are under a six-month probation period, where they are assigned a manager to oversee their work. The WCB is exploring options to provide optional bi-annual training for case managers to attend should they wish to upskill on a certain topic.

Case managers are not required to have medical expertise. Case managers may obtain medical opinions for cases from a general medical advisor or psychological medical advisor, depending on the nature of the claim. To obtain a medical opinion, case managers submit a healthcare service request form, asking the advisor to review the medical information in the file. Case managers do not request that medical advisors make determinations regarding cost relief. Instead, they ask whether there is evidence that the worker had a pre-existing diagnosis prior to the compensable injury.

Organizational highlights
The WCB uses their claims system to automatically trigger cost relief decision making. When a claim is created, the system creates a task for the case manager to decide on cost relief. If recovery for the claimant is over 12-14 weeks and the case is still open,

case managers may review the case for cost relief. When the claim has been open for 32 weeks, the system requires the case manager to review and enter a decision for cost relief. Claim files cannot be closed until the case manager acknowledges if the claim will be granted cost relief.

Case managers have access to both general medical advisors and psychological medical advisors to provide opinions on a case, if required.

Additionally, the WCB is piloting ODG by MCG. ODG is a workers' compensation solution used to support return-to-work planning and job modifications. The WCB uses the ODG database to understand possible duration guidelines as a consideration for granting cost relief.

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Washington Department of Labor and Industries (L&I)

Background

The Washington Department of Labor and Industries (L&I) is Washington's state agency responsible for administering the state's workers 'compensation system. L&I is focused on ensuring health, safety, and security for workers in Washington. L&I has approximately 2,800employees who support the workers' compensation system for Washington's 3.3 million workers, including but not limited to claim specialists, safety inspectors, nurses, and accountants.

L&I maintains a Second Injury Fund (SIF) to support return-to-work outcomes for workers in Washington. The Director of L&I administers the SIF. The State Treasurer is the custodian of the SIF, and may disburse moneys from the SIF upon the direction of the Director of L&I.

The SIF is funded by annual assessments on self-insured employers, transfers from the Accident Account for state-fund-insured pensions, and transfers from the Medical Aid Account to cover job modifications.

The SIF was established in 1945 and has evolved over time. Since the 1970s, the SIF has provided cost relief for total permanent disabilities. However, claims for total permanent disability historically took approximately seven-eight years to close. As a result, employers insured through the State Fund rarely applied for SIF cost relief, as relief typically fell outside the timeframe that would affect their rating and associated costs.

In 1982, L&I introduced the self-insurance program. This program significantly increased costs for the SIF, with approximately 90% of pension liabilities being funded by the SIF.

In 2013, L&I introduced exposure rating for self-insured accounts. The exposure rating established rates for self-insured employers based on their utilization of the SIF. As a result, applications for SIF cost relief decreased, and SIF costs were reduced from approximately $50 million to$8-10 million a year.

Mandate and policies

The SIF is governed by Washington state laws, specifically RCW 51.44.040. As per RCW 51.44.040, the purpose of the SIF is to support in removing employer costs and support return-to-work outcomes for injured workers.

The SIF provides cost relief in scenarios where a worker's pre-existing disability contributes to a workplace incident that causes the worker's death or total permanent disability. The SIF provides cost relief for the portion of the claim not attributable to the new workplace incident.

In addition to cost relief, L&I provides return-to-work programs to support injured workers to return to work through employer incentives, the most relevant of which is included in this section. Programs include:

- The **Preferred Worker Program**, which supports the hiring of individuals with permanent work restrictions due to a previous injury through employer incentives;
- The **Job Modification Program**, which provides funding for employers to modify the workplace to support an injured worker to safely return to work; and
- The **Stay at Work Program** that provides benefits to employers to support light-duty job modifications for injured workers. The Stay at Work Program is not funded by the SIF.

Service delivery model

SIF Cost Relief

The cost relief process is initiated by employers. Employers insured through the State Fund receive cost relief through their annual premium calculation. SIF cost relief only affects an employer's rate if the claim falls within the period used for rate determination. As a result, employers insured through the State Fund typically request relief from the SIF if the cost relief will impact their rates for the current period.

For self-insured employers, when a pension is granted, L&I issues a funding order, and the self-insured employer selects their preferred funding method. At this time, a self-insured employer may notify L&I of their intent to seek cost relief from the SIF. Additionally, if an employer anticipates that a claim may result in total permanent disability, the employer may proactively request relief from the SIF.

The decision to grant cost relief is made by a pension adjudicator, who may consult L&I's nurse advisors for a medical opinion as needed.

If approved, the SIF provides the following cost relief to employers:

- If a worker's death or permanent total disability is partially caused by a pre-existing disability, cost relief for claim costs not directly related to the new injury are paid by the SIF.

Partial or total cost relief may be granted from the SIF.

Return-to-Work Programs

The services offered through Washington's return-to-work programs vary based on the specific program from which benefits are requested.

The Preferred Worker Program

To access benefits from the Preferred Worker Program, employers must first hire a preferred worker and create a job description and job offer that aligns with the worker's restrictions. Then, employers may request L&I approval of their job description and apply for benefits.

If approved, future claims for subsequent injuries will not impact the employer's experience rating.

Additionally, the Preferred Worker Program may provide the following services if the date of injury occurred **on or after January 1, 2025**:

- Wage reimbursement of 50% of the basic gross wages paid to the preferred worker for up to 120 days worked, up to $25,000;
- Expense reimbursement for tools and equipment, up to $5,000;
- Expense reimbursement for clothing to support approved duties, up to $1,000; and
- Continuous employment incentives after 12 months of continuous employment without a reduction in base wages of $25,000.

The Preferred Worker Program provides the following services if the date of injury was **prior to January 1, 2025**:

- Wage reimbursement of 50% of the basic gross wages paid to the preferred worker for up to 66 days worked, up to $10,000;
- Wage reimbursement for 10% of the basic gross wages paid to the preferred worker for 12 months, up to $10,000;
- Expense reimbursement for tools and equipment, up to $2,500; and
- Expense reimbursement for clothing to support approved duties, up to $400.

The Job Modification Program

Employers may apply to L&I for support in modifying their workplaces for an injured worker's return to work.

The Job Modification Program provides the following services:

- Reimbursement for worksite modifications and purchases to support changes to the worksite, up to $10,000 per job or job site.

The Stay at Work Program

To access benefits from the Stay at Work Program, employers must create a light-duty job description that complies with the restrictions set by the injured worker's healthcare provider. If the job description is approved by the worker's healthcare provider, the employer may apply for benefits.

The Stay at Work Program provides the following services if the date of injury occurred **on or after January 1, 2025**:

- Wage reimbursement for 50% of gross wages for the injured worker while working light duty for up to 120 days worked, up to $25,000;
- Expense reimbursement for tools and equipment, up to $5,000;
- Expense reimbursement for training, up to $2,000; and
- Expense reimbursement for clothing to support approved duties, up to $1,000.

The Stay at Work Program provides the following services if the date of injury was **prior to January 1, 2025**:

- Wage reimbursement for 50% of gross wages for the injured worker while working light duty for up to 66 days worked, up to $10,000;
- Expense reimbursement for tools and equipment, up to $2,500;
- Expense reimbursement for training, up to $1,000; and
- Expense reimbursement for clothing to support approved duties, up to $400.

Threshold and eligibility criteria

SIF Cost Relief

To be eligible for cost relief from the SIF, a claim must be:

- Granted a total permanent disability award; and
- A pre-existing injury must have partially caused permanent disability, or a pre-existing condition must have contributed to the total disability.

Total permanent disability is determined by L&I based on several factors, including but not limited to:

- The impairment deduced by the injured worker's healthcare provider; and
- The worker's ability to return to work.

In recent years, L&I has expanded considerations for permanent disability awards to psychological impairments.

Return-to-Work Programs

Eligibility criteria for Washington's return-to-work programs vary based on the specific program from which benefits are requested.

The Preferred Worker Program

To be eligible for the Preferred Worker Program:

- The employer must hire a preferred worker; and
- To receive a preferred worker certification, the worker must have an open State Fund claim, have a permanent restriction caused by their workplace injury or illness, and be restricted from returning to their previous employment by their healthcare provider.

The Job Modification Program

To be eligible for the Job Modification Program:

- The worker must have an open claim and be covered by a self-insured employer or employer who is insured through the State Fund; and
- The worker must have restrictions due to the injury and require modifications to return to work.

Support from the Job Modification Program may be accessed by either the injury employer or a new employer.

The Stay at Work Program

To be eligible for the Stay at Work Program:

- The employer must receive approval for the light-duty job description from the injured worker's healthcare provider;
- The injured worker must have workplace restrictions due to a workplace injury; and
- Any purchases expensed to the program must be necessary to allow the worker to perform the light-duty job and purchased on or after the job is offered to the injured worker.

Financial model

The SIF is funded by self-insured employer assessments, transfers from the Accident Account to cover employers insured through the State-Fund, and transfers from the Medical Aid Account to pay for job modification and other claims.

Each year, self-insured employers must contribute to the SIF to cover its projected costs for the upcoming year.

Annually, L&I determines a self-insured employer's assessment rate for the fiscal year by:

1. Identifying funding required to cover projected pension costs for the year;
2. Calculating the base assessment rate; and
3. Adjusting the base assessment rate based on the employer's experience rating. The experience rating factors in the employer's use of the SIF compared to the size of the program.

An employer's contribution to the SIF reflects their usage over the previous three years.

Case management model and team structure
L&I claims administrators manage claims submitted to L&I. Claims that case managers are unable to resolve are transferred to pension adjudicators.
Case managers and pension adjudicators can seek medical opinions from in-house nurse advisors. Additionally, L&I has a medical research unit that extends to the University of Washington campus.

Performance measurement
L&I annually reports on the financial health of the SIF to ensure the fund has adequate funding to cover projected claim costs.

Training, onboarding and professional development
All claims administrators managing self-insured claims must receive an L&I-approved certification. This involves:

- Working under the mentorship of a certified claims administrator for a minimum of one year obtaining claims administration or oversight experience; and
- Completing an L&I approved training program within six months of hire.

Organizational highlights
Cost relief from the SIF is only available for total permanent disabilities.

L&I has a large team to manage claims. Included in this team is nurse advisors, directly on staff who may provide medical opinions on a claim. Additionally, the team extends to the University of Washington campus, where L&I has a medical research unit.

Outside of the SIF, Washington has a Stay at Work Program that provides additional incentives and support for employers to create light-duty job modifications for injured workers, such as wage and expense reimbursements.

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Connecticut Office of the Treasurer

Background

The Connecticut Office of the Treasurer is responsible for overseeing policy, planning and general administration of Connecticut's Treasury operations and functions. The Office of the Treasurer has an Executive Office and six divisions, one of which is the Second Injury Fund (SIF).

The SIF was established in 1945 to discourage discrimination against the hiring of veterans with a pre-existing injury, and provide cost relief to encourage employers to hire workers with disabilities or pre-existing conditions. Since its creation, the SIF evolved to cover additional types of previous injuries or conditions. Assessments of the SIF found that the expansion of eligible claims led to an increase of SIF costs by178% in six years, from $37.8 million in 1988-89 to $105 million in 1993-94.

The SIF did not have claims reserves. Assessments to employers were announced when SIF funding was required. Prior to 1989, the Treasurer announced one assessment per year. However, it was projected that there would be four assessments in 1995 to cover projected costs.

In 1995, Public Act 95-277 closed the SIF to any new claims for second injuries that occurred on or after July 1, 1995. In addition, the Public Act expanded penalties for employers without workers' compensation insurance. Today, the SIF is liable for:

- Claims for second injuries transferred to the SIF prior to Public Act 95-277;
- Claims for injured workers whose employers do not have workers' compensation insurance;
- Eligible cost-of-living adjustments; and
- Claims for injured workers with more than one employer at the time of injury.

Following the Public Act 95-277, pre-existing conditions are now considered as part of the workplace injury.

A common criticism for SIFs in the United States, included Connecticut's SIF, was that SIF was no longer necessary due to the Americans with Disabilities Act (ADA) of 1990, which prohibits discriminating against qualified individuals with disabilities during hiring, and requires employers to make reasonable efforts to provide accommodations for employees. Additionally, in 1994, an actuarial firm hired by the Treasurer estimated that $6.2 billion was required to cover SIF claims.

Mandate and policies

The SIF is governed by the Connecticut Workers' Compensation Act. Chapter 568 Part E outlines the SIF's purpose, assessment methods, reporting requirements, and the duties of the Treasurer.

The mandate of the SIF was to discourage discrimination against veterans and encourage hiring of workers with a pre-existing injury. While active, the SIF aimed to support return-to-work outcomes by providing relief to employers when an injured worker's pre-existing injury or condition substantially worsened a workplace injury.

Today, the SIF aims to support injured workers to return to work or settle their claims.

Service delivery model

Prior to closure, an employer could initiate a request for cost relief in two ways:

- If the employee had signed an Acknowledgement of Physical Defect outlining their previous disability, the employer could automatically request cost relief from the SIF.
- If the employee had not signed an Acknowledgement of Physical Defect outlining their previous disability, the employer was required to provide evidence that the workplace injury was materially impacted by the pre-existing disability. Cost relief from the SIF was available to the employer if the worker was still receiving workers' compensation benefits after 104 weeks.

Public Act 95-277 changed the process for transferring cases to the SIF. With the Public Act, an employer or insurer must provide notice of transferring a claim to the SIF by certified mail, along with:

- A $2,000 fee for the cost of evaluating the claim;
- Copies of medical reports relevant to the claim;
- Details of all benefits paid for the claim and estimates of the claim's total cost;
- Copies of key documentation from the claim outlining findings, awards, or agreements; and
- Any other information requested.

Claims submitted to the SIF must be rejected by certified mail within 90 days of receipt, unless the SIF requests for additional time to review the claim. The SIF may ask for up to 90 additional days. If the SIF does not reject the claim within 90 days, the claim is considered accepted.

If the claim is accepted, an acceptance form is filed with the Workers' Compensation Commissioner in the claim's district. Additionally, a copy of the acceptance form is sent to the employer or insurer and the claimant, along with a refund of $1,500.

An employer or insurer may appeal the decision within 30 days after the rejection letter is received. If there are disputes over a claimant's medical eligibility for the SIF, a medical panel is required to review and decide on the dispute.

Following Public Act 95-277, the SIF provides the following services:

- Cost relief for claims transferred to the SIF prior to July 1, 1995;

- Cost relief for compensation for an injured worker with more than one employer. The injury employer pays for 75% of the employee's net average weekly wage, whereas the SIF pays for the remainder;
- Reimbursement of cost-of-living adjustments for certain injuries that include total disability benefits or dependent widow's benefits; and
- Benefits for injured workers whose employer does not have workers' compensation insurance. The SIF aims to recover the funds from the employer where possible.

Threshold and eligibility criteria

Eligibility for the SIF has evolved since its creation. Originally, only claims were accepted for workers who became permanently disabled by the loss of a hand, arm, foot, leg, or eye, if the worker had previously lost another one of the same body parts.

In 1959, eligibility expanded to workers with a pre-existing permanent partial disability, whose workplace injury resulted in permanent total disability or a more significant permanent partial disability.

In 1967, eligibility expanded to any other permanent physical impairments, and circumstances where the pre-existing condition worsened the impact of a second injury leading to a permanent disability.

Additionally, the SIF expanded eligibility to cover claims where an employee signed an Acknowledgement of Physical Defect Form.

Following 1967, eligibility expanded to cover additional scenarios, including but not limited to claims for uninsured employers, recurrences, and total disability cost-of-living adjustments.

To be eligible for current programs within the SIF:

- The injured worker must work two or more jobs;
- A pre-existing condition led to the claimant's death; or
- The employer of the injured worker does not have workers' compensation insurance coverage.

Financial model

The SIF is financed by assessments on both insured and self-insured employers. The Treasurer annually releases the assessment rate for the year.

Assessments on insured employers are collected by their insurance company through a surcharge on their insurance policy. The insurance company transfers collected assessments to the SIF. The 2026 assessment rate for insured employers is 2.25%.

Assessments on self-insured employers are determined based on the medical and indemnity benefits the employer paid during the prior calendar year. The 2026 assessment rate for self-insured employers was 2.75%. In 2025, there were four assessments made on insured and self-insured employers, totaling $28.1 million.

Case management model and team structure

The SIF is administered by the Connecticut State Treasurer. The Treasurer may appoint up to four assistant Treasurers to support in fulfilling the Treasurer's duties.

The Office of the Treasurer supports the Treasurer in fulling their duties. As of 2023, Second Injury Fund division of the Office of the Treasurer was comprised of 25 positions. The division operates under the Assistant Treasurer.

An eight-member board advises the Treasurer on the operations of the SIF. The board is comprised of representatives of employers, insurers, and chairmen of the Labor and Public Employees Committee.

Performance measurement

On an annual basis, the Treasurer prepares a report on the SIF's financial health. Information included in this report includes but is not limited to:

- The SIF's estimated unfunded liability;
- Details of the assessments on insured employers and self-insured employers during the previous fiscal year;
- Projected assessments on insured employers and self-insured employers for the upcoming fiscal year; and
- Recommendations, if any, to improve the SIF.

Training, onboarding and professional development

In 2020, SIF claim analysts were required to have a current adjuster license and six years of relevant case management experience. Experience could be substituted if the analyst had a post-secondary education, a State of Connecticut Workers' Compensation Casualty Adjuster License, or Workers' Compensation Claims Law Associate certification.

Organizational highlights

In 1995, the SIF was closed to new claims for second injuries. Some reasons raised for the closure of the SIF include the introduction of the Americans with Disabilities Act (ADA) of 1990 and high projected costs of the SIF's liabilities.

The SIF's claims analysts, as of 2020, were required to have six years of relevant case management experience. However certain education or certifications could replace

years of experience, such as a Bachelor's degree may substitute up to four years of relevant experience.

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California Department of Industrial Relations

Background

The California Department of Industrial Relations (DIR) protects California workers and helps employers comply with state labor laws. DIR includes several divisions, including but not limited to the Division of Workers' Compensation (DWC). As of September 2025, the DIR had 3,282 employees, of which 3,125 are full-time employees.

DWC monitors workers' compensation claims administration and supports in dispute resolution for workers' compensation claims. DWC is responsible for administering California's Subsequent Injuries Benefits Trust Fund (SIBTF). Established in 1945, the SIBTF was created to support veterans with a pre-existing disability enter the workforce.

The SIBTF provides benefits to injured workers whose subsequent industrial injury (SII) is exacerbated by a pre-existing condition. The SIBTF is funded through assessments on workers' compensation premiums or covered payroll for self-insured employers. All employers contribute at the same flat rate based on their total insurance premium. Between 2011 and 2024, insurer assessments have increased by 800% to cover rising costs of the SIBTF, from 0.17 cents to 1.6 cents per $100 of premiums.

Mandate and policies

Workers' compensation in California is governed by the California Labor Code. The SIBTF is enabled by Labor Code 4751, which outlines the eligibility framework for the SIBTF. In addition, the DWC/Workers' Compensation Appeals Board (WCAB) Policy and Procedural Manual outline the procedures followed by DWC and WCAB, including but not limited to procedures for hearings, case filing, evidence, and settlements.

The mandate of the SIBTF is to provide support to injured workers whose pre-existing disabilities result in a higher permanent disability (PD)rating following a workplace injury.

If eligible, injured workers receive PD benefits paid by the SIBTF, rather than their employer. As a result, the SIBTF aims to incentive employ

Service delivery model

An application for the SIBTF is initiated by an injured worker or their representative. The injured worker or their representative submits the application form to WCAB, followed by applicable documentation, such as medical-legal reports.

Applications are reviewed by the SIBTF claims examiners (WCCs). WCCs will request additional information if needed and calculate SIBTF liability using an Excel calculation worksheet. The worksheet automatically generates the statements to be included in a

notice letter outlining SIBTF benefits. The letter is mailed to the applicant's representative. The letter includes:

- The representative fee;
- The details of the benefits to be paid to the applicant, including the upfront payment amount, biweekly payment amounts, and payment durations; and
- Deductions for credits.

Applications for the SIBTF may be resolved by one of the following methods:

- Resolved through a lump sum payment, even if the parties did not reach an agreement;
- Settled with the parties agreeing on PD ratings and stipulations;
- Settled by a workers' compensation judge's decision finding the applicant eligible for PD benefits over their lifetime; or
- Dismissed without benefits to the applicant.

If approved, the SIBTF provides the following benefits:

- Compensation for the difference between the total PD benefits the worker would receive for both the SII and any pre-existing disabilities, minus the PD benefits owed for the SII and any compensation already received from other sources for the pre-existing disability, such as Social Disability Insurance; and
- Expenses to progress the claim, such as costs for medical reports and interpreter services. Note that these costs may be paid by the SIBTF whether the claim is accepted or denied.

Threshold and eligibility criteria

To be eligible for the SIBTF:

- At the time of the workplace injury, the applicant had one or more labor-disabling pre-existing permanent partial disabilities (PPDs);
- The applicant experienced a SII;
- The permanent disability was caused by the PPD and SII, and was greater than what the SII alone should have caused;
- The resulting permanent disability is rated at least 70%; and
- The portion of the permanent disability resulting from the SII was at least 35%, or was at least 5% and affected a body part that is opposite and corresponding to the body part with the prior PPD, including a hand, arm, foot, leg, or eye. This does not include adjustment for age occupation of the injured worker.

Labour disabling means the pre-existing disability, if caused by a workplace injury, would have resulted in permanent partial disability benefits.

Financial model
The SIBTF is funded through assessments on workers' compensation premiums or covered payroll for self-insured employers. All employers contribute at the same flat rate based on their total insurance premium.

Between 2011 and 2024, assessments have increased by 800% to cover rising costs of the SIBTF, from 0.17 cents to 1.60 cents per $100 of premiums.

Case management model and team structure
The SIBTF Claims Unit within DWC manages claims for the SIBTF. In 2023, there were 24 claims examiners within the SIBTF Claims Unit.

Performance measurement
The DWC conducts audits of claims administrators to review compliance with the Labor Code. Additionally, DIR works with program managers and Division Risk Liaisons to review their program areas to identify risks. These risks are reported to the DIR Director and Chief Deputy Director on a bi-weekly basis.

In 2024, DIR contracted RAND to develop a report on the SIBTF, focusing on cases from 2010-2022. Some of the key findings from the analysis included the volume of SIBTF applications had nearly tripled since 2015, cases granted has increased, and estimated liabilities for resolved and pending cases was approximately $7.9 billion. Additionally, the RAND report found that certain conditions, such as diabetes and obesity are classified as permanent partial disabilities by the SIBTF, whereas they are generally not categorized as permanent partial disabilities for other workers' compensation claims.

The RAND report lists several options for restructuring the program. Some examples include:

- Amending the statute to narrow the definition of pre-existing permanent partial disabilities;
- Requiring a qualified medical evaluator (QME) to evaluate cases;
- Adopting a statute of limitations requiring applications to be filed within a certain threshold of time after the injury; and
- Establishing a cap for the benefits paid by the SIBTF.

Training, onboarding and professional development
DWC provides online educational courses for all parties within the workers' compensation system in California, such as case managers, claims administrators, and attorneys. Courses include:

- Medical Treatment Utilization Schedule;
- Evaluating California's Injured Workers: Qualified Medical Evaluators (QME)s; and

- Medical Legal Report Writing.

Courses qualify for various educational credits, such as the CME, QME, and MCLE.

Organizational highlights

Following the 2024 RAND report, California has worked towards reforms for the SIBTF. For example, Assembly Bill 1329 was proposed, which would change the SIBTF to the Second-Chance Employer's Risk Reduction Trust Fund. The Bill aimed to introduce amendments to the SIBTF, including but not limited to:

- Strengthening the evidence required to confirm the existence of a pre-existing disability, such as requiring medical records;
- Requiring claims to be filed within five years of the injury or within one year of a WCAB decision on PD; and
- Requiring that medical evidence be provided by medical evaluators who are approved by a designated panel.

In October 2025, the Bill was vetoed by the California Governor. While the Governor highlighted the importance of certain provisions, such as the statute of limitations, it was determined that more comprehensive SIBTF reforms are required and will be considered in 2026.

Additionally, the SIBTF is designed to provide financial supports to the injured worker directly, rather than providing financial incentives to employers to support return to work. As such, workers must apply for the SIBTF directly, rather than employers.

Documentation reviewed

AB 1329 Aims to Stabilize SIBTF with Eligibility and Oversight Reforms *– accessed October 2025*
Active State Employees by Department/Facility *– accessed November 2025*
Bill Text: CA AB1329 | 2025-2026| Regular Session | Amended *– accessed October 2025*
California governor orders reform plan for second-injury fund *– accessed October 2025*
California Law – Labor Code – LAB *– accessed November 2025*
California's Subsequent Injuries Benefits Trust Fund – Recent Trends ad Policy Considerations *– accessed October 2025*
Department of Industrial Relations 2023 Leadership Accountability Report Draft *– accessed November 2025*
Department of Industrial Relations – About Us *– accessed November 2025*
Divisions, Boards and Commissions at DIR *– accessed November 2025*
Division of Workers' Compensation *– accessed November 2025*

Division of Workers' Compensation – Workers' Compensation Appeals Board Policy and Procedure Manual 2013 Revision *– accessed November 2025*
Refocusing the Workers' Compensation Subsequent Injury Program *– accessed October 2025*
Uninsured Employers Benefits Trust Fund (UEBTF) & Subsequent Injuries Benefits Trust Fund (SIBTF) *– accessed November 2025*
Workers' Compensation Community Education *– accessed November 2025*

WorkSafe Victoria

Background

WorkSafe Victoria (WorkSafe) regulates workplace health and safety in Victoria, Australia and provides workplace injury insurance. WorkSafe does not have a cost relief program to incentivize employers to hire workers with pre-existing conditions. However, WorkSafe provides other methods for encouraging return to work through employer incentives. For example, WorkSafe has a WorkSafe Incentive Scheme for Employers (WISE) Program that provides monetary incentives to employers who hire injured workers who are unable to return to work with their previous employer.

Additionally, WorkSafe's Return to Work Innovations division introduced a Recovery Through Work Grant, which provides funding for innovative return-to-work projects. The theme of recovering through work is WorkSafe's initiative to helping workers recover while staying connected to their workplace, either through maintaining contact to coworkers or recovering at the workplace through job modifications. The theme stems from research on the benefits of staying connecting to work during recovery, including benefits to an injured worker's sense of purpose and community.

Mandate and policies

WorkSafe's obligations are governed by several Acts, including but not limited to the Accident Compensation Act 1985, the Accident Compensation (Occupational Health and Safety) Act 1996, and the Workplace Injury Rehabilitation and Compensation Act 2013.

WorkSafe provides the following programs to support return-to-work outcomes:

- The **Recovery Through Work Grant**, which supports worker recovery by funding innovations that keep workers connected to work during recovery and helps workers return to meaningful work; and
- The **WISE Program**, which facilitates the hiring of injured workers who are unable to return to work with their previous employer by offering monetary incentives to new employers who hire them.

Service delivery model

<u>The Recovery Through Work Grant</u>

Applicants can apply for the Recovery Through Work Grant online. Along with their proposal, applicants must submit:

- Evidence that supports the proposed project;
- Proposed budget, with approximately 10% of the budget allocated towards monitoring and evaluation and 5% or less allocated to administration costs;
- Quotes for purchases that will exceed $5,000; and

- A Letter of Expression of Interest from a partnering organization for the project, if applicable.

Applicants must also maintain the insurance required for the proposed project.

Applicants are assessed based on several aspects of their proposal. Examples of elements that are evaluated include:

- The approach to the project;
- The evidence of the problem the project will solve;
- The organization's qualifications to deliver the project; and
- The feasibility of the project's projected timeline.

The Recovery Through Work Grant provides the following services:

- Funding grants to fund the project, up to $500,000.

The WISE Program

The WISE Program process starts when an injured worker is ready to return to work. The injured worker's WorkSafe agent shares information on the WISE Program and supports the worker in connecting with an occupational rehabilitation (OR) provider.

The OR provider supports the worker to search for new suitable employment. When a potentially suitable employer is found, the OR provider contacts the employer to share information about the WISE program.

If the employer hires the worker, the OR provider visits the worksite to assess whether the worker will have suitable modifications. If deemed suitable, the OR provider supports the employer in completing and sending the WISE payment form to the worker's WorkSafe agent.

Employers may also proactively seek workers through the WISE Program. Employers may have their job posting posted at the WISE employment centre or at other employment sites.

The WISE Program provides the following services:

- Compensation based on the gross wages paid to the worker, up to $26,000 across six months:
- Payment of a fixed $2,000 on week 1;
- Payment of 45% of the gross wages paid to the worker, up to $12,000 for weeks 1-13;
- Payment of 45% of the gross wages paid to the worker, up to $12,000 for weeks 14-26; and

- No change to the employer's premium if the WISE employee experiences a new injury in the first two years of employment. If the employee's injury is related to the original claim, the previous employer is responsible for the costs.

In Fiscal Year 2024-25, 388 workers were supported through the WISE Program.

Threshold and eligibility criteria

The Recovery Through Work Grant

The Recovery Through Work Grant requires the following to be eligible:

- Projects must be completed within two years of receiving a funding agreement;
- Projects must support worker recovery within the State of Victoria during the first 52 weeks after a physical workplace injury;
- Projects must align with the specific area of focus or industry designated by the grant for the current funding period;
- Applicants must implement the project in the State of Victoria within their workplace or their partnering organization's workplace;
- Applicants must be registered for GST; and
- Applicants must have an active ABN.

For the funding round available in 2025, applicants were required to be construction, manufacturing, transport, postal or warehousing organizations.

The WISE Program

The WISE Program requires the following to be eligible:

- The employee must be approved for return to work by their healthcare provider;
- The employment must be deemed suitable for the employee;
- The employer must have WorkCover Insurance; and
- The employment is for at least eight hours a week in an ongoing position.

Certain employers are not eligible for the WISE Program, including labour hire companies, employment agencies, or training organizations that place employees into another workplace.

Financial model

Employers with insurance coverage pay a percentage of their total employee remuneration to WorkSafe to fund WorkSafe benefits. The Recovery Through Work Grant Program is funded by a $50 million investment made to support injured workers to return to work.

Case management model and team structure
Workers' compensation claims are managed by WorkSafe agents. WorkSafe agents support the claims process and return-to-work planning. For the WISE Program, WorkSafe agents may approve an OR provider to support the worker and employer progress through the program. OR providers are independent of WorkSafe.

Performance measurement
WorkSafe conducts reviews of WorkSafe agent decisions, including initial decisions and medical decisions. WorkSafe reviews a selection of decisions monthly to assess decision quality. Feedback is provided to WorkSafe agents for improvement. In 2024-25, WorkSafe reviewed2,428 decisions.

WorkSafe agents are also assessed on the percentage of injured workers who returned to work within six months, one year, and two years.

Training, onboarding and professional development
Training, onboarding, and professional development not publicly available.

Organizational highlights
WorkSafe considers the impact of a mental injury on return to work. WorkSafe leverages a two-step process for responding to potential secondary mental injuries, which includes gathering information through discussions with the worker's healthcare professionals and personal supports, and determining the appropriate support network for the worker.

<u>The Recovery Through Work Grant</u>
WorkSafe has a division called Return to Work Innovations. Return to Work Innovations was established in 2024 to encourage innovation in return-to-work outcomes through funding grants, supporting organizations to pilot new innovations, and funding projects that support a worker's recovery experience.

The Return to Work Innovations division has invested $50 million over three years to fund innovations in return to work. This includes but is not limited to funding for the current round of the Recovery Through Work Grant.

<u>The WISE Program</u>
As part of the WISE Program, the OR provider will maintain contact with the injured worker and the employer during the first 13 weeks of the worker's employment. During this time, the OR provider provides as-needed support, including answering questions and helping the employer submit the form to receive their first payment from the WISE

Program. Once the 13 weeks have passed, the employer directly works with a WorkSafe agent to receive the remaining payment from the WISE Program.
Payment from the WISE Program is staggered and provided when the worker has been employed with the new employer for certain periods of time. This includes an initial payment, payment after 13 weeks of employment, and payment after 26 weeks of employment.

Documentation reviewed

Occupational rehabilitation provider: Return to work roles *– accessed November 2025*
Responding to potential secondary mental-injury fact sheet *– accessed November 2025*
Return to Work Innovations *– accessed November 2025*
Return to Work Innovations – Blazing new trails for worker recovery *– accessed October 2025*
Return to Work Innovations – Grants *– accessed November 2025*
Return to Work Innovations – Grant Guidelines *– accessed October 2025*
What is a WorkSafe agent? *– accessed November 2025*
WISE – Getting back to work the WISE way *– accessed November 2025*
WISE – Helping injured people return to work with a new employer *– accessed November 2025*
WorkSafe Annual Report 2024-25 *– accessed November 2025*
WorkSafe Incentive Scheme for Employers (WISE) *– accessed November 2025*

ReturnToWorkSA

Background

ReturnToWorkSA (RTWSA) provides work injury insurance and regulates the Return to Work scheme in South Australia. The Return to Work scheme aims to support workers to recover from a workplace injury, return to work, or live independently if they are unable to return to work.

RTWSA provides insurance for more than 63,000 businesses in South Australia, protecting approximately 640,000 workers. RTWSA does not manage claims, with the exception of catastrophic injuries. All other claims are managed by claims administrators, such as Employers MutualSA Pty Ltd and Gallagher Bassett Services Pty Ltd.

RTWSA is funded by employer premiums and investment returns. RTWSA does not have a cost relief program to encourage employers to hire workers with injuries but offers other incentives to employers to reduce employment barriers and encourage return to work, such as incentives through the Re-employment Incentive Scheme for Employers (RISE) Program.

Mandate and policies

RTWSA was established by the Return to Work Corporation of South Australia Act 1994. RTWSA administers the Return to Work Act 2014,which provides a framework for RTWSA to support injured workers to recover and return to work. Additional information on the Act is found within the Return to Work Regulations 2015.

RTWSA offers support services to encourage employers to support return to work, including:

- **The RISE Program**, established in 2016, which incentivizes employers to hire injured workers who are unable to return to their previous employer through benefits such as wage subsidies.

Note: in recent years, administration of the RISE Program has transitioned from RTWSA to claims agents. RTWSA is involved on an ad-hoc basis, initiated by the claims agents.

Service delivery model

Employers can initiate access to the RISE Program by contacting their claims agent. The employer must complete the job vacancy information and approval form, outlining details of the vacant job.

The form is reviewed by the claims agent to determine the suitability of the job for a RISE employee. The claims agent decision is shared with the employer.

The claims agent will support in identifying a RISE employee for the job. Once a potential worker is identified, the claims manager informs the injured worker and verifies that the worker has received approval from their healthcare provider before the worker proceeds with the job application.

Once hired, the employer must submit the RISE wage reimbursement request form on a regular cadence, either weekly, biweekly, or monthly.

The RISE Program provides the following services:

- Reimbursement for the workers gross wages, up to 100% for the first four weeks, and up to 50% for the following 22 weeks;
- Reimbursement for reasonable expenses for workplace modifications or equipment; and
- Transition support from a claims manager.

In fiscal year 2024–25, 24 applications were approved.

Threshold and eligibility criteria

The RISE Program requires the following to be eligible:

- Employers must be either:
    - Registered with RTWSA and pay premium payments, unless the employer is not required to be registered per Division 1 of the Return to Work Act;
    - A South Australia self-insured employer;
    - A South Australia Government agency; or
        - An interstate employer registered with the relevant Workers Compensation Authority.
- The job may not be for:
    - A sub-contract;
    - A Director or Board member;
    - Self-employment;
    - A fully commission-based role;
    - Unethical employment; or
    - Share-based arrangements.

Employers may not be eligible for the RISE Program if the employer:

- Has a poor record with RTWSA;
- Has employees within their organization that are suitable for the job;
- Has a personal relationship with the RISE employee; or
- Is the pre-injury employer.

Financial model
RTWSA is funded by employer premiums and investment returns on their funds. Premiums are based on a percentage of the remuneration an employer pays to their employees. In fiscal year 2024-25, the average premium rate was 1.85%.

Case management model and team structure
The RISE Program is administered by the claims agents. Claims agents are responsible for communicating the RISE Program to employers and supporting employers through the process.

Return to work and job placement service providers are leveraged to support the return-to-work process. Return to work and job placement service providers use their networks to support injured workers to find employment opportunities.

Performance measurement
RTWSA reports on annual statistics of the scheme, including the number of claims that have fully returned to work, partially returned to work, or not returned to work at key milestone weeks. The statistics are reported in a dashboard and publicly available.

Additionally, RTWSA leverages a Performance Monitoring Framework for return to work and job placement service providers. The objective of this framework is to monitor each provider's service outcomes. RTWSA has a performance dashboard that service providers can access to see information on their performance. RTWSA uses the information on the dashboard to monitor:

- Costs of services;
- Duration of services;
- Return-to-work outcomes; and
- Increases in capacity for injured workers.

The dashboard is updated daily and includes information on referrals closed by service provides since fiscal year 2021. It is accessible to providers securely on the RTWSA's online service portal.

In addition to quantitative measures, RTWSA may ask service providers to submit an attestation of their compliance with RTWSA's Conditions of Approval. RTWSA may also conduct audits of a service provider's files.

Training, onboarding and professional development
Training on administering the RISE Program is complete in-house by the claims agents.

Employers are required to have a Return to Work Coordinator if they have 30 or more employees for over three months. Return to Work Coordinators are required to complete certification training by an approved provider. The training covers topics such as the Return to Work scheme and the responsibilities of a Return to Work Coordinator. Once training is complete, proof of completion must be provided to RTWSA.

Additionally, RTWSA provides all certified Return to Work Coordinators with a free subscription to the Return to Work Matters website, which has several learning and support resources. In fiscal year 2024-25, 755 new Return to Work Coordinators were certified.

Organizational highlights

RTWSA has 170 mobile claims staff who provide support to injured workers and employers, focusing on enhancing engagement and providing personalized support. In fiscal year 2024-25, the mobile claims staff conducted 25,286 face-to-face visits.

RTWSA leverages a dashboard to monitor performance of return to work and job placement service providers. The dashboard includes information on the provider's return-to-work outcomes, cost of services, and duration of services.

RTWSA offers the RISE Program, which incentivizes employers to hire injured workers who are unable to return to their previous employer through benefits such as wage subsidies and reimbursement for eligible expenses for workplace modifications or equipment. In recent years, administration of the RISE program has transitioned from RTWSA to claims agents.

RTWSA offers a ReCONNECT service, which supports injured workers to understand and access available supports. Through Reconnect, injured workers may be connected to additional employment organizations outside of the organizations on the approved list of job placement service providers.

One job placement service provider, in collaboration with RTWSA, has implemented an Employer Training Incentive Program. The program allows the job placement service provider to seek out employers for injured workers who require new employment. To be eligible, the employer must demonstrate a genuine commitment to employing the worker ongoing. The employer receives payment to provide the injured worker with 50 hours of supervised training prior to offering employment. Following training, the employer is expected to hire the injured worker, unless the employer's financial circumstances significantly change, or the injured worker did not meet the necessary performance standards during training. Upon the completion of the Employer Training Incentive Program, the employer receives the benefits of the RISE Program, including

wage reimbursement and reimbursement for reasonable workplace modifications or additional training for the injured worker.

Documentation reviewed

Legislation *– accessed November 2025*
Performance Monitoring Framework – Return to Work Service Providers Job Placement Providers *– accessed November 2025*
ReCONNECT: available at any stage during your claim *– accessed December 2025*
Re-employment incentive scheme for employers (RISE) *– accessed November 2025*
Re-employment incentive scheme for employers (RISE) job vacancy information and approval form *– accessed November 2025*
Reporting for return to work service providers *– accessed November 2025*
ReturnToWorkSA *– accessed November 2025*
ReturnToWorkSA Statistics 2024 *– accessed November 2025*
Return to Work Coordinators *– accessed November 2025*
Return to Work Coordinator certification training *– accessed November 2025*
RISE Re-employment incentive scheme for employers – Information for employers *– accessed November 2025*
Tools and resources *– accessed November 2025*
2024–25 Annual Report *– accessed November 2025*

Appendix D: Documentation Reviewed

The following documentation provided by WSIB was reviewed for the purposes of this VFMA:

1. Overview of High Claimant Employers and Industry Trends
2. Appeal Objecting Party Entity Categorization
3. Appeals SIEF Issues 2018-2024
4. KPI Information
5. SIEF Analysis Update March 2025 (Part One)
6. SIEF Analysis Update May 2025 (Part Two)
7. SIEF Analysis Raw Data Mar 2025 – Anonymized (WSIB code)
8. Top 100 Employers with SIEF
9. Briefing note: Second Injury and Enhancement Fund (SIEF) Background
10. Rate Framework Modernization, 2016
11. Second Injury and Enhancement Fund (SIEF), SIEF Review – Report back
12. WSIB Briefing Note Operational Policy Branch – Second Injury and Enhancement Fund & Rate Framework
13. Access 10-E ISS – Notification and File to Worker
14. Access 11-E ISS – Notification to Employer
15. Employer Rep Request Example page 1
16. Employer Rep Request Example page 2
17. Employer Example page 2
18. Employer ARF Form
19. SIEF Analysis Update Mar 2025 (Part 1) Benefit Cost
20. SIEF Analysis Update Mar 2025 (Part 1) Data
21. SIEF Analysis Update Mar 2025 (Part 1) Firm Size
22. SIEF Analysis Update Mar 2025 (Part 2) Data
23. Copy of SIEF Queue – 19Nov2025 – Redacted
24. PEI's Jurisdictional Scan – Cost Relief (December 2024)
25. SIEF Screenshot RFM Claim Statement
26. Access referrals: disclosure of claim file information
27. Assessing Non-Relevant Medical Information in Psychotraumatic Disability and Chronic Pain Disability (CPD) Claims
28. Assessing non-relevant medical information
29. Employer issue (Access)
30. Objection to the release of health care information (section 59)
31. Board Minute – Reform of the Second Injury and Enhancement Fund – Options paper
32. Discussion Paper – The Application of the Second Injury and Enhancement Fund
33. Recommendations for Experience Rating, Morneau Sobeco, 2008

34. Funding Fairness – A Report on Ontario's Workplace Safety and Insurance System, Harry Arthurs, 2012
35. Pricing Fairness: A Deliverable Framework for Fairly Allocating WSIB Insurance Costs – Douglas Stanley, 2014
36. Rate Framework Reform Paper 3: The Proposed Preliminary Framework, 2015
37. Operational Policy 14-05-03 Second Injury and Enhancement Fund (SIEF)
38. Operational Policy 14-05-04 SIEF Application to NEL, FEL, and LOE Benefits
39. WSIB Adjudication & Claims Administration (ACA) Program Value for Money Audit Report, 2010
40. Follow-up Questions & Information Requests to Funding Review Technical Sessions
41. WSIB Briefing Note Operational Policy Branch – Insurance Journal Article – Second Injury Funds: Are They Still Necessary or Just a DrainOn the System?
42. Second Injury Funds: Are They Still Necessary or Just a Drain On the System?
43. Rate Framework Consultation October 2015 – Stakeholder Submissions
44. Summary of SIEF Comments from RFM Stakeholder Feedback (2015)
45. Second Injury and Enhancement Fund (SIEF) click document
46. Second Injury and Enhancement Fund (SIEF) for Noise-Induced Hearing Loss (NIHL) claims
47. SIEF Sample Memo – ARF – Decision Overturned
48. SIEF Sample Memo – ARF – Denial Upheld
49. Reconsideration Process – Frequently Asked Questions (FAQ)
50. SIEF Decision Memo – New Format with Explanations
51. SIEF New Memo Format Review Session
52. SIEF Considerations Document – Developed by Appeals Services Division, July 2022
53. SIEF Decision Assist Tool – Developed by Appeals Services Division, February 2022
54. SIEF Important Info to Remember (Employee Developed Resource)
55. SIEF Policy Overview – Developed by Appeals Services Division (ASD)
56. Applications for relief from the Second Injury and Enhancement Fund (SIEF) – Training presentation for Case Managers joining the SIEF Team, August 2025
57. SIEF Training Exercise #1 – Determining Severity of Accident
58. SIEF Training (Old but rebranded).pptx
59. SIEF Training – New Memo Format Review (Old branding)pptx
60. 2.3.3 Entitlement – Make Secondary Entitlement Decisions – Make SIEF decision
61. Job Description Case Manager, Operations
62. Click document Access referrals disclosure of claim file information.pdf
63. Click document assessing non relevant medical information in psych disability and CPB claims (1).pdf
64. Click document Assessing non relevant medical information.pdf

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68. 1945-08013 Board Minute.pdf
69. 1945-12-27 Board Minute.pdf
70. 1946-04-23 Board Minute.pdf
71. 1953-06-03 Board Minute.pdf
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80. History of SIEF.docx
81. SIEF Allowance – Pre new template decision letter (pdf).pdf
82. SEIF Allowance – Pre new template decision memo (pdf).pdf
83. SIEF Denial – Pre new template decision memo (pdf).pdf
84. SIEF Denial Memo – Pre new template decision memo (pdf).pdf
85. SIEF Example 1 – Employer Request via Letter.pdf
86. SIEF Example 1 – Referral Memo.pdf
87. SIEF Example 2 – Employer Request via Letter.pdf
88. SIEF Example 3 - Employer Request via Letter.pdf
89. SIEF Example 4 – Employer Request via Form 7.pdf
90. SIEF Example 4 – Referral Memo.pdf
91. SIEF_Analysis_Raw_Data_Dec2_2025_Request.xlsx

Data analysis limitations and considerations

Data analysis of raw data provided by the WSIB was completed to understand trends of the SIEF program and potential impact of the SIEF on employer cost relief.

Any insights presented in this report should be interpreted with discretion. The findings are intended to highlight observable trends within the data provided; however, further validation and more comprehensive data analysis will be required to draw more detailed findings. The purpose of sharing these preliminary insights is to provide an initial understanding of the trends identified, while acknowledging that additional, robust data would be necessary for a more complete and accurate analysis.

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