2024 ANNUAL REPORT

Workers Compensation Board of Manitoba

LETTER TO THE MINISTER

Honourable Malaya Marcelino
Minister of Labour and Immigration
Room 156, Legislative Building
450 Broadway, Winnipeg MB R3C 0V8

Dear Minister Marcelino:

We are pleased to present our 2024 Annual Report and Five Year Plan in accordance with the provisions of *The Workers Compensation Act*. This report covers the twelve-month period from January 1 to December 31, 2024. It includes the statements of accounts required to be kept under the Act.

Respectfully submitted,

Colin S. Robinson
Chair

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ABOUT

The Workers Compensation Board of Manitoba (WCB) is a statutory corporation providing a workplace injury and disability insurance system for workers and employers.

Funded collectively by employers, the WCB promotes safe and healthy workplaces, facilitates recovery and return to work, delivers compassionate and supportive compensation services to workers and employers and ensures responsible stewardship of Manitoba's workers compensation system.

Services and benefits for injured workers

If people are injured or become ill as a result of their work, the WCB is here to help. We offer a wide range of services to assist injured workers and to help facilitate safe and suitable return to work. Some of the benefits we offer include:

- replacement of lost income
- payments for healthcare treatments and medication
- employment retraining
- lump sum payments for permanent impairments
- financial support for partners and children in the event of a workplace fatality

As part of the WCB's commitment to trusted service and fair processes, injured workers, their dependents and employers may contact the Fair Practices Office (FPO). The FPO is the internal ombudsman that works to ensure fair practices at the WCB. More information is available on our website: **wcb.mb.ca/contact/fair-practices-office**.

MESSAGE FROM THE CHAIR

The WCB proudly supports Manitoba's workers and employers with a reliable insurance system that plays a vital role in our province's economy.

As Manitoba continues to change, we remain committed to adapting our processes and enhancing our customer service. We're optimistic about the future of the WCB and fostering a strong and resilient workers compensation system.

The WCB made significant progress in the first year of its five-year strategic framework. The 2024-2028 strategic framework includes a new pillar, Secure the System for Tomorrow, which aims at keeping Manitoba's workers compensation system stable for years to come. WCB's strategy is also focused on delivering trusted service, as we continue to work and build relationships with workers and employers.

In 2024, the Board of Directors developed and approved new policies on accessibility, compliance and enforcement, conflicting medical opinions and support for daily living. These policies help the WCB deliver fair, clear and consistent service in Manitoba.

Building on the Occupational Disease Regulation, which was introduced in 2023, the Board added six diseases to the schedule. In addition, the Board approved funding to the MFL Occupational Health Centre to support research into work-related diseases. This research is an essential contribution to our vision of a safer Manitoba that fosters prevention and ensures a system that supports an evolving workforce.

This year the Board of Directors said farewell and thank you to Ranbir Dhillon, Randal Smith and Sylvia Farley. We welcomed three new members: Marie Buchan (workers), Louise Rowlands (public interest) and Louise Simbandumwe (public interest).

The Board was also pleased to appoint Catherine Skinner as President and CEO. After a successful ten years at the WCB, five of which she served as the Vice President of Legal, Compliance and Corporate Services, she brings a level of experience and insight that will serve the organization well. Cathy demonstrates passion and dedication for the work we do at WCB and shares our vision to bring the WCB into the future.

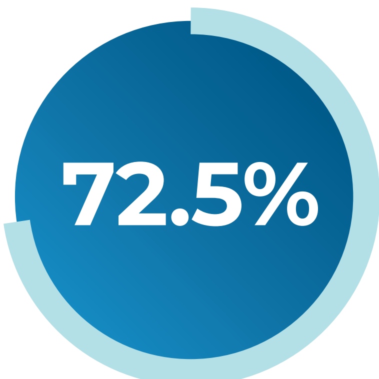
I would like to express my sincere thanks to our previous Chair, Michael Werier, for his dedicated service and valuable contributions to the Board. I am truly grateful for his leadership, vision and commitment during his tenure. His guidance has played a key role in advancing our mission, and we deeply appreciate the time and energy he invested in our collective success.

Lastly, I'd like to thank to the leadership team for their support as I assume the role of Chair. I look forward to collaborating with stakeholders as we continue to enhance the quality and integrity of the services we deliver.

Colin S. Robinson
Chair

Our customers

Percentage of workforce covered



Registered employers

40,058

MESSAGE FROM THE PRESIDENT AND CEO

2024 was a year of change as we welcomed Colin S. Robinson as our incoming Chair and I accepted the role of President and CEO on a permanent basis.

Many thanks to our Board of Directors for their support throughout this transition, and to WCB employees for trusting Colin and me as we step into our respective roles.

At the WCB, our success is our people. 2024 was a year for resetting our relationships and growing our people through learning and development.

To meet the changing needs of our customers, we recommitted to progressive modernization by updating our systems and building organizational capacity. The next phase will secure the system for tomorrow so that we can continue supporting the Manitobans we serve.

WCB employees continue to excel with record setting results in customer satisfaction surveys, creative and impactful policies and initiatives, sound financial management and unflagging dedication to Manitoba's workers and employers.

2024 was a year of many notable milestones. It marked the first anniversary of the SAFE Work Manitoba Training Portal, where workers and employers can find industry-focused safety training modules. The sold-out Committee Leadership Conference celebrated 10 years of bringing safety and health workshops to safety and health committee leaders.

We also introduced a new industry-based safety partner, the Manitoba Association for Safety in Healthcare (MASH), to support healthcare workers and to provide health and safety resources to members. And finally, we saw more employers become SAFE Work Certified and many others beginning the journey to certification.

We are on the right track at the WCB and it's all thanks to our people who go above and beyond to support each other and the community we serve.

Catherine Skinner
President and CEO

OUR BOARD OF DIRECTORS AND BOARD COMMITTEES

As stewards of the accident fund, the Board of Directors plans for the future of the workers compensation system. The Board of Directors sets the WCB's strategic direction and creates policies about compensation, rehabilitation, assessment, prevention and the investment of system funds. Additionally, the Board monitors progress within these critical areas.

By statute, the Board of Directors consists of 10 members appointed by the Government of Manitoba with consultation from employers, workers and the public. The multilateral representation includes a neutral Chair, three representatives of workers, three representatives of employers and three representatives of the public interest. The President and CEO is a non-voting member of the Board of Directors.

Chair
Colin S. Robinson

President and CEO
Catherine Skinner

Representatives of workers
Jean-Guy Bourgeois
Marie Buchan
Marc Lafond

Representatives of employers
Ron Koslowsky
Chris Lorenc
Yvette Milner

Representatives of the public interest
Louise Rowlands
Glenn Hildebrand
Louise Simbandumwe

COMMITTEES

Audit Committee
Yvette Milner, Marie Buchan, Louise Rowlands, Doug Einarson*

Investment Committee
Ron Koslowsky, Louise Simbandumwe, Marc Lafond, Brett Becker*, Michael Kurtas*, Nestor Theodorou*

Finance Committee
Ron Koslowsky, Louise Simbandumwe, Marc Lafond

Governance Committee
Jean-Guy Bourgeois, Glenn Hildebrand, Chris Lorenc

Digital Modernization Oversight Committee
Glenn Hildebrand, Marie Buchan, Chris Lorenc, Scott Greenlay*, Kyle Ross*, Michael Anderson*

*external committee member

The Chair and the President and CEO are also members of all committees. For a description of the responsibilities of each committee, see the Terms of Reference available on our website: **wcb.mb.ca/board-governance-and-executive**.

OUR LEADERS

EXECUTIVE MANAGEMENT COMMITTEE

Our Executive Management Committee oversees the strategic direction of the WCB and leads our diverse group of employees who fulfill the WCB's vision for *A safer Manitoba that fosters prevention and return to work.*

President and CEO
Catherine Skinner

Vice President, Legal, Compliance and Corporate Services
Brad Janzen

Vice President, Government Relations, Corporate Communications and Records Management
Candace Crossland

Vice President, SAFE Work Manitoba
Dave Kramer

Vice President and Chief Financial Officer
Leslie Anne Hurley

Vice President, Human Resources
Merrilee Allan

Vice President, Compensation Services
Nancy Harley

Vice President, Strategy, Innovation and Analytics
Renzo Borgesa

Vice President and Chief Technology Officer
Vince Jordan

OUR VISION

A safer Manitoba that fosters prevention and return to work.

OUR MISSION

We provide our customers with valued services for insurance, prevention, compensation and return to work, while maintaining the integrity of the system.

OUR VALUES

Integrity: We treat our stakeholders fairly and honestly, while being accountable and transparent.

Caring: We understand the unique needs of our customers and treat them with compassion, dignity and respect.

Innovation: We continuously strive to make our systems more responsive, efficient and effective.

Collaboration: We work together with our stakeholders to achieve our vision.

OUR STRATEGIC PRIORITIES

Create a SAFE Work Culture: Reduce the number and severity of injuries.

Enable Successful Return to Work: Reduce days lost and improve the return to work experience.

Deliver Trusted Service: Provide service that is fair, clear, consistent and effective.

Grow Our People: Attract, retain and develop our people to align with our evolving needs.

Secure the System for Tomorrow: Ensure financial stability and prepare our systems for change and modernization.

CREATE A SAFE WORK CULTURE

When a workplace prioritizes health and safety, employees are afforded the opportunity to thrive under a collective commitment to preventing injury and illness. These principles that support effective programs are allowing Manitobans to foster a culture of safety and health for generations to come.

Part of developing a safe work culture involves cultivating an environment where employees feel safe, valued and empowered to do their work.

Training and awareness play an important role in that empowerment; therefore, in 2024, we expanded access to quality, high-calibre training offered by industry-based safety programs (IBSPs) and trusted training providers.

The SAFE Work Manitoba Training Portal saw a notable rise in learners who participated in endorsed training, with over 5,300 Manitobans pursuing advanced knowledge with courses that had an established training standard. Additionally, expanded access to the Young Worker Readiness Certificate has prepared more young individuals to enter the workforce effectively and safely. New training resources have been developed to simplify complex information, allowing easier implementation of safe practices by organizational leaders within their respective workplaces.

Prevention activities are a vital part of the WCB's mandate and form a vital foundation for our efforts to promote long-term safety and well-being.

We continued to bring valuable education to health and safety representatives across the province at the 10th annual Committee Leadership Conference. Six hundred and fifty participants attended the sold-out event, which featured workshops on dealing with aggressive behaviour, managing mental health, occupational hygiene and more. Survey results showed the event continues to be an industry favourite, with the conference's value and the value of registration fees being ranked as excellent.

The WCB has maintained a strong focus on the healthcare sector. The proactive leadership of the Manitoba Association for Safety in Healthcare (MASH) Board of Directors and healthcare industry partners accelerated the implementation of the industry-based safety program, which culminated in reduced lost-time injury rates in 2024, compared to 2023, marking a significant achievement in recent history. A strategic initiative developed in collaboration with MASH and an urban hospital facility specifically targeted musculoskeletal injuries through enhanced safe patient handling training and increasing routine audits. The initiative aimed to reduce injury rates among healthcare workers.

Time loss injury rate

(per 100 full time workers)

TARGET
2.5
or less

2024
2.6

All injury rate

(per 100 full time workers)

TARGET
4.8
or less

2024
4.9

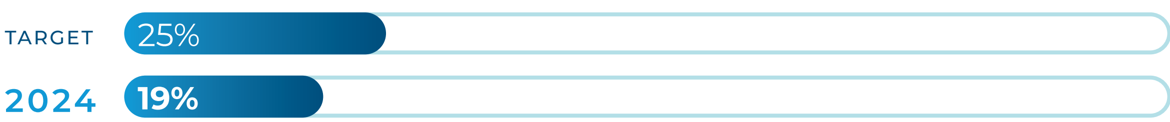
A culture of safety must be both inclusive and accessible. In this regard, we have identified new workers, particularly those under the age of 19, newcomers to Canada and workers new to their job, as populations at a higher risk to workplace injuries. Targeted resources have been created for these groups to equip them with essential tools for workplace safety so they are informed of their rights and responsibilities as workers.

The WCB recognizes that physical safety represents merely one facet of overall well-being. As the incidence of psychological injuries continues to increase, there is a growing need for psychological health and safety supports across all industries. By investing in training and resources for employers and incorporating psychological injury tools, templates and case studies into discussions, the WCB is preparing employers to address this emerging trend.

The WCB is committed to long-term positive outcomes by cultivating productive stakeholder relationships. Regular collaboration with industry-based safety partners and labour, event participation and consultations with system-impact employers remained pivotal. Focusing on system-impact employers is crucial. This cohort, comprising nine organizations, accounts for 25 per cent of costs within the WCB system. Maintaining an ongoing relationship with stakeholders will enable us to play a vital role in supporting these large-scale employers.

Looking ahead, the WCB will continue to integrate prevention and return to work processes to create a more streamlined approach. We will continue to collaborate with employers to prepare them for responding to injuries and to develop effective injury prevention strategies.

WCB-covered payroll that is SAFE Work Certified



Percentage of WCB-covered payroll that is served by an Industry-Based Safety Program

ENABLE SUCCESSFUL RETURN TO WORK

Enabling successful return to work requires a multifaceted approach that necessitates active stakeholder engagement.

Through enhanced promotion of our workshops, education targeted at employers, workers and healthcare providers and collaborative efforts among industry partners, the WCB continues to foster an understanding of the benefits of return to work and continuously strives to improve the return to work experience.

Two workshops were expanded and improved in 2024, designed to educate stakeholders and garner support for our successful return work programs. The WCB Basics and Return to Work workshops were made available both in-person and virtually to accommodate the diverse needs of employers. The updated content emphasized the numerous advantages associated with safe and suitable return to work practices, and increased outreach meant that a larger number of employers learned about the benefits of enabling return to work processes.

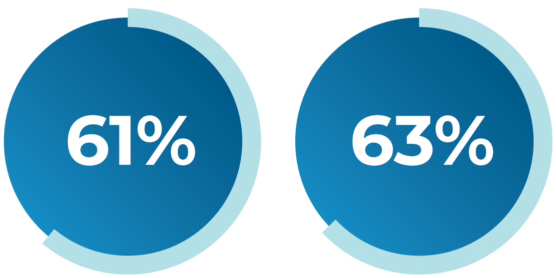
Consequently, there was a notable 23 per cent increase in attendance at the Return to Work workshop, with many registrants attending after completing the WCB Basics workshop. Employers acknowledge the importance of safe work, leading several to implement resources dedicated to Return to Work within their organization. The WCB successfully onboarded these coordinators, facilitated their participation in workshops, provided ongoing support and maintained regular communication to ensure sustained engagement.

The WCB Healthcare services team continued to engage with the medical community with consistent outreach and presentations. The goal of the presentations was to provide familiarity with the WCB so healthcare providers understand their role in managing work-related injuries and assessing workers' functional abilities. Notably, we have started to make gains with providers in the psychology and psychiatry community to deepen their understanding and the impact they can have in recovery and return to work in a workplace psychological injury.

The pilot program for the Worker Care Clinic continued to deliver prompt, efficient and accessible care in 2024. Injured workers received treatment more expediently and benefited from services not typically available at a family practitioner's office, such as x-rays, casting and stitches.

The WCB is currently evaluating workers' and employers' experiences with the Worker Care Clinic model as we look toward 2025 for additional opportunities for provider partnerships, improving the recovery and return to work experience.

Employers with return to work programs



With short-term claims

With case management

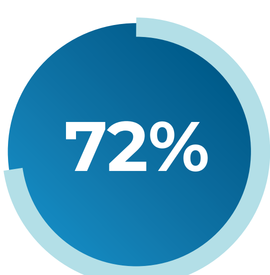
We conducted advertising campaigns throughout the year to increase awareness about the benefits of returning to work and recovery. One of these campaigns focused on psychological injuries, raising awareness about coverage for these types of injuries. The campaigns targeted workers and employers across the province and utilized various mediums such as digital, print and social media. Injured workers also continued to receive emails containing resources and videos promoting the benefits of returning to work.

However, our work is far from complete. We are committed to evolving to meet the needs of employers and to move toward return to work targets by developing an advanced Return to Work workshop. This additional half-day training session will address considerations related to psychological, complex and catastrophic injuries. This workshop will specifically address the unique factors to consider when managing complex return-to-work situations.

To enable successful return to work, the WCB recognizes the importance of continuously engaging with workers, employers and healthcare providers to offer new tools, resources and training programs.

Our system helps injured workers return to safe and suitable work

Claims paid within 14 days of injury



Claim duration

(average days paid)

DELIVER TRUSTED SERVICE

At the WCB, we are wholeheartedly committed to providing exceptional service to our stakeholders.

Our customers—workers and employers alike—are the centre of our organization, and we are dedicated to continually evolving to meet their needs.

Over the past year, we have proudly maintained high levels of customer satisfaction thanks to our active engagement and open communication with our stakeholders.

We survey workers throughout the year to receive feedback and ensure we meet their needs by maintaining our service level standards. Results from our Short Term Claims survey showed that we achieved a 92 per cent overall satisfaction rate in 2024, with 72 per cent being very satisfied. This is one of the highest results achieved in recent years. Almost all workers surveyed, 97 per cent, said they were treated with dignity and respect, with 87 per cent that strongly agreed. Ninety five per cent of workers also agreed that the process for filing a claim with the WCB was easy, with 74 per cent strongly agreeing.

Workers who have claims with Case Management are also surveyed twice a year. The results showed a 75 per cent overall satisfaction rate, including 53 per cent of workers who were very satisfied with the service they received. This is consistent with results from previous years. Workers were also asked if they would speak positively about the WCB, with three in four workers reporting they would be likely to talk positively about the WCB to a family member or friend.

Employers that are registered with the WCB are surveyed annually as well. Seventy-six per cent of employers reported that they were satisfied with their experience with the WCB, which is consistent with previous years' results. Overall, 81 per cent of employers said they were likely to speak positively about the WCB, including 30 per cent who said they would be very likely to speak positively about the WCB. The survey also asked employers about their satisfaction with online account statements for the first time and reported that 73 per cent of employers were satisfied, with 46 per cent who were very satisfied.

Progress continues to be made on a mobile app for workers. The app will offer workers more options to interact with the WCB, including completing incident reports, submitting expenses and getting quick access to claim information.

The Compliance Services department is actively working to expand outreach to workers in the province. They have worked with multiple agencies to educate new and vulnerable workers on their rights and know what to do if they become injured at work. This outreach targets immigrants, newcomers, youth, seniors and Indigenous workers and has been positively received by the groups so far.

Consistent employer customer satisfaction

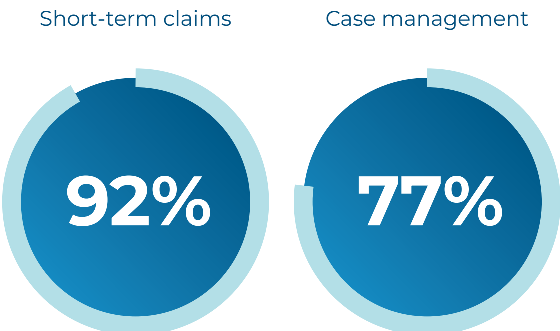
In 2024, they reached over 650 vulnerable workers through community presentations and information booths.

To meet stakeholder needs, we want to provide our staff the tools and knowledge they need to approach claims and connect with customers effectively. The WCB has been reviewing gaps and opportunities in the psychological injury and claim journey for workers and employers. This is a large area of focus for the WCB as there is no one-size-fits-all approach.

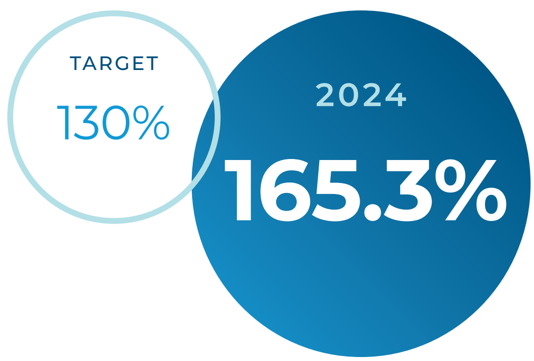
The WCB continues to have the lowest assessment rate among other WCBs in Canada. We also returned $115 million to employers through a surplus distribution.

The WCB is consistently assessing the evolving needs of our customers and is committed to enhancing our services to better meet their expectations. As our organization progresses, our customers will remain the central focus of all our efforts.

Enhancing injured worker customer satisfaction



Funding target and funding level



GROW OUR PEOPLE

The WCB is dedicated to building a workforce that is equipped to succeed today and prepared for tomorrow's challenges. By focusing on professional development and growth opportunities, we empower our staff to excel in their roles and contribute to delivering trusted service to stakeholders. Investing in our employees is key to our ability to meet the evolving needs of our customers.

Over the past year, the WCB worked closely with its employees to deliver tailored learning experiences to enhance skills and foster collaboration.

From training in new methodologies and competency-building strategies to cross-functional projects and committee participation, employees gained valuable experience that broadened their knowledge and strengthened organizational connections. Staff across various departments were encouraged to take on leadership roles on committees and participate in formal education opportunities, including post-secondary courses.

This year, the WCB expanded its training initiatives to include accessibility-focused programs to build awareness and enhance inclusivity. Staff members participated in training designed to improve their understanding of accessibility needs and develop skills to create a more inclusive environment for colleagues and stakeholders.

The WCB was honoured to have a presenter from the Treaty Relations Commission of Manitoba facilitate a workshop for WCB staff that provided participants with foundational knowledge about First Peoples, including Reconciliation, the Treaty Relations Commission Calls to Action, who the First Peoples of Manitoba are and the numbered Treaties. The session concluded by exploring acknowledgement statements and language as part of that collective path toward Reconciliation.

Participation in these initiatives deepened employees' understanding of the organization while promoting engagement and retention. By exploring opportunities to work across departments and take on leadership roles, staff have advanced their careers while contributing to a stronger, more connected workplace. This multi-phase approach is designed to support long-term success, so the WCB remains future-focused and resilient.

A key aspect of our strategy is leadership development. In partnership with the Asper School of Business Executive Education Centre, we successfully trained 34 leaders in 2024. This program has been essential in establishing consistent leadership practices across the organization.

As we look ahead, succession management will continue to be vital to our organization's success. Recognizing the importance of identifying and cultivating future leaders, we implemented a structured process to assess organizational leadership potential. This year, we completed the planning stages of this strategy and rolled out a knowledge transfer tool to ensure a smooth transition for those entering leadership roles. This initiative ensures that the WCB is well-positioned to navigate transitions and maintain strong leadership for years to come.

As part of our commitment to encouraging employee feedback, we re-introduced an employee engagement survey, providing staff members with a confidential platform to share their perspectives on leadership, workplace culture and other key aspects of their experience at the WCB. The feedback gathered from this survey will guide the development of initiatives to enhance our workplace and ensure that the WCB remains one of Manitoba's top employers.

The WCB's commitment to community engagement remains strong, exemplified by this year's United Way campaign. Themed "Go For Gold," the campaign brought staff together to support vital services addressing homelessness, poverty and addiction across Manitoba.

We also celebrated the dedication of our employees through the Long Service Awards, recognizing 80 staff members who reached significant career milestones, including two individuals celebrating 35 years of service.

For the 13th consecutive year, the WCB was recognized as one of Manitoba's Top Employers — a testament to our commitment to fostering an inclusive and supportive workplace. The WCB is building a strong foundation for future success by prioritizing our people and their development.

United Way campaign donations

STAFF CONTRIBUTIONS
$116,061

TOTAL DONATIONS
$232,122

Investment in training

OVERALL
$532,820

SECURE THE SYSTEM FOR TOMORROW

As the WCB moves to modernize its systems and technologies, a new strategic pillar was introduced in the new 2024-2028 Strategic Framework.

Secure the System for Tomorrow ensures a strong foundation for our existing systems and allows for new and improved technical capabilities and technologies.

This strategic pillar will also support financial stability and strengthen our systems for change and modernization.

The WCB continued its work to modernize our IT systems in collaboration with our external cybersecurity partner. We launched a new security training and awareness program and procured a managed detection and response service. Security monitoring was also implemented for servers and workstations.

We also completed a Disaster Recovery assessment, set benchmarks and evaluated WCB's ability to recover core systems.

In 2024, the WCB conducted various technology assessments to increase our awareness regarding risks within our current IT environment. The analysis resulted in opportunities to strengthen our systems. Completing this process may extend over several years to modernize the WCB's systems for the future. Plans begin in the first quarter of 2025 and will focus on key areas, such as: cyber defense, disaster recovery, logging and monitoring, insider threats and securing the currency of our infrastructure.

An element crucial to our success moving forward is our people. A business relationship management team has been established in the IT department to engage with other WCB employees and departments, understand their needs and effectively problem-solve and provide solutions. To build this team, experienced WCB staff were mobilized and new staff with specialized skills were added to strengthen our capabilities.

The WCB continued to secure its financial stability, maintaining the stewardship of the workers compensation system in Manitoba. In 2024, the investment portfolio returned 15.5 per cent, surpassing the required return of 5.75 per cent. This robust financial performance positions the WCB to remain in a strong financial position for years to come, enabling it to effectively support the workers compensation system.

By working to modernize our IT infrastructure and maintain financial stability for the organization, we aim to secure our systems, data and integrity of the workers compensation system for future generations.

Maintaining employer premiums

Average assessment rate per $100 of assessable payroll

BUDGET $.95

2024 $.95

STATISTICS AND MEASURES

Our customers

Customer satisfaction – injured workers

Overall results

2024	2023	2022	2021	2020
85%	**82%**	**80%**	**82%**	**82%**

Short term claims

2024	2023	2022	2021	2020
92%	**88%**	**87%**	**87%**	**88%**

Case management

2024	2023	2022	2021	2020
77%	**75%**	**72%**	**77%**	**76%**

Customer satisfaction – employers

2024	2023	2022	2021	2020
76%	**76%**	**80%**	**81%**	**76%**

Claims paid within 14 days of injury

2024	2023	2022	2021	2020
72%	**74%**	**72%**	**72%**	**74%**

Employers and workers likely to speak positively about the WCB

Employer

2024	2023	2022	2021	2020
81%	**82%**	**85%**	**87%**	**79%**

Workers

2024	2023	2022	2021	2020
83%	**82%**	**80%**	**80%**	**80%**

Our system

Claim duration (average days paid)

2024	2023	2022	2021	2020
37.8	**32.8**	**30.6**	**33.2**	**34.3**

Reserves and funding (funding ratio)

2024	2023	2022	2021	2020
165.3%	**160.5%**	**151.1%**	**166.7%**	**164.7%**

Review Office reconsiderations - adjudicative decisions confirmed

2024	2023	2022	2021	2020
72%	**74%**	**74%**	**75%**	**74%**

Percentage of injured workers returning to safe and suitable work after 10 days

2024	2023	2022	2021	2020
61%	**62%**	**62%**	**58%**	**58%**

Percentage of injured workers returning to safe and suitable work after 60 days

2024	2023	2022	2021	2020
89%	**90%**	**92%**	**91%**	**91%**

Percentage of workforce covered

2024	2023	2022	2021	2020
73%	**73%**	**73%**	**73%**	**75%**

Registered employers

2024	2023	2022	2021	2020
40,058	**40,088**	**39,670**	**39,240**	**38,073**

Our partners

Manitobans who believe the WCB makes a positive contribution to the province

2024	2023	2022	2021	2020
68%	**69%**	**67%**	**70%**	**75%**

Percentage of WCB-covered payroll that is served by an Industry-Based Safety Program

2024	2023	2022	2021	2020
54%	**55%**	**41%**	**42%**	**42%**

SAFE Work Manitoba

Time loss injury rate per 100 full time workers

2024	2023	2022	2021	2020
2.6	**2.6**	**2.8**	**2.7**	**2.5**

Number of time loss injuries

2024	2023	2022	2021	2020
13,918	**13,604**	**14,391**	**12,974**	**12,044**

Severe injury rate per 100 full time workers

2024	2023	2022	2021	2020
0.54	**0.56**	**0.65**	**0.62**	**0.65**

Number of severe injuries

2024	2023	2022	2021	2020
2,832	**2,829**	**3,284**	**3,013**	**3,051**

Fatality claims (accepted in 2024)

2024	2023	2022	2021	2020
22	**23**	**16**	**20**	**14**

Injury rate per 100 full time workers

2024	2023	2022	2021	2020
4.9	**4.9**	**5.1**	**4.9**	**4.8**

Number of injuries

2024	2023	2022	2021	2020
26,184	**25,624**	**25,632**	**24,003**	**22,645**

Days lost to workplace injury or illness per full time worker

2024	2023	2022	2021	2020
1.66	**1.51**	**1.56**	**1.62**	**1.66**

Number of days lost to workplace injury or illness

2024	2023	2022	2021	2020
878,559	**784,475**	**787,699**	**785,559**	**778,770**

Percentage of WCB-covered payroll that is SAFE Work Certified

2024	2023	2022	2021	2020
19%	**18%**	**14%**	**14%**	**13%**

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FAIR PRACTICES OFFICE

MESSAGE FROM THE FAIR PRACTICES OFFICE

Established in 1989, the Fair Practices Office (FPO) works to reinforce fair practices at the WCB. It acts as an ombudsman for injured workers, their dependants and employers, helping to resolve issues they may have with the WCB and, in turn, helping the WCB improve its quality of service.

The FPO is established by section 108.1(3) of *The Workers Compensation Act* (the Act). The Act requires the WCB to have a Fair Practices Office and authorizes the Board of Directors to establish the role and mandate of the FPO.

The FPO is required to report to the Board of Directors on issues of procedural fairness at the WCB.

There are two main guiding principles of the FPO:

- **IMPARTIALITY**
- **CONFIDENTIALITY**

If an employer or injured worker believes the WCB has treated them unfairly, they may bring their concerns forward to the FPO. Over the past five years, the most frequent types of inquiries made to the FPO have shifted from issues about the decision making process, to issues in the communication and service category.

The types of complaints are categorized as:

- decision making process
- communication or service
- timeliness
- other inquiries

The following table shows the types of inquiries the office received over the past five years.

FPO inquiries

	2024	2023	2022	2021	2020
Decision making process	72	82	89	171	135
Communication/ service	107	80	44	100	38
Timeliness	42	52	50	30	30
Other inquiries	41	56	37	58	50
Total	**262**	**270**	**220**	**359**	**253**

When appropriate, the FPO will meet with the WCB administration to raise concerns. The WCB administration will identify and determine what processes can be improved or changed, or if additional staff training is needed, for example, to address the issues raised. Over the years, FPO recommendations have led to policy changes and improved service. These opportunities for ongoing improvements are critical for the WCB to keep its customers at the centre of its delivery model.

02

FINANCIAL REPORT

2024 MANAGEMENT **DISCUSSION AND ANALYSIS**

As an integral part of the annual report, the management discussion and analysis provides management's perspective on the financial results and financial position of the WCB.

In accordance with *The Workers Compensation Act* (the Act), the WCB is required to present to the minister its annual report for the year, including its audited financial statements and its five-year operating plan. This financial reporting section, which includes the WCB's Funding Strategy (page 42), 2024 Financial Highlights (page 43) and Five Year Plan (page 58), followed by the International Financial Reporting Standards (IFRS) audited financial statements (page 77), fulfills this obligation.

Forward-looking statements contained in this discussion represents management's expectations, estimates and projections regarding future events based on information currently available, and involves assumptions, risks and inherent uncertainties. Readers are cautioned that actual results may materially differ from forward-looking statements in cases where future events and circumstances do not occur as expected.

IFRS 17 Insurance contracts and the WCB

The WCB implemented international accounting standard IFRS 17 - *Insurance Contracts* (IFRS 17) effective January 1, 2023. IFRS 17 was intended for, and is based on, the commercial insurance model. The commercial model is substantively different than the context in which the WCB operates. To fully incorporate IFRS 17 into the WCB's business practices, rate-setting and funding requirements would have material consequences for the WCB and its stakeholders through increased premium rate and funding volatility.

While IFRS 17 significantly impacts the IFRS-reported financial results, it does not impact how the WCB operates. For the purposes of business planning, funding and rate-setting decisions the WCB uses the funding basis of accounting in accordance with the Funding Policy. The Funding Policy is the framework for the management of the Accident Fund to maintain the workers' compensation system's financial security to ensure sufficient funds are available for the payment of future benefit payments and maintain rate stability.

The most significant differences between the IFRS-reported financial results as compared to the WCB's funding basis of accounting are reported on page 53.

The funding-basis financial results, which are not audited, can be materially different from the IFRS-based financial results.

Funding strategy

The financial viability of the WCB is predicated on taking a long-term financial perspective. Thus, the WCB's financial performance is measured and assessed in accordance with the Funding Policy using the funding basis of accounting. This approach is consistent with the approach taken by Canadian workers' compensation boards.

The Act establishes the Accident Fund for the payment of compensation, outlays and expenses of the workers' compensation system. The Act also requires that sufficient funds be available for the payment of all current and future liabilities and the maintenance of reserves to ensure the financial stability of the system in the long term.

The Funding Policy is the framework for the management of the Accident Fund to maintain the workers' compensation system's financial security against risk and uncertainty, and to guide the WCB's funding and rate setting decisions.

In accordance with the Funding Policy, the funding ratio target for the Accident Fund is 130 per cent as measured on the funding basis. The 130 per cent target provides for 100 per cent funding – sufficient to fully fund all current and future liabilities – plus an additional 30 per cent to protect the system from risks, uncertainties and market volatility. In addition, the Funding Policy provides guidance and discretion to the WCB's Board of Directors to manage the Accident Fund when reserves deviate from the funding ratio target.

The Funding Policy applies the funding basis of accounting to determine the funding ratio.

The principles of the funding basis of accounting are:

- To maintain rate stability while protecting the system against risk, uncertainty and market volatility, the funding basis of accounting reflects a long-term perspective.
- The present value of benefit liabilities is actuarially valued using a discount rate that reflects the expected long-term return on the WCB's investment portfolio. This valuation is performed by the WCB's Chief Actuary and subject to peer review by the WCB's external actuary.
- The WCB's employee defined benefit plans are actuarially valued using a discount rate consistent with going concern valuations for pension plans. The valuations are performed by the WCB's consulting actuary.
- As the WCB bears the ultimate risk for claims arising from individually assessed employers, benefit liabilities include the future cost of their claims. As required by the Act, the WCB records a corresponding deferred assessment receivable due from individually assessed employers.
- The surplus of assets over liabilities is the WCB's funded position.

2024 Financial highlights

The financial highlights are presented on the funding basis of accounting. The funding basis of accounting financial results (unaudited) are reported on page 50.

Positive results for investment returns and premium revenues produced an operating surplus of $213 million (budget, $12 million surplus) in 2024. After recording surplus distribution of $115 million and a gain of $7 million on the WCB's employee defined benefit plans, total comprehensive income was $106 million.

Premium revenues of $332 million were $63 million above budget, a result of growth in the Manitoba work force, higher wages and higher individually assessed employer premiums.

Investment returns were 15.5 per cent, resulting in $260 million of investment income (budget, $83 million). The 2024 investment portfolio performance reflected strong returns from all asset classes.

In 2024, claim costs incurred were $266 million (budget, $210 million) driven by higher average days paid per claim and higher average cost per claim.

The WCB's funded position increased from $781 million to $887 million, exceeding the funded position target level (calculated at $408 million for 2024). The WCB is fully funded with a funding ratio of 165.3 per cent versus target of 130.0 per cent.

Revenue

The WCB's revenue is derived from two sources: premium revenue and investment income. Under our funding strategy, current premiums are intended to cover the costs arising from current year injuries and operating expenses, while annual investment returns are expected to cover the annual interest requirement on prior years benefit liabilities. As a result of historically strong investment performance and returns in excess of the actuarial requirement, investment returns have helped to stabilize employer rates.

Premium revenue

Premium revenue is the largest revenue stream for the WCB.

Premium revenue was $332 million in 2024 (2023, $287 million), versus a budget of $270 million.

- $62.5 million above budget, 23.1 per cent
- $45.6 million above prior year, 15.9 per cent

Premiums are derived from Class E employers and employers in Class B through Class D (individually assessed employers)[1]:

- 2024 Class E employers' net premiums were $241 million (budget, $225 million), an increase of 5.2 per cent from 2023. On an annual basis, employer assessable payroll has historically grown by 3.0 per cent or more, however, employer payroll increased by 7.6 per cent in 2024. Manitoba's employment growth and wage inflation were contributing factors. The healthcare and trade sectors experienced the greatest payroll growth in 2024.
- The final average assessment rate was $0.95 per $100 of assessable payroll (budget, $0.95).
- 2024 individually assessed employer premiums, calculated based on claim costs incurred, were $91 million (2023, $58 million). These pay-as-you-go employers experienced higher program costs and future costs, resulting in higher premiums.

The chart below shows the components of premium revenue:

The 2025 average assessment rate is unchanged at $0.95.

[1] Individually assessed employers are employers in Class B through Class D - principally government bodies and employers named by Regulation 278/91 - who are subject to individual responsibility for costs attributable for claims arising from their workers, as well as a proportionate share of administration expenses.

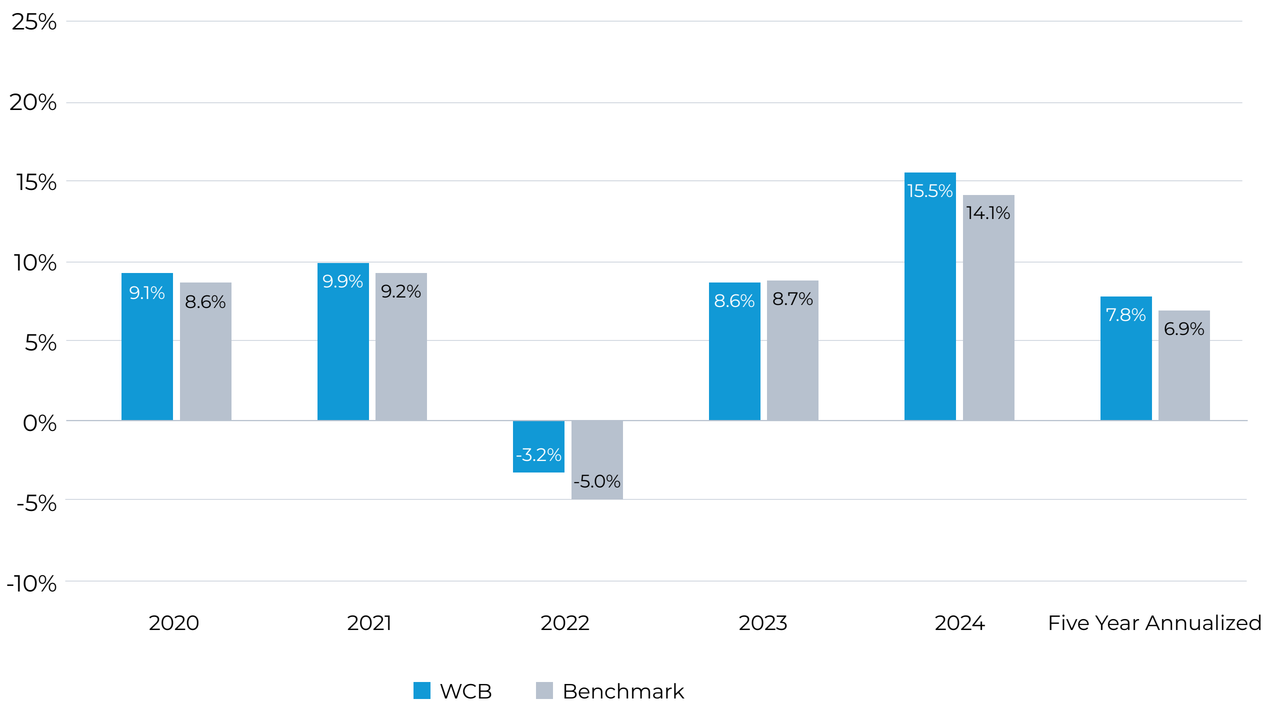
Investment income

In 2024, the WCB experienced investment income of $260 million from its investment portfolio (2023, $135 million). Investment income was budgeted at $83 million for 2024.

- $176.5 million above budget, 211.7 per cent
- $125.3 million above prior year, 93.0 per cent

The Statement of Investment Policies and Objectives (SIP&O) outlines the WCB's investment and risk philosophy. The portfolio is diversified among asset classes including bonds, mortgages, private debt, equities, real estate and infrastructure. At December 31, 2024, the portfolio had a market value of $1.9 billion ($1.8 billion at the end of 2023) with an asset mix of 30 per cent fixed income, 41 per cent equities and 29 per cent real assets (2023, 31 per cent fixed income, 40 per cent equities and 29 per cent real assets).

The following graph shows the investment portfolio's gross rate of return for the five consecutive years ended December 31, and the five year annualized return for the period:



The investment portfolio's gross rate of return was 15.5 per cent in 2024 (benchmark[1] 14.1 per cent) and 8.6 per cent in 2023 (benchmark 8.7 per cent). The 2024 investment portfolio returns reflected strong performance from all asset classes.

Equity markets posted positive returns in 2024, with the US equity benchmark S&P 500 (CAD) and the international equity benchmark MSCI ACWI-ex US (CAD) indexes returning 36.4 per cent and 15.1 per cent, respectively. Strong performance was led by robust gains in the technology sector, specifically companies related to artificial intelligence (AI). The S&P/TSX Composite Index gained 21.7 per cent, benefitting from falling interest rates despite a slowing economy.
Ten of the eleven GICS[2] sectors in Canada posted positive returns, with Communications being the only sector to post a negative return.

[1] The benchmark rate of return is comprised of the individual asset class indices weighted to match the long-term investment policy asset mix.
[2] Global Industry Classification Standard

Fixed income returns were positive in 2024, with the FTSE Canada Bond Universe Index returning 4.2 per cent. Bond yields fell, therefore, bond prices rose as inflation stabilized throughout the year. The Bank of Canada (BOC) reduced its Policy Interest Rate from 5.00 per cent to 3.25 per cent, as the threat of high inflation declined throughout the year. Private Debt performance was strong in 2024, benefiting from elevated interest rates and a resilient US economy.

Alternative assets delivered positive performance. Canadian real estate struggled for the second consecutive year in 2024. Elevated vacancies in the office sector and a struggling retail sector negatively affected real estate valuations despite falling interest rates. However, Fiera, the Fund's real estate fund manager, materially outperformed its benchmark due a significant overweight to the Industrial and Multi-Family Residential sectors. US real estate returns were negative for most of the year due to the higher interest rate environment in the US, but performed well in Q4, aided by an appreciating US dollar. Infrastructure generated solid returns, supported by stable cash flows, inflation-linked revenues and sustained demand for real assets.

Outlook: The 2025 economic outlook depends on several key assumptions, most impactful of which is the size and impact of US tariffs. The BOC is expected to reduce interest rates throughout the year to support economic growth and partially offset negative impacts from a trade war with the US. While the US economy appeared strong to start the year, expectations for the Federal Reserve to hold interest rates steady have shifted with markets now pricing in greater volatility and potential for rate cuts. The US dollar, which ended 2024 at $1.44 CAD, now faces a more volatile and uncertain path ahead.

Equity markets began 2025 at elevated levels amid geopolitical uncertainty, signalling heightened volatility ahead. Bond return expectations remain moderate. The BOC may need to decide whether to lower interest rates to stimulate economic growth or to raise - or at least maintain - rates to control inflation.

Real estate faces ongoing challenges, particularly in the retail and office sectors. However, demand for residential housing remains strong, and the fundamentals of the industrial sector are solid. A prolonged trade war could negatively impact Canadian real estate, particularly the industrial sector.

The 2025 outlook for infrastructure remains favourable, underpinned by long-term demand for essential services, inflation-linked cash flows, and growing energy needs. The asset class is well-positioned to benefit from stable income and continued investment in digital, transport, and energy infrastructure.

Expenses

Claim costs incurred

As noted in the funding basis Statement of Operations and Comprehensive Income (page 52) claims costs totalled $266 million in 2024 (2023, $198 million) versus a budget of $210 million.

- $55.7 million above budget, 26.6 per cent
- $68.1 million above prior year, 34.5 per cent

Total claim costs are an estimate of the full costs for compensable injuries that occurred in 2024, together with adjustments to prior years' estimates. The estimates take into account claims that are in pay, reported but as yet unpaid claims and unreported claims.

Total claim costs consisted of $216 million in cash expenses (2023, $182 million) plus $50 million in actuarial increases to benefit liabilities (2023, $16 million). Increasing claim volumes, combined with higher average cost per claim and longer claim duration, resulted in an increase in wage loss payments and healthcare expenses.

Benefit liabilities

Benefit liabilities increased by $49.8 million to $1,255.6 million.

(in millions of dollars)	2024	2023	Change
Short-term disability	$ 273.1	$ 228.2	$ 44.9
Long-term disability	498.7	501.9	(3.2)
Survivor benefits	101.3	102.4	(1.1)
Healthcare benefits	379.2	369.8	9.4
Rehabilitation services	3.3	3.5	(0.2)
	$ 1,255.6	$ 1,205.8	$ 49.8

The benefit liabilities are an estimate of the present value of future payments to be made for claims or injuries which occurred in the current year or any prior year.

At each year end, the WCB's Chief Actuary prepares a valuation of the benefit liabilities of the WCB for inclusion in the funding basis of accounting financial statements. This valuation is conducted in accordance with accepted actuarial practice in Canada and is subject to peer review by the WCB's external actuary.

The actuarial present value of future benefit payments represents management's long term estimates of economic and actuarial assumptions and methods, which are based upon past experience and modified for current trends. The most significant assumption in the determination of the benefit liabilities is the discount rate. The discount rate used for the 2024 valuation was 5.75 per cent (2023, 5.75 per cent), and was derived from the long-term expected return on the WCB's investment portfolio.

In 2024, the Chief Actuary reviewed the psychological injuries subset of the long latency component of the benefit liabilities. Updates were made to the acute psychological injuries assumptions for exposure, latency period, number of claims and average cost. The WCB has experienced an increase in other, non-acute psychological injuries. To recognize this trend, an additional liability has been incorporated into the 2024 valuation. These changes resulted in an increase to the liability of $23 million.

Operating expenses

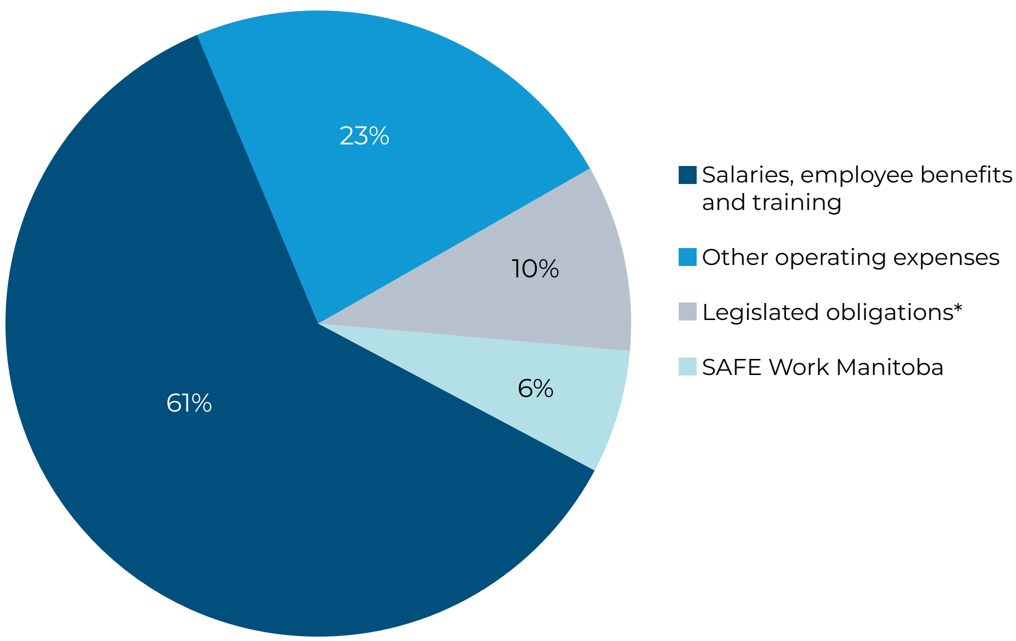
Operating expenses in 2024 were $18 million under budget at $113 million.

- $18.0 million below budget, 13.7 per cent
- $6.3 million above prior year, 5.9 per cent

Operating expenses were under budget in 2024 due to lower than anticipated salary and benefits, communications and IT initiatives. However, operating expenses increased $8.6 million from 2023, with increases in salary, benefits and employee training, other expenses (information technology fees and projects) and legislated obligations.

The following shows the major categories of the 2024 operating expenses:

Components of 2024 operating expenses



* Legislated obligations are comprised of the Province of Manitoba Workplace Safety and Health Division funding and the expenses of the Appeal Commission

Operating surplus and total comprehensive income

The WCB experienced an operating surplus of $213 million (budget, $12 million) that together with surplus distribution of $115 million and gain on defined benefit plans of $7 million resulted in total comprehensive income of $106 million.

Funded position

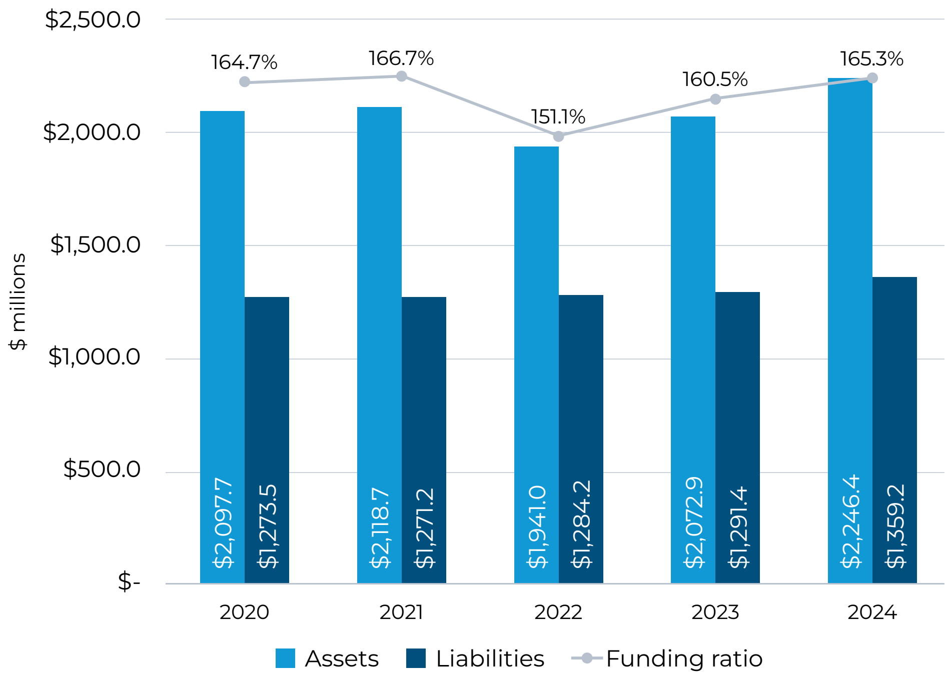
The WCB, in accordance with the Act, is responsible to ensure that sufficient funds are available for the payment of all current and future liabilities, and to maintain reserves sufficient to ensure the financial security of the system in the long term. The Funding Policy provides the framework to ensure these responsibilities are met.

The funding ratio is one measure of the financial strength of the WCB. The Funding Policy sets a funding ratio target of 130 per cent, meaning sufficient funds are set aside to fully fund 100 per cent of all current and future liabilities - plus an additional 30 per cent to protect the system from risk.

The 2024 funding ratio (ratio of total assets to total liabilities) was 165.3 per cent (2023, 160.5 per cent) which exceeded the target ratio of 130.0 per cent.

The funded position was $887 million (2023, $781 million), which exceeded the target balance of $408 million set by the WCB's Funding Policy.

The following graph shows the funding ratio from 2020 through 2024:



Note that the 2025 – 2029 Five-Year Plan financials (page 72) incorporate maintaining an average assessment rate of $0.95, investment in IT infrastructure, and amounts for surplus distributions to employers in order to reduce excess reserves.

On April 24, 2025, the Board of Directors approved a surplus distribution of $122 million, credited to eligible employer in May 2025. While surplus distributions are modelled in 2026 and 2027 to trend toward the 130 per cent target, future distributions are reviewed annually based on the annual financial outcomes.

2024 Financial performance

The WCB has a long-term perspective with respect to the management of the Accident Fund. Therefore, the WCB believes the funding basis of accounting is the most relevant measure to assess the financial performance of the WCB and determine the funding ratio.

The funding basis financial statements, which are not audited, can be materially different from the IFRS-based financial results.

A reconciliation to the IFRS basis financial statements can be found on page 53.

Statement of financial position - funding basis (unaudited)

(in thousands of dollars)

	Note	**December 31, 2024**	December 31, 2023
Assets			
Cash		$ 31,240	$ 38,898
Receivables and other		19,501	15,275
Investment portfolio		1,915,789	1,786,991
Deferred assessments	1	240,684	199,083
Capital assets		39,138	32,642
		$ 2,246,352	$ 2,072,889
Liabilities and funded position			
Payables and accruals		$ 32,550	$ 18,260
Workers' retirement annuity fund		50,362	46,135
Employee benefits	2	20,733	21,180
Benefit liabilities	3	1,255,580	1,205,836
Total liabilities		1,359,225	1,291,411
Funded position		887,127	781,478
		$ 2,246,352	$ 2,072,889
Funding ratio (assets/liabilities)		165.3%	160.5%

Explanatory notes follow on page 51.

Explanatory notes to the statement of financial position - funding basis

1. Individually assessed employers:

   The funding basis of accounting presents the nature of the relationship between the WCB and the individually assessed employers as established by the Act. Under the funding basis, the WCB recognizes the monies received from the individually assessed employers as premium revenue and the cost of their paid claims as claim costs incurred. Under the authority of the Act, the WCB may defer the collection of the funds, or any portion of the funds, required for the future cost of claims arising in respect of the individually assessed employers. Where the WCB defers the collection of the funds the amount is deferred assessment receivable and recognized in assets on the statement of financial position. A corresponding liability is recognized in benefit liabilities.

2. Employee benefit plans:

   Employee benefits include the liabilities of the WCB's employee defined benefit plans (see page 100 for a description of the plans). The WCB's consulting actuary performs the valuations annually.

   Under the funding basis of accounting, the WCB's employee defined benefit plans are valued using a discount rate consistent with going concern valuations for pension plans, i.e., based on the long-term expected return of plan assets. The discount rate used for the 2024 going concern valuation was 6.25 per cent (2023, 6.25 per cent).

3. Benefit liabilities:

   Under the funding basis of accounting and consistent with the WCB's historical practice, benefit liabilities are valued using a discount rate based on the WCB's long-term expected return on the investment portfolio. This rate is revised only when warranted in response to changes in long-term trends. The discount rate used for the 2024 funding valuation was 5.75 per cent (2023, 5.75 per cent).

   Other significant assumptions used in the 2024 valuation of benefit liabilities include general inflation of 2.0 per cent, wage inflation of 3.0 per cent and healthcare inflation of 4.5 per cent. These assumptions are unchanged from the prior valuation.

Statement of operations and comprehensive income - funding basis (unaudited)

Year ended December 31
(in thousands of dollars)

	Note	2024	2023
Revenue			
Premium revenue	1	$ 332,172	$ 286,597
Investment income		259,908	134,639
Total revenue		592,080	421,236
Expenses			
Claim costs incurred		265,590	197,510
Operating expenses		113,332	108,456
		378,922	305,966
Operating surplus		231,158	115,270
Surplus distribution		(114,697)	(387)
Gain on defined benefit plans		7,188	9,771
Total comprehensive income		$ 105,649	$ 124,654

Explanatory notes to the statement of operations and comprehensive income - funding basis

1. Individually assessed employers:

   Premium revenue includes $91.3 million (2023, $57.5 million) of individually assessed employer premiums. A corresponding amount is included in claim costs incurred.

IFRS to funding basis of accounting reconciliation (unaudited)

Reconciliations of the Statement of Financial Position on the IFRS basis to the funding basis of accounting as at December 31 are presented below. Explanatory notes follow the reconciliations.

(in thousands of dollars)	December 31, 2024			
	IFRS basis	Presentation[1]	Measurement[2]	Funding basis
Assets				
Cash	$ 31,240	$ -	$ -	$ 31,240
Receivables and other	6,496	13,005	-	19,501
Investment portfolio	1,915,789	-	-	1,915,789
Deferred assessments	-	262,292	(21,608)	240,684
Capital assets	39,138	-	-	39,138
	$ 1,992,663	$ 275,297	$ (21,608)	$ 2,246,352
Liabilities and funded position				
Payables and accruals	$ 4,364	$ 28,186	$ -	$ 32,550
Workers' retirement annuity fund	50,362	-	-	50,362
Employee benefits	62,672	-	(41,939)	20,733
Workers' compensation/benefit liabilities	1,114,087	262,292	(120,799)	1,255,580
Total liabilities	1,231,485	290,478	(162,738)	1,359,225
Accident fund reserve/funded position	761,178	-	125,949	887,127
	$ 1,992,663	$ 290,478	$ (36,789)	$ 2,246,352

(in thousands of dollars)	December 31, 2023			
	IFRS basis	Presentation[1]	Measurement[2]	Funding basis
Assets				
Cash	$ 38,898	$ -	$ -	$ 38,898
Receivables and other	4,101	11,174	-	15,275
Investment portfolio	1,786,991	-	-	1,786,991
Deferred assessments	-	252,413	(53,330)	199,083
Capital assets	32,642	-	-	32,642
	$ 1,862,632	$ 263,587	$ (53,330)	$ 2,072,889
Liabilities and funded position				
Payables and accruals	$ 3,645	$ 14,615	$ -	$ 18,260
Workers' retirement annuity fund	46,135	-	-	46,135
Employee benefits	85,013	-	(63,833)	21,180
Workers' compensation/benefit liabilities	1,250,984	252,413	(297,561)	1,205,836
Total liabilities	1,385,777	267,028	(361,394)	1,291,411
Accident fund reserve/funded position	476,855	-	304,623	781,478
	$ 1,862,632	$ 267,028	$ (56,771)	$ 2,072,889

Explanatory notes to the IFRS to funding basis of accounting statement of financial position reconciliation

1. Presentation

   Under IFRS 17, the WCB is required to classify insurance related receivables and payables, including individually assessed employers' deferred assessments, as part of the workers' compensation liabilities.

2. Measurement

   Under IFRS, workers' compensation liabilities and employee defined benefit plans are valued using a point-in-time market-based interest rates, which can cause significant fluctuations in the value of the liabilities year-to-year. The rates are updated annually.

   The estimated single-equivalent discount rate used for the 2024 IFRS workers compensation liabilities valuation was 4.60 per cent (2023, 5.08 per cent). The discount rate used for the 2024 IFRS employee defined benefit plans valuations was 4.75 per cent (2023, 4.65 per cent).

   Under the funding basis of accounting and consistent with the WCB's historical practice, benefit liabilities and employee defined benefit plans are valued using discount rates based on the long-term expected returns of the respective investment portfolio. Rates are revised only when warranted in response to changes in long-term trends.

   The discount rate used for the 2024 benefit liability funding valuation was 5.75 per cent (2023, 5.75 per cent). The discount rate used for the 2024 going concern valuations of the defined benefit plans was 6.25 per cent (2023, 6.25 per cent).

Reconciliation of total comprehensive income IFRS basis to funding basis

A reconciliation of total comprehensive income on the IFRS basis to the funding basis of accounting as at December 31 is presented below. Explanatory notes follow the reconciliation.

December 31 (in thousands of dollars)	Note	**2024**	2023
Total comprehensive income - IFRS		$ 284,323	$ 45,926
Remeasure workers' comphensation liabilities	1	(156,780)	67,627
Remeasure employee defined benefit plans	2	(21,894)	11,101
Total comprehensive income - funding basis		$ 105,649	$ 124,654

1. Remeasure workers' compensation liabilities:

   Reflects the difference in the annual change in the valuation of workers' compensation liabilities/benefit liabilities calculated using the prescribed IFRS single-equivalent discount rate of 4.6 per cent (2023, 5.08 per cent) and the funding basis valuation discount rate of 5.75 per cent (2023, 5.75 per cent), plus the difference in the estimated interest cost of the liabilities calculated using the IFRS discount rate versus the funding basis valuation discount rate.

2. Remeasure employee defined benefit plans:

   Reflects the difference in the annual change in the valuation of employee defined benefit plans calculated using the prescribed IFRS discount rate of 4.75 per cent (2023, 4.65 per cent) and the going concern valuation discount rate of 6.25 per cent (2023, 6.25 per cent).

Discussion of 2024 IFRS financial results

The audited Financial Statements on the IFRS basis are on page 72.

Notable outcomes on the IFRS basis are:

Workers compensation result was income of $213 million (2023, $44 million). Premium revenue increased $12 million due to strong payroll growth. Workers' compensation expense decreased $158 million due to a change in actuarial assumptions related to the claims administration component of the workers' compensation liabilities. Specifically, the directly attributable administration costs assumption has been refined to only consider administration costs directly attributable if incurred for the clear purpose of either issuing insurance contracts or fulfilling insurance contract obligations.

Investment income of $260 million (2023, $135 million) reflects 2024's strong investment market performance. Workers' compensation finance expense was $40 million (2023, $104 million) comprised of discount rate changes and estimated interest cost on the liabilities.

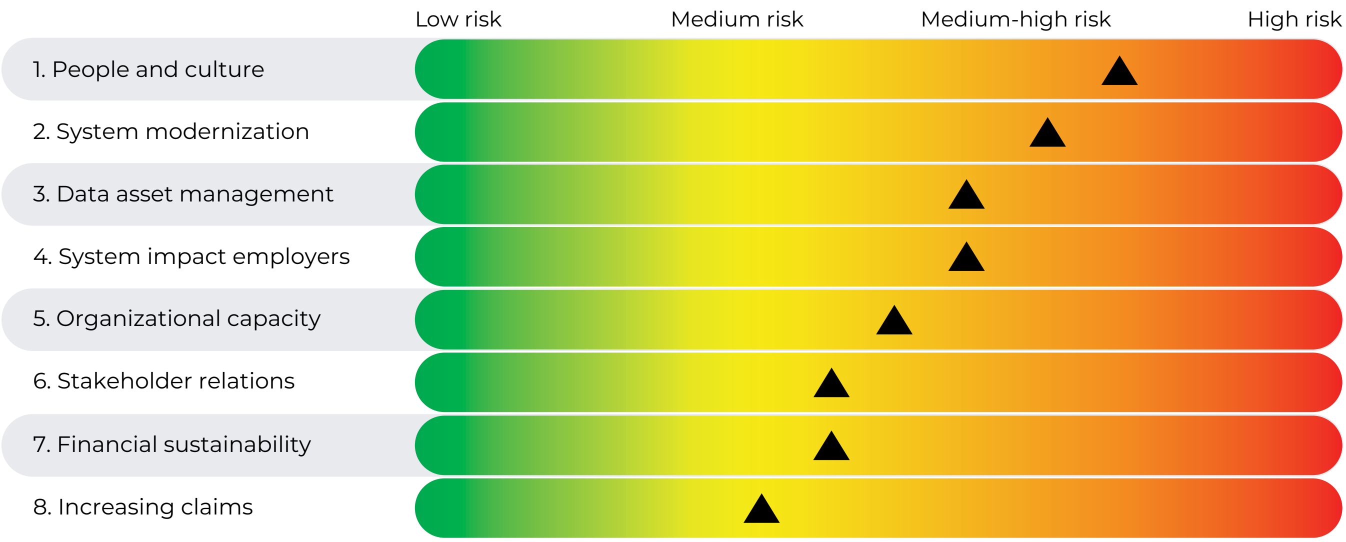
Total operating and other expenses were $33 million (2022, $27 million), due to an increase in the WCB's operating expenses not related to fulfilment of workers' compensation contracts, and more interest allocated to the workers retirement annuity fund.

Combined, the components above produced an operating surplus of $255 million (2023, $47 million). Total comprehensive income was $284 million (2023, $46 million) after recognizing surplus distribution of $115 million (2023, $0.4 million) and defined benefit plan remeasurement gain of $29 million (2023, remeasurement loss of $1 million).

RISK MANAGEMENT

On an annual basis, the WCB identifies and assesses key corporate risks and implements mitigation strategies to manage these risks, which are embedded in the strategic planning and budgeting cycles.

Corporate risks are monitored and updated on a regular basis to reflect changes in the organization's risk profile. The corporate risk profile below shows the WCB's most significant risks and residual risk ratings for 2024. The residual risk assessment considers the processes, controls and mitigation strategies in place to manage risk.



The WCB's most significant risks are described below.

1. People and culture

In a highly competitive labour market, challenges in the recruitment and retention of people with the expertise necessary for operations and strategic projects may impede the successful execution of corporate initiatives.

2. System modernization

The WCB's technological environment is in need of modernization. Proper governance and oversight will be critical to prevent cost and time overruns and achieve deliverables in projects and initiatives.

3. Data asset management

The security and integrity of our data is crucial to supporting operations and safeguarding information. To address the potential risk the WCB must be pro-active in managing the retention, residency, security and use of our data assets.

4. System impact employers

The nine system impact employers are large public entities, notably in the healthcare and public administration sectors. These employers significantly influence the WCB's ability to achieve the *Days lost due to workplace injury and illness* and *Time loss injury and illness* reduction targets. A variety of factors increase the risk of effectively assisting these employers in adopting improvements to reduce injuries, specifically public policy, complex organization and accountability structures and limited resources.

5. Organizational capacity

The organization's human resource and enterprise capacity may negatively affect our ability to successfully achieve objectives in corporate-wide projects and initiatives, be it of a strategic, technological or operational nature, particularly in the midst of executive leadership changes. A resulting increase in reliance on vendors creates a dependency that may leave core areas of operation vulnerable.

6. Stakeholder relations

The WCB faces the risk of loss of trust and confidence with stakeholders in the event stakeholder relations are not maintained during a time of transition in leadership at the Chair and CEO level. Key stakeholders include labour and employer associations, the government and Industry-Based Safety Programs.

7. Financial sustainability

Internal and external factors create uncertainty in long-term financial projections and impact the WCB's ability to achieve the targeted funding ratio level and protect the financial integrity of the system over the long-term. Key factors are: significant investment in WCB systems, anticipated changes to benefits from the upcoming legislative review, increase in claim costs and duration and a rising IT cost profile.

8. Increasing claims

An increase in the number of time loss claims and duration of claims due in part to access to healthcare, an increase in claim complexity and claim increases in certain sectors, may negatively affect the WCB's ability to achieve the *Days lost due to workplace injury and illness* and *Time loss injury and illnes*s reduction targets. Staff turnover in key areas creates challenges in mitigating this risk.

03

FIVE YEAR PLAN

INTRODUCTION

Based on a new strategic framework approved in 2024 by the Board of Directors, the WCB's Five Year Plan emphasizes five key priorities that will guide our initiatives and work. These pillars align with our organization's vision of a safer Manitoba, assuring prevention and facilitating return to work processes. Additionally, they aim to deliver trusted services to our stakeholders and ensure the long-term security of the workers compensation system. We will foster a resilient work environment that attracts, retains and develops employees to meet our organizational needs.

OUR STRATEGIC PRIORITIES

CREATE A SAFE WORK CULTURE

STRATEGIC **GOAL:**

Reduce the number and severity of injuries.

AREAS OF **FOCUS:**

Expand and enhance Manitoba's safety infrastructure, including the use of industry-based safety programs.

SAFE Work Manitoba will collaborate with industry-based safety programs (IBSPs) to expand our reach to workers and employers across the province. This will ensure that more Manitobans can access industry-specific safety training and services. We will continue to support the IBSPs through sponsorship opportunities and public speaking engagements, as well as collaborating on social media and through the SAFE Work Manitoba Training Portal. IBSPs play an important role in connecting workers with the industry tools and resources they need to do their jobs safely.

Increase province-wide public awareness and access to prevention services.

The WCB, through its prevention division, SAFE Work Manitoba, is committed to increasing public awareness for workplace safety and health through our advertising campaigns. The campaigns target workers and employers in various industries and will touch on topics such as psychological injuries and musculoskeletal injuries (MSIs). The campaigns will also promote the SAFE Work Manitoba Training Portal, ensuring all Manitoba workers have access to training resources to keep them safe at work.

In addition to advertising campaigns, SAFE Work Manitoba will work with its stakeholders to increase the number of workers and employers it reaches through initiatives, events and sponsorships. This includes identifying and working with health and safety leaders in various industries to increase our reach. SAFE Work Manitoba will continue to participate in events such as National Safety & Health Week and collaborate with government and key stakeholders on the Manitoba Safety and Health Index.

Prioritize prevention services to high-impact sectors.

SAFE Work Manitoba will continue to work with system impact employers to lower the number of workplace incidents. It is a priority to work with these employers to lower the number of time loss claims and severe injuries. We will consult and provide support for employers in this category and work with them to educate their workforce with prevention resources and safety knowledge.

A new data-driven initiative will focus on MSIs and how to prevent these types of injuries. This initiative is a partnership between SAFE Work Manitoba, the Manitoba Association for Safety in Healthcare (MASH) and healthcare facilities.

FIVE-YEAR **TARGETS:**

In the five year period covered by this plan, the WCB is focused on the following milestones:

Time Loss Injuries

REDUCE NUMBER TO:
12,900 or less

ACHIEVE A RATE OF
2.5* or less

*per 100 full-time workers

Days Lost to Workplace Injury or Illness

REDUCE NUMBER TO:
745,000 or less

ACHIEVE A RATE OF
1.46* or less

*per 100 full-time workers

Severe Injuries

REDUCE NUMBER TO:
2,700 or less

ACHIEVE A RATE OF
0.5* or less

*per 100 full-time workers

WCB-Covered Payroll

65%

Achieve at least 65% that is SAFE Work Certified

25%

Increase percentage served by an industry-based safety program to 25% or more

This partnership will provide insight into why these types of injuries are increasing and what education and training are needed to aid and support workers in safe patient handling, thereby reducing the risk of MSIs.

Adapt prevention approaches to a changing workforce and new forms of work.

The landscape of Manitoba's workforce is changing rapidly, and SAFE Work Manitoba is adapting to these changes. We are improving and adapting our training materials for newcomers and young workers entering the province's workforce.

We are collaborating with the Province of Manitoba and other organizations to revise the Industrial Arts curriculum for schools. We want to ensure that safety is a topic that is at the forefront and is being discussed in schools, especially as students and youth enter the workforce.

ENABLE SUCCESSFUL RETURN TO WORK

STRATEGIC GOAL:

Reduce days lost and improve the return to work experience.

AREAS OF FOCUS:

Improve healthcare access and quality through provider partnerships.

The WCB will continue to look for opportunities to improve access to healthcare services and look for quality partnerships through using the valuable information we gained through the Worker Care Clinic pilot project. A focus will be on creating meaningful engagements with the psychiatric and psychological community to identify gaps and create an action plan focused on prevention, recovery and return to work.

Proactive engagement with the healthcare community to increase awareness and education and improve issue resolution.

We will continue create educational opportunities to educate and support the healthcare community to increase their knowledge and confidence in their role within the workers compensation system.

These opportunities will also raise awareness of the WCB return to work programs and their benefits.

Leverage technology and analytics to improve outcomes.

The WCB will use technology and data result-driven analytics to work with system impact employers on the employees' return to work experience and how it can be improved. We will work to find opportunities within our claims systems to develop technologies that support successful and effective return to work programs.

FIVE-YEAR **TARGETS:**

In the five year period covered by this plan, the WCB is focused on the following milestones:

Achieve at least: 70% of injured workers returning to safe and suitable work after **10 days**

AT LEAST
70%
RETURN TO WORK
AFTER 10 DAYS

Achieve at least: 95% of injured workers returning to safe and suitable work after **60 days**

AT LEAST
95%
RETURN TO WORK
AFTER 60 DAYS

DELIVER TRUSTED SERVICE

STRATEGIC **GOAL:**

Provide service that is fair, clear, consistent and effective.

AREAS OF **FOCUS:**

Continuously strive to improve the quality and integrity of the services we deliver.

Our customers are at the centre of everything we do at the WCB. We want to provide the best customer service possible by ensuring staff are equipped to handle complex claims. Staff will participate in specialized training on topics such as psychological injuries and handling sensitive claim information.

Our focus will be on delivering essential information to our customers through multiple communication channels. This enhanced variety will offer them more options for interaction and assist us in optimizing our processes.

Build trust and confidence through clear communication and collaborative engagement with stakeholders.

We want to build trusting relationships with our stakeholders to provide the best service to our customers.

Our healthcare department will work with the healthcare sector to promote the WCB and our role in preventing injuries, occupational illnesses and diseases. This is a priority for the years to come as we continue to see many injuries in the healthcare field.

System impact employers continue to have a high number of WCB claims, disproportional to other organizations. These are employers that employ a large number of Manitobans and have a large impact on the overall workers compensation system. We continue to work with them to lower their claims and find ways to educate their workforce on preventing injuries.

A new area of focus for the WCB is educating new Canadians. As more newcomers enter the workforce, it's important that they understand their rights as workers and the role of the WCB. We will also educate them on reporting their injuries to the WCB and recognizing claim suppression.

In 2024, the WCB began providing presentations to newcomer and other vulnerable workers to raise awareness of the workers compensation

system, workers' safety rights and the right to report workplace injuries and illnesses to the WCB. Presentations are facilitated through organizations that represent and provide services to these workers. Presentations are also given in alternate languages upon request, such as French and Arabic. In 2024, 38 presentations were delivered to 697 workers and organizational staff across the province. This initiative continues in 2025.

Increase access to secure digital services and information.

The WCB is working to modernize our services and offer more digital options for our customers to interact with us in addition to our current offerings. This includes exploring all avenues, including launching a mobile app for workers to report and manage their WCB claims. The app is one of many options we want to offer our customers as part of our plans to modernize our systems. Increasing access to our digital services also works in tandem with reinforcing our cybersecurity systems.

FIVE-YEAR **TARGETS:**

In the five year period covered by this plan, the WCB is focused on the following milestones:

80%

Achieve at least: **80%** in **customer satisfaction of employers and injured workers**

70%

Achieve at least: **70%** of **claims paid within 14 days of injury**

under $1

Achieve and maintain an **average assessment rate** at **under $1**

130%
Funding Ratio

Maintain the **accident reserve fund** in keeping with the **130% funding ratio target**

GROW OUR PEOPLE

STRATEGIC **GOAL:**

Attract, retain and develop our people to anticipate and align with our evolving needs.

AREAS OF **FOCUS:**

Support the ongoing development of employees to prepare for today and tomorrow.

The WCB is dedicated to supporting employee growth. We want to ensure staff have the skills to meet immediate needs and equip them with the knowledge and training needed for the future. We aim to build an innovative workforce to meet the evolving needs of our customers.

Continuous learning and professional development are essential to supporting our employees and building a team that wants to grow and advance their careers at the WCB. We do this in multiple ways, through continuous learning and skill enhancement, personalized development plans and leadership development.

The WCB invests in employee training opportunities through various formats, such as formal education, workshops, seminars, e-learning and self-directed learning. Members of our staff work with leadership to identify gaps and create tailored training for their needs. Those looking to advance their career can work with their leader on a personalized development plan to meet their professional goals and leadership development opportunities.

Proactive approach to leadership development and succession planning.

Succession management is a priority for the WCB. The success of our organization relies on our ability to plan and prepare for the future.

We will use succession management tools to help us identify and develop future leaders within the organization. This includes preparing employees who demonstrate high-potential for the WCB's present and future leadership needs. Abilities are identified early to ensure ongoing development, monitoring and feedback.

The WCB will offer targeted training, mentoring and coaching so employees can build the skills and competencies needed for future roles. This will ensure a continual stream of talent is ready for leadership positions.

Current leaders will be supported in ongoing development to evolve the corporate culture at the WCB. This includes improving key areas such as employee engagement, coaching and mentoring, staff development, performance management and retention.

Enhance diversity and inclusivity of our workforce to reflect the people we serve.

At the WCB, we embrace diversity and recognize that our differences unite and strengthen our organization. We draw from our differences and perspectives to create shared experiences that will enhance our workforce.

We aim to create a diverse workforce that reflects our customers' perspectives, experiences and needs and the diversity of all Manitobans. This will allow our staff to learn from each other so we can find ways to create and improve upon our services. To achieve this, we have developed a comprehensive diversity, equity and inclusivity strategy that will launch in 2026.

FIVE-YEAR **TARGETS:**

In the five year period covered by this plan, the WCB is focused on the following milestones:

$650*

Investment in staff professional development and training

* Average per employee per year

SECURE THE SYSTEM FOR TOMORROW

STRATEGIC **GOAL:**

Ensure financial stability and prepare our systems for change and modernization.

AREAS OF **FOCUS:**

Maintain financial stability and strengthen our systems for change and modernization.

Maintaining financial stability ensures that the WCB is well-funded to help maintain the integrity of the workers compensation system and that we can safeguard against future costs.

By enhancing and modernizing our systems, we can better serve our customers while staying current with technological advancements. This approach will also improve efficiency and productivity within our organization.

The WCB will enable its change management function to effectively support our staff as we move to modernize our systems.

Strategic focus on risk management through system modernization.

Strengthening cybersecurity initiatives is a priority to safeguard our organization from internal and external threats. By addressing these vulnerabilities, we enhance our overall security level.

We have completed a comprehensive assessment of our current IT infrastructure. Based on this analysis, we have created a roadmap which will allow the WCB to evolve and modernize our system over time.

Enhance agility to meet changing conditions.

The WCB has moved toward an Enterprise Project Management Office (EPMO) to ensure corporate initiatives are aligned across the organization. This approach focuses on our whole organization, aligning projects to meet broader organizational goals. This will also lead to increased productivity and a higher-quality project output.

Change Management Services (CMS) was introduced so the WCB remains focused on the people side of change. This new department supports leaders and staff through transitions by providing clear communication, training and engagement. By taking a consistent people-first approach, CMS helps reduce resistance, build internal awareness and skills and creates a better employee experience, setting the stage for sustainability and long-term success.

Pro Forma Statement of Financial Position - Funding Basis (unaudited)

As at December 31
(000's)

	2024 Actual	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Assets	**$ 2,246,352**	**$ 2,166,096**	**$ 2,151,549**	**$ 2,144,716**	**$ 2,205,999**	**$ 2,274,221**
Liabilities	1,359,225	1,387,373	1,426,163	1,485,371	1,547,689	1,613,232
Funded position	887,127	778,723	725,386	659,345	658,310	660,989
	$ 2,246,352	**$ 2,166,096**	**$ 2,151,549**	**$ 2,144,716**	**$ 2,205,999**	**$ 2,274,221**
Funding ratio	165.3%	156.1%	150.9%	144.4%	142.5%	141.0%

Pro Forma Statement of Total Comprehensive Income - Funding Basis (unaudited)

For the years ending December 31
(000's)

	2024 Actual	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Projected average assessment rate	$ 0.95	$ 0.95	$ 0.95	$ 0.95	$ 0.95	$ 0.95
Premium revenue	$ 332,172	$ 296,103	$ 302,971	$ 312,884	$ 320,424	$ 329,414
Investment income	259,908	90,476	88,663	90,010	93,678	98,222
Total Revenue	592,080	386,579	391,634	402,894	414,102	427,636
Claim costs incurred	265,590	237,791	242,754	260,711	266,369	272,311
Operating expenses	113,332	135,354	139,658	144,127	148,768	152,646
Total expenses	378,922	373,145	382,412	404,838	415,137	424,957
Operating surplus	**213,158**	**13,434**	**9,222**	**(1,944)**	**(1,035)**	**2,679**
Surplus distribution	(114,697)	(121,838)	(62,559)	(64,097)	-	-
Gain on defined benefit plans	7,188	-	-	-	-	-
Total comprehensive income (loss)	**$ 105,649**	**$ (108,404)**	**$ (53,337)**	**$ (66,041)**	**$ (1,035)**	**$ 2,679**

2025 – 2029 Budgeted and Projected Financial Statements

The WCB has adopted IFRS to prepare the IFRS-basis financial statements published in our annual report (page 82), which is required for statutory compliance.

For the purposes of rate setting and managing the funding ratio, the WCB prepares its financial projections using the funding basis of accounting. This approach provides our stakeholders with a long-term perspective of the WCB's financial stability, mitigates premium rate volatility and determines the required level of reserves in accordance with the Funding Policy.

The pro-forma financial statements for the years 2025-2029 present the financial outcomes of the strategic and operational plans of the WCB.

The average assessment rate is maintained at $0.95 throughout the Five Year Plan. Surplus distributions are planned to continue through 2027 as the goal is to reduce the funding ratio toward the 130 per cent policy target.

WCB revenues include:

Premium revenue: this amount represents a combination of estimated annual assessable payroll and the average assessment rate, using reasonable assumptions for economic and inflationary growth. The average assessment rate used in the Five Year Plan is $0.95.

Investment revenue: this amount represents a return that is consistent with the WCB's investment portfolio profile. A steady annual rate of return of 5.75 per cent is used throughout the Plan, as it is not possible to predict investment markets. Actual results in this area will vary and fluctuations can be significant.

WCB expenses include:

Claim costs: are calculated based on historical claims data updated to reflect recent experience and reasonable assumptions for cost inflation. The number of injuries are assumed to increase in 2025, remain flat in 2026, and decline modestly through 2029. Fluctuations in claim costs can occur if there is an increase to injury rates, very expensive claims, a change to the nature or complexity of claims, or a change in average claim duration.

Operating expenses: this amount represents salaries, employee benefits, information technology investments, the Appeal Commission, SAFE Work Manitoba and administrative costs.

Surplus distribution: The Board of Directors reviews the WCB's funded position on an annual basis to determine if a surplus distribution is warranted. The Board of Directors considers long-term financial projections, with the main objective of maintaining rate stability while protecting the system against risk, uncertainty and market volatility. Actual distribution amounts are approved based on year-end financial outcomes and may differ from the projected amounts.

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2024 AUDITED FINANCIAL STATEMENTS AND NOTES

RESPONSIBILITY FOR **FINANCIAL INFORMATION**

The financial statements are the responsibility of management and were prepared in accordance with International Financial Reporting Standards. The financial statements include some amounts based on management's best estimates and judgments.

Management maintains the necessary internal controls to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The internal auditor performs periodic audits designed to test the adequacy and consistency of the WCB's internal controls.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and approved the financial statements and other financial information included in this annual report on May 14, 2025.

The Audit Committee assists the Board of Directors in discharging its responsibilities. The Committee reviews and recommends approval of the financial statements and annual report and meets periodically with management, internal and external auditors and actuaries concerning internal controls and all other matters relating to financial reporting.

The Chief Actuary of the WCB completed an actuarial valuation of the workers compensation liabilities included in the financial statements of the WCB and reported thereon in accordance with accepted actuarial practice in Canada. The Chief Actuary's opinion on the valuation of the workers compensation liabilities is provided on page 79. In addition, the WCB has appointed an independent peer review actuary, Eckler Ltd., to review the annual actuarial valuation of the workers compensation liabilities.

Doane Grant Thornton LLP, the independent auditor of the WCB, has performed an independent audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards (GAAS). The Auditor's Report, on page 80, outlines the scope of this independent audit and includes their opinion expressed on the 2024 financial statements.

Catherine Skinner, LLB, LLM, CIC
President and CEO

Leslie Anne Hurley, CPA, CGA
Vice President and Chief Financial Officer

May 14, 2025

ACTUARIAL **OPINION**

With respect to Future Workers Compensation Liabilities of the Workers Compensation Board of Manitoba

based on an actuarial valuation as at December 31, 2024

I have completed an actuarial valuation as at December 31, 2024 of the workers compensation liabilities for all employers insured under *The Workers Compensation Act* of Manitoba as amended to the valuation date. The purpose of this valuation was to estimate the liabilities of the WCB with respect to injuries that occurred on or before the valuation date for inclusion in the 2024 financial statements which are prepared in accordance with International Financial Reporting Standards.

My estimate of the liabilities as at December 31, 2024 is $1,098.9 million.

I reviewed the data and have performed tests to confirm their reasonableness and consistency with that used in the prior valuation.

The December 31, 2024 Illiquid Reference Curve from Fiera Capital's CIA IFRS 17 Market Curves and Reference Curves for December 2024 has been used for the discount rates. The inflation assumptions are 2.00 per cent per annum for inflation linked benefits, 3.00 percent per annum for wage linked benefits, and 4.50 per cent for healthcare benefits.

The mortality assumption for disability and survivor benefits is 105% of the generational table created from the Manitoba Life Table 2015-2017 projected from 2016 using the CPM-B projection scale. The mortality assumption for life insurance benefits is based on 105% of the Manitoba Life Table 2015-2017.

The assumptions and methods used in the valuation, as described in my report, are based on the current practices and administrative procedures of the WCB and on historical claims experience.

In my opinion, the data on which the valuation is based are sufficient and reliable for the purpose of this valuation.

In my opinion, the assumptions are appropriate for the purpose of this valuation.

In my opinion, the methods employed in the valuation are appropriate for the purpose of this valuation.

The amount of the insurance contract liability makes appropriate provision for all personal injury compensation obligations given the WCB's accounting.

This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.

Respectfully submitted,

Michael Williams
Fellow, Canadian Institute of Actuaries
Chief Actuary, WCB

May 14, 2025

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Independent auditor's report

To the Board of Directors of the Workers Compensation board of Manitoba

Opinion

We have audited the financial statements of the Workers Compensation Board of Manitoba ("the WCB"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and comprehensive income, changes in funded position and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Workers Compensation Board of Manitoba as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the WCB in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 21 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. The financial statements for the year ended December 31, 2023 (prior to the adjustments that were applied to restate certain comparative information explained in Note 21) were audited by another auditor who expressed an unmodified opinion on those financial statements on May 21, 2024. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Doane Grant Thornton LLP

Winnipeg, Canada
May 14, 2025

Chartered Professional Accountants

Statement of financial position

(in thousands of dollars)

	Note	December 31, 2024	December 31, 2023 Restated (Note 21)	January 1, 2023 Restated (Note 21)
Assets				
Cash	3	$ 31,240	$ 38,898	$ 22,572
Receivables	4	6,496	4,101	7,327
Investment portfolio	5	1,915,789	1,786,991	1,685,834
Property and equipment	6	36,097	27,864	29,923
Intangible assets	7	3,041	4,778	5,986
		$ 1,992,663	$ 1,862,632	$ 1,751,642
Liabilities and funded position				
Payables and accruals	8	$ 4,364	$ 3,645	$ 3,772
Workers' retirement annuity fund	9	50,362	46,135	43,093
Employee benefits	10	62,672	85,013	77,041
Workers compensation liabilities	11	1,114,087	1,250,984	1,196,807
Total liabilities		1,231,485	1,385,777	1,320,713
Accident fund reserve		706,615	451,374	404,118
Accumulated other comprehensive income		54,563	25,481	26,811
		761,178	476,855	430,929
		$ 1,992,663	$ 1,862,632	$ 1,751,642

Authorized for issue on May 14, 2025 on behalf of the Board of Directors,

Colin S. Robinson
Chair, Board of Directors

Yvette Milner
Chair, Audit Committee of the Board of Directors

The accompanying notes are an integral part of the financial statements.

Statement of operations and comprehensive income

Year ended December 31
(in thousands of dollars)

	Note	2024	2023 Restated (Note 21)
Workers compensation result			
Premium revenue	12	$ 240,875	$ 229,139
Workers compensation service expense	13	(27,403)	(185,245)
Net workers compensation service result	11	213,472	43,894
Investment income	5	259,908	134,639
Workers compensation finance expense	15	(70,363)	(104,152)
Operating expenses	14	(26,354)	(23,252)
Workers retirement annuity fund interest	9	(6,725)	(3,486)
Total operating and other expenses		(33,079)	(26,738)
Operating surplus		369,938	47,643
Surplus distribution		(114,697)	(387)
Net operating surplus		255,241	47,256
Other comprehensive income			
Defined benefit plans remeasurements*	10	29,082	(1,330)
Total comprehensive income		$ 284,323	$ 45,926

*will not be recycled to net operating surplus subsequently
The accompanying notes are an integral part of the financial statements.

Statement of changes in funded position

Year ended December 31
(in thousands of dollars)

	2024	2023 Restated (Note 21)
Funded position		
Accident fund reserve		
Balance, beginning of year	$ 451,374	$ 404,118
Operating surplus	369,938	47,643
Surplus distribution	(114,697)	(387)
	706,615	451,374
Accumulated other comprehensive income (loss)		
Balance, beginning of year	$ 25,481	$ 26,811
Other comprehensive income (loss)	29,082	(1,330)
	54,563	25,481
Funded position, end of year	$ 761,178	$ 476,855

The accompanying notes are an integral part of the financial statements.

Statement of cash flows

Year ended December 31
(in thousands of dollars)

	Note	2024	2023
Operating cash flows			
Premiums from employers		$ 187,094	$ 258,381
Claim payments		(209,122)	(178,140)
Purchases of goods and services		(115,928)	(107,171)
Net operating cash flows		(137,956)	(26,930)
Investing cash flows			
Purchases of investments		(516,493)	(802,139)
Proceeds on disposal of investments		579,587	774,340
Dividend income		54,146	42,942
Interest income		26,381	31,222
Asset acquisitions		(12,118)	(2,104)
Net investing cash flows		131,503	44,261
Financing cash flows			
Payment of leases		(1,205)	(1,005)
Net financing cash flows		(1,205)	(1,005)
Net (decrease) increase in cash		(7,658)	16,326
Cash, beginning of year		38,898	22,572
Cash, end of year		$ 31,240	$ 38,898

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements

Year ended December 31, 2024
($ amounts in thousands of dollars unless otherwise noted)

1. NATURE OF OPERATIONS

Reporting entity

The Workers Compensation Board of Manitoba (the WCB) is a statutory corporation created by the Manitoba Legislature. The WCB has its corporate head office in Winnipeg, Manitoba.

The WCB was created in 1916 under the authority of *The Workers Compensation Act* (the Act) of Manitoba. In accordance with the provisions of the Act, the WCB is responsible for:

- prevention of workplace injuries and illnesses;
- administering payments to injured workers and suppliers of services to injured workers;
- levying and collecting premiums from established classes of employers in amounts sufficient to cover the current and future costs of existing claims; and
- investing funds set aside for the future costs of claims as well as surplus funds.

SAFE Work Manitoba, a division of the WCB, is responsible for the delivery of prevention-related services mandated under the Act.

An independent Workers Compensation Appeal Commission operates under the Act to make final rulings on any appeals pertaining to the WCB's assessment or benefits decisions.

The Act establishes the Accident Fund for the payment of compensation, outlays and expenses of the workers compensation system. The Accident Fund is funded through premiums collected from employers. The WCB does not receive government funding or assistance. While International Financial Reporting Standards (IFRS) are the reporting basis for the financial statements, the WCB applies a funding basis of accounting for the funding policy.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the WCB are prepared in accordance with International Financial Reporting Standards as issued by the IASB (IFRS Accounting Standards). WCB presents its statement of financial position in order of liquidity. The material accounting policies applied in the preparation of these financial statements are set out below.

Basis of measurement

The financial statements of the WCB have been prepared on a historic cost basis except for certain financial assets and financial liabilities that are measured at fair value and workers compensation liabilities, as explained in the accounting policy notes. The WCB's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the WCB operates, which is also the presentation currency of the financial statements. All financial information presented in Canadian dollars has been rounded to the nearest thousand, unless otherwise noted.

Use of estimates, measurement uncertainty and critical judgements

In accordance with IFRS, the WCB's financial statements incorporate management's critical judgments, accounting estimates and assumptions of the reported amounts of assets and liabilities as at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. As a result, some reported amounts are subject to measurement uncertainty. This uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Assumptions and estimates are reviewed on an ongoing basis, with changes recorded in the accounting period in which they are determined.

The most significant items that are based on accounting estimates are level 3 portfolio investments (Note 5), employee benefits liabilities and expenses (Note 10), and workers compensation liabilities (Note 11).

Insurance contracts

IFRS 17 *Insurance Contracts* requires the WCB to identify contracts as insurance contracts when the WCB accepts significant insurance risk from another party by agreeing to compensate the policy holder if a specified uncertain future event adversely affects the policy holder. The WCB has determined that the Act imposes a statutory workers compensation insurance contract under which the WCB accepts significant insurance risk from all classes of employers covered under the Act in exchange for premiums paid.

The operations of the WCB are categorized, in accordance with the Act, into several classes of employers:

- Class E employers, the general employers pool, are subject to collective liability, and
- Class B to D employers, collectively referred to as individually assessed employers, are subject to individual responsibility for the costs attributable to claims arising from their workers, as well as administration expenses incurred.

Accounting policies related to insurance contracts are discussed in Note 11. Class E employers are further discussed in Note 12.

Foreign currency translation

Transactions in foreign currency are converted to Canadian dollars at the exchange rate in effect at the time of the transaction. Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the date of the statement of financial position.

Specific accounting policies

In order to facilitate an understanding of the WCB's financial statements, the following significant accounting policies are disclosed in the related notes:

Note	Topic	Page
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15	Workers compensation finance expense	117

Changes in accounting policies

The International Accounting Standards Board (IASB) is working towards continual improvement through the development of new accounting standards and the annual improvements process. The WCB monitors the IASB work plans and publications to address any developments that may impact the organization.

IFRS issued but not yet effective

Several new, but not yet effective, standards and amendments to existing standards have been published by the IASB. None of these standards or amendments have been adopted early. The WCB anticipates that all relevant standards will be adopted for the first period beginning on or after the effective date of the standard.

3. CASH

Accounting policy

Cash includes cash on hand and balances with banks. Cash and short-term investments held by investment managers and custodians for investment purposes are included in the investment portfolio. All outstanding payments are expected to be settled within 12 months.

The WCB has established an operating line of credit with its principal banker in the amount of $50 million. Advances on the line of credit bear interest at the bank's prime interest rate. The WCB did not utilize the line of credit in 2024 or 2023.

4. RECEIVABLES

Accounting policy

Under IFRS 9 *Financial Instruments*, receivables are classified as amortized cost financial assets, recorded at fair value on initial recognition and subsequently measured at amortized cost. Due to the short term nature of receivables, carrying value approximates fair value.

Credit risk

Receivables have been assessed as having minimal risk of default. The maximum credit risk exposure is the carrying value of $6.5 million (2023, $4.1 million).

Liquidity risk

Receivables are presented net of expected credit loss of $0.7 million (2023, $0.7 million).

5. INVESTMENT PORTFOLIO

Accounting policy

Investment portfolio

The investment portfolio is managed according to the objectives and policies established by the Statement of Investment Policies and Objectives. The statement acknowledges that there is no single asset class that directly matches the obligations and objectives of the WCB, and that a portfolio diversified across a number of distinct asset classes represents the optimal means of meeting the WCB's investment objectives. The investment portfolio is comprised of portfolio investments consisting of financial assets accounted for in accordance with IFRS 9 *Financial Instruments*.

Classification

The WCB classifies its investments as fair value through profit or loss (FVTPL). The investment portfolio is managed and evaluated on a fair value basis, where fair value information is used to assess investment performance and make investment decisions. The investment portfolio is neither held to collect contractual cash flows nor held to both collect contractual cash flows and to sell financial assets.

All portfolio investments are measured at their fair value, with all changes in fair value immediately recorded in investment income in the statement of operations and comprehensive income. The changes in fair value of FVTPL instruments are comprised of net realized and unrealized gains or losses on investments.

Recognition and measurement

The WCB uses settlement date to account for the purchase and sale of all financial instruments in its investment portfolio. Transactions are recorded on the date the trade is finalized (the settlement date), not the date the trade is carried out (trade date).

The WCB's investments are measured at fair value on initial recognition and on a recurring basis reported at fair value, which is the market value.

- Publicly traded investments are stated at year end market prices as listed on the appropriate stock exchange, or as provided by the custodian from independent sources.
- Pooled fund investments are valued at the year-end net asset value (NAV) supplied by the pooled fund manager.
- Private debt and infrastructure investments, which are held through limited partnerships, are valued at the year-end NAV as provided by the fund manager.
- Investments denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Foreign currency exchange gains and losses are recorded in the period in which they arise.

Critical accounting estimates and judgments

Considerable judgment may be required in developing estimates of fair value, particularly for investments classified as Level 3 in the fair value hierarchy as such estimates incorporate unobservable inputs that require the use of assumptions.

Unconsolidated structured entities

Investments in limited partnerships for alternative asset classes do not satisfy the elements for control or significant influence and therefore have not been consolidated into these financial statements. Financial instruments accounting has been applied. The WCB's financial exposure is limited to the net carrying amount of the investments. Obligations are imposed on funds committed in structured entities; once committed, an investor is expected to fund the entire subscribed amount over the term of the agreement.

Securities lending

The WCB may lend, for fee income, any of its securities to third parties, provided the loans are secured by cash or readily marketable securities having a market value of at least 105 per cent of the market amount of the asset borrowed.

Under the terms of the securities lending program, the WCB retains substantially all the risks and rewards of ownership of the loaned securities and retains the contractual rights to the cash flows. These securities are not derecognized from the statement of financial position.

Investment portfolio

The investment portfolio is comprised of:

	2024	2023
Investments	$ 1,738,276	$ 1,624,114
Securities lending	177,513	162,877
Investment portfolio	$ 1,915,789	$ 1,786,991

The following table presents the value of the WCB's investments, together with their classification under the fair value hierarchy:

	2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
Fixed income				
Bonds	$ -	$ 189,604	$ -	$ 189,604
Mortgages	-	202,513	-	202,513
Private debt	-	-	171,221	171,221
Cash and short term	20,447	-	-	20,447
	20,447	392,117	171,221	583,785
Equities				
Canadian	300,531	-	-	300,531
U.S.	-	197,681	-	197,681
Global	-	209,523	-	209,523
Emerging markets	-	72,178	-	72,178
Private placements	-	-	13	13
	300,531	479,382	13	779,926
Real estate	-	-	236,237	236,237
Infrastructure	-	-	315,841	315,841
Total investment portfolio	$ 320,978	$ 871,499	$ 723,312	$ 1,915,789

Equities that were previously presented as Level 2 are presented as Level 1 investments for both 2024 and 2023, based on the nature of the underlying equities. There were no changes to the determination of fair values of the equities.

	2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Fixed income				
Bonds	$ -	$ 181,938	$ -	$ 181,938
Mortgages	-	188,998	-	188,998
Private debt	-	-	139,895	139,895
Cash and short term	64,310	-	-	64,310
	64,310	370,936	139,895	575,141
Equities				
Canadian	275,601	-	-	275,601
U.S.	-	190,927	-	190,927
Global	-	185,494	-	185,494
Emerging markets	-	57,709	-	57,709
Private placements	-	-	28	28
	275,601	434,130	28	709,759
Real estate	-	-	194,733	194,733
Infrastructure	-	-	307,358	307,358
Total investment portfolio	$ 339,911	$ 805,066	$ 642,014	$ 1,786,991

The fair value of the WCB's investment portfolio is categorized into three levels comprising the fair value hierarchy. Valuations are provided by investment managers for financial reporting purposes. Valuation techniques are selected based on the characteristics of the investment, with the overall objective of maximizing the use of market-based information. Management is responsible for ensuring that the chosen valuation technique is appropriate in the circumstances.

The three levels of the fair value hierarchy are:

Level 1: The fair value is based on quoted prices in active markets for identical assets.

Level 2: The fair value is based on inputs that are observable for the asset either directly or indirectly but not considered Level 1 quoted prices. Fair value is based on, or derived from, market price data or using net asset value provided by fund managers. Level 2 includes pooled funds invested in debt and public equity securities.

Level 3: The fair value is based on inputs that are not observable, indicating that the fair value is inherently based on accounting estimates. They reflect assumptions about market prices using the best internal and external information available. Valuation techniques applied are most appropriate for the type of investment and include:

- Pooled real estate funds are valued at the year-end net asset value (NAV) as determined by the fund managers, who may use appraisals, third party transactions or discounted cash flows to value the underlying assets.
- Structured entities, such as limited partnership investments, are valued at the year-end NAV as determined by the fund manager, who may use discounted cash flows or similar techniques that are not based on observable market data to value the underlying assets.

With respect to changes in the unobservable inputs used to value Level 3 investments, the WCB does not have sufficient information to provide sensitivities on the fair value of the underlying investments.

The following table reconciles the changes in the WCB's Level 3 fair value measurements to December 31:

	2024	2023
Balance, January 1	$ 642,014	$ 511,597
Unrealized gains (losses)	41,594	(51,297)
Realized gains	5,930	29,697
Purchases	60,411	201,492
Disposals	(26,637)	(49,475)
Balance, December 31	$ 723,312	$ 642,014

Commitments

The WCB has contractual agreements to contribute further funding to a maximum of $41.4 million (2023, $90.3 million) to specific investment projects to be financed from the existing portfolio or from available cash.

Investment risk management

The WCB's Board of Directors, through the Investment Committee, is responsible for the overall strategic direction and governance of the investment portfolio through its review and approval of the Statement of Investment Policies & Objectives (the SIP&O), and the ongoing oversight of investment risk, performance and compliance.

The WCB is responsible for monitoring the investment portfolio, assessing performance on an ongoing basis and recommending changes to the SIP&O. The WCB retains an independent investment consultant to benchmark the performance of the portfolio, and to advise on the effectiveness of the SIP&O and investment practices.

The primary risk for the WCB is the risk that long term returns from the investment portfolio will not be sufficient to cover its obligations arising from its workers compensation liabilities. In accordance with the SIP&O, the investment objective of the WCB is to generate a consistent, positive, real rate of return on invested assets. Recognizing the need to achieve a balance between risk and return, investment risk is managed through a portfolio that is diversified across a number of distinct asset classes.

The following sections describe the nature and extent of investment risk exposure and the related risk mitigation strategies.

Market risk

Market price risk

The WCB invests in publicly traded equities and fixed income instruments available on domestic and foreign exchanges and through pooled funds. Market risk is the risk that the fair value of these financial instruments will decline due to changes in market prices. Market prices can change as a result of fluctuations in equity prices, interest rates or foreign exchange rates. The WCB does not use derivative financial instruments to counter the effects of these market changes and fluctuations. Market risk is managed through the SIP&O, which has established guidelines to ensure that the WCB's investments are diversified by issuer, geographic location, investment quality and compliance monitoring and rebalancing requirements.

The nature of the WCB's exposure to market risk, and the policies, processes and assumptions used to estimate impact and manage risk, have not changed from the previous period.

The following table presents the decrease in fair value, and therefore total comprehensive income, as a result of a material adverse change in the values of each asset class in the WCB investment portfolio.

	2024	2023
Estimated loss in fair value:	10 per cent	10 per cent
Fixed income		
Bonds	$ 19,000	$ 18,000
Mortgages	20,000	19,000
Private debt	17,000	14,000
Cash and short term	2,000	6,000
Equities		
Canadian	30,000	28,000
U.S.	20,000	19,000
Global	21,000	19,000
Emerging markets	7,000	6,000
Real estate	24,000	19,000
Infrastructure	32,000	31,000

Foreign exchange risk

Foreign exchange risk is the risk of loss on a financial instrument due to changes in foreign exchange rates as compared to the Canadian dollar.

The WCB has certain investments denominated in foreign currencies, which exposes the WCB to foreign currency risk. The WCB's principal transactions are carried out in Canadian dollars and its exposure to foreign exchange risk arises primarily with respect to the US dollar.

The WCB has exposure to the US dollar (USD), with USD-denominated holdings of $681.2 million Canadian dollar (CAD) (2023, $625.3 million CAD) or 35.7 per cent of the portfolio (2023, 35.0 per cent).

At December 31, 2024, it is estimated that a 10 per cent appreciation in the Canadian dollar versus the US dollar would result in a loss in fair value of $61.9 million (2023, $56.8 million). Fair value losses are recognized in investment income, and therefore reduce total comprehensive income.

During 2024 and 2023, the WCB did not undertake hedging strategies for the currency risk of foreign investments.

Interest rate risk

The WCB is exposed to interest rate risk as fluctuations in interest rates can impact the fair value of the fixed income portion of the investment portfolio. Interest rate risk is actively managed by controlling the duration of the fixed income portfolio. As at December 31, 2024, the duration of the WCB's bond portfolio was 7.3 years (2023, 7.2 years).

At December 31, 2024, had the prevailing interest rate changed by 1 per cent, the fair value of the fixed income portfolio would have increased or decreased by $13.7 million (2023, $13.1 million). Fair value changes are recognized in investment income, therefore increase or decrease total comprehensive income.

The WCB has no significant concentration of interest rate risk.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of an instrument fails to meet its obligations. The WCB's credit risk of the investment portfolio arises primarily from the fixed income portfolio comprised of short term investments, bonds and debentures, the pooled bond fund, the pooled mortgage fund, private debt, equities, real estate and infrastructure.

Credit risk is mitigated through a well-diversified portfolio with limited exposure to any one entity, industry or country, and through the SIP&O asset mix guidelines and investment constraints with respect to credit quality. Credit risk is actively managed through asset mix compliance monitoring and the rebalancing requirements of the SIP&O.

The WCB does not anticipate that any borrowers will fail to meet their obligations.

The credit ratings and maximum credit exposure of the WCB's fixed income portfolio as at December 31 are as follows:

	2024			2023		
Credit rating		Total	per cent		Total	per cent
AAA	$	60,104	10.3%	$	70,580	12.3%
AA		57,737	9.9%		49,316	8.6%
A		41,925	7.2%		34,097	5.9%
BBB		28,023	4.8%		26,672	4.7%
Below BBB		1,173	0.2%		631	0.1%
Not rated[1]		394,823	67.6%		393,845	68.4%
Maximum credit exposure	$	583,785	100.0%	$	575,141	100.0%

[1] Not rated includes cash and short term, mortgages and private debt

The WCB is also exposed to counterparty risk through securities lending. This risk is managed by the appointment of an experienced intermediary to manage the securities lending program including daily monitoring of collateral held to ensure full collateralization plus a margin for safety, and by an indemnity from the financial institution that manages the securities lending program.

Securities lending

As at December 31, 2024 the fair value of investments loaned under the securities lending program was $177.5 million (2023, $162.9 million). As at December 31, 2024, total collateral pledged to the WCB amounted to $186.4 million (2023, $171.1 million).

Liquidity risk

Liquidity risk is the risk that the WCB will be unable to meet its financial obligations. The WCB manages its liquidity requirements primarily through funds generated through operations, investment income and asset maturities. The WCB monitors its current and expected cash flow requirements to ensure it has sufficient cash to meet its liquidity requirements in the short and long term. To further manage this risk, the WCB maintains a credit facility as discussed in Note 3.

The WCB's investment portfolio is well diversified in accordance with the guidelines of the SIP&O, which includes both highly liquid and certain investments that, due to the absence of active markets and contract terms, cannot be sold or converted easily to cash in a timely and cost effective manner.

The following investment assets are not easily converted to cash:

		2024		2023
Infrastructure	$	315,841	$	307,358
Private debt		171,221		139,895
Real estate		236,237		194,733
	$	723,299	$	641,986

Investment income

Accounting policy

Income from interest and dividends is recognized in the period earned, and changes in fair value are presented in the period in which they arise. Investment income and changes in fair value, both realized and unrealized, are recognized in Investment income (loss) in the statement of operations and comprehensive income in the period.

	2024			
Investment income	Income	Net realized gains (losses)	Net unrealized gains (losses)	Total
Fixed income				
Bonds	$ 6,513	$ 285	$ 1,956	$ 8,754
Mortgages	9,644	-	3,871	13,515
Private debt	18,692	-	13,390	32,082
Cash and short term	2,624	133	45	2,802
	37,473	418	19,262	57,153
Equities				
Canadian	12,540	23,667	27,749	63,956
U.S.	3,248	41,118	13,876	58,242
Global	3,959	-	20,071	24,030
Emerging markets	6,866	2	7,621	14,489
Private placements	-	-	(15)	(15)
	26,613	64,787	69,302	160,702
Real estate	8,037	(235)	4,969	12,771
Infrastructure	12,378	6,165	23,250	41,793
Investment income	$ 84,501	$ 71,135	$ 116,783	272,419
Less: Portfolio management expenses				12,511
Net investment income				$ 259,908

	2023			
Investment income	Income	Net realized gains (losses)	Net unrealized gains (losses)	Total
Fixed income				
Bonds	$ 8,060	$ (22,905)	$ 28,769	$ 13,924
Mortgages	8,806	-	3,797	12,603
Private debt	7,364	-	1,942	9,306
Cash and short term	2,490	38	(43)	2,485
	26,720	(22,867)	34,465	38,318
Equities				
Canadian	6,074	7,898	22,360	36,332
U.S.	1,969	49	35,758	37,776
Global	17,578	3,973	7,166	28,717
Emerging markets	3,344	14,080	(14,792)	2,632
Private placements	-	-	(4)	(4)
	28,965	26,000	50,488	105,453
Real estate	13,139	29,234	(67,693)	(25,320)
Infrastructure	13,791	463	14,458	28,712
Investment income	$ 82,615	$ 32,830	$ 31,718	147,163
Less: Portfolio management expenses				12,524
Net investment income				$ 134,639

6. PROPERTY AND EQUIPMENT

Accounting policy

Property and equipment are valued at cost, less accumulated amortization and any impairment loss. Right-of-use assets (leases) are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

Amortization is calculated on a straight line basis over the estimated useful life of the asset, as follows:

Building	40 years
Building renovations and leasehold improvements	2 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and equipment	5 years
Leases	Lease term

The WCB does not recognize a lease liability or corresponding right-of-use asset for leases where the total lease term is less than 12 months or for leases of low value. Payments for these leases are recognized in operating expenses on a straight-line basis over the term of the lease.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use. Any gain or loss arising on derecognition is included in operating expenses. The carrying amounts of the WCB's non-financial assets are reviewed at each reporting date to ensure that assets are not carried at a value in excess of the recoverable amount.

The changes in property and equipment were as follows:

	2024				
Cost	Building and land[2]	Building renovations and leaseholds	Computer equipment	Furniture, fixtures, and equipment	Total
As at January 1	$ 36,761	$ 13,661	$ 14,019	$ 5,254	$ 69,695
Additions	1,675	8,400	1,639	384	12,098
Disposals	(576)	-	-	-	(576)
As at December 31	37,860	22,061	15,658	5,638	81,217
Amortization					
As at January 1	(14,127)	(9,879)	(12,679)	(5,146)	(41,831)
Amortization charge	(2,013)	(1,004)	(759)	(89)	(3,865)
Disposals	576	-	-	-	576
As at December 31	(15,564)	(10,883)	(13,438)	(5,235)	(45,120)
Net book value, December 31	**$ 22,296**	**$ 11,178**	**$ 2,220**	**$ 403**	**$ 36,097**

	2023				
Cost	Building and land[2]	Building renovations and leaseholds	Computer equipment	Furniture, fixtures, and equipment	Total
As at January 1	$ 36,618	$ 12,705	$ 13,193	$ 5,220	$ 67,736
Additions	-	956	826	34	1,816
Adjustments[1]	143	-	-	-	143
As at December 31	36,761	13,661	14,019	5,254	69,695
Amortization					
As at January 1	(11,857)	(9,007)	(11,996)	(4,953)	(37,813)
Amortization charge	(1,870)	(872)	(683)	(193)	(3,618)
Adjustments[1]	(400)	-	-	-	(400)
As at December 31	(14,127)	(9,879)	(12,679)	(5,146)	(41,831)
Net book value, December 31	**$ 22,634**	**$ 3,782**	**$ 1,340**	**$ 108**	**$ 27,864**

1 Adjustments related to the lease modification and lease reassessment.

2 Building and land includes right-of-use assets for office space where the WCB is a lessee. At December 31, the WCB held right-of-use assets of $2.8 million (2023, $2.1 million), net of amortization of $4.8 million (2023, $4.4 million).

7. INTANGIBLE ASSETS

Accounting policy

Acquired intangible assets, primarily computer software, are valued at cost less accumulated amortization. Amortization is calculated on a straight line basis over the estimated useful life, and included in operating expenses.

Internally developed intangible assets, primarily computer software and systems development, including professional fees incurred to implement these assets, are valued at cost and amortized over their useful lives. Amortization is calculated on a straight line basis over the estimated useful life, as follows:

Computer software	3 years
Internally developed	10 years

The carrying amounts of the WCB's non-financial assets are reviewed at each reporting date to ensure that assets are not carried at a value in excess of the recoverable amount.

The changes in intangible assets were as follows:

	2024		
Cost	Computer software	Internally developed	Total
As at January 1	$ 5,037	$ 25,687	$ 30,724
Additions	20	-	20
As at December 31	5,057	25,687	30,744
Amortization			
As at January 1	(4,396)	(21,550)	(25,946)
Amortization charge	(321)	(1,436)	(1,757)
As at December 31	(4,717)	(22,986)	(27,703)
Net book value, as at December 31	**$ 340**	**$ 2,701**	**$ 3,041**

	2023		
Cost	Computer software	Internally developed	Total
As at January 1	$ 4,500	$ 25,681	$ 30,181
Additions	537	6	543
As at December 31	5,037	25,687	30,724
Amortization			
As at January 1	(4,093)	(20,102)	(24,195)
Amortization charge	(303)	(1,448)	(1,751)
As at December 31	(4,396)	(21,550)	(25,946)
Net book value, as at December 31	**$ 641**	**$ 4,137**	**$ 4,778**

8. PAYABLES AND ACCRUALS

Accounting policy

Payables and accruals are financial liabilities representing obligations to pay for goods and services acquired in the normal course of operations. The WCB records a liability and an expense for goods upon receipt or transfer of control, and for services when they are performed. Other payables include various payroll-related liabilities. The timing and amount of payables and accruals are readily determinable.

Payables and accruals are classified as amortized cost, recorded at fair value on initial recognition and subsequently measured at amortized cost. Due to the short term nature of payables and accruals, the carrying value of these items approximates fair value.

Lease liabilities

The WCB records a liability and a right-of-use asset upon commencement of a lease. Lease liabilities are measured at the present value of remaining lease payments, discounted by the WCB's incremental borrowing rate.

The liability for each lease is settled at the end of its lease term.

Payables and accruals are comprised of:

		2024		2023
Accounts payable and accrued liabilities	$	3,401	$	2,858
Lease liabilities		770		570
Other payables		193		217
Balance, end of year	$	4,364	$	3,645

Payables and accruals expected to be settled within 12 months total $3.8 million (2023, $3.2 million).

9. WORKERS RETIREMENT ANNUITY FUND

Accounting policy

The workers' retirement annuity fund (the fund) represents the WCB's obligation to provide an annuity for an eligible worker at retirement accounted for in accordance with IFRS 9 *Financial Instruments*.

In accordance with Section 42(2) of the Act, where wage loss benefits are paid to a worker after a qualifying period, the WCB is required to invest on a worker's behalf an amount equal to a percentage between five per cent and seven per cent, to provide an annuity for the worker at retirement. In addition, the worker may contribute an amount of not more than the amount contributed by the WCB.

The fund is intended to establish or replace lost pension entitlement resulting from a work related injury or illness. In accordance with WCB Policy 44.100.20, *Annuities*, contributions are set aside in an annuity account for each eligible worker, and earn interest based on the investment income rate of the WCB's investment portfolio. When the investment income rate of return is negative, the rate of return used is zero. At age 65 or upon retirement from the workforce, the retirement amount becomes payable as either an annuity or a lump sum payment.

The fund is comprised of the WCB's contributions, workers' contributions and investment income earned on those contributions. The assets attributable to the fund are included and managed as part of the WCB's investment portfolio.

The changes in the workers' retirement annuity fund were as follows:

	2024	2023
Balance, January 1	$ 46,135	$ 43,093
Interest income	6,725	3,486
WCB contributions	2,006	1,874
Workers' contributions	636	598
Benefits paid	(5,140)	(2,916)
Balance, December 31	$ 50,362	$ 46,135

The following table shows the anticipated cash flows to pay workers' retirement annuity funds to eligible workers, based on all workers reaching retirement age (age 65 or older):

	2024	2023
Within 1 year	$ 5,035	$ 5,477
Year 2	3,681	3,062
Year 3	4,243	3,155
Year 4	2,533	3,642
Year 5	3,302	2,121
Thereafter	31,568	28,678
Total	$ 50,362	$ 46,135

10. EMPLOYEE BENEFITS

The WCB has several employee benefit plans:

Short term benefits

These benefits include wages, salary, vacation entitlements and group health plans.

Retirement plans

The retirement plans, comprised of the WCB Retirement Plan and the Supplementary Employee Retirement Plan (SERP), are funded by employee and employer contributions. The WCB Retirement Plan is a defined benefit pension plan that provides partially indexed pensions based on years of service and the best five consecutive years average earnings in the last 12 years of employment. The SERP provides that the employees of the WCB, whose pension benefits exceed the maximum pension benefit permitted under the federal *Income Tax Act*, will receive pension benefits based on their total pensionable earnings.

Sick leave plan

The WCB sick leave plan is a multi-faceted benefit plan. Sick leave credits are earned and payable in the form of sick leave in the current year. Unused sick leave credits are accumulated and carried forward to future periods, and are available to be taken as sick leave when the current year entitlement is exhausted. For employees that meet established criteria upon termination or retirement, the sick leave plan represents a post-employment benefit plan that provides for payment of sick leave credits. For accounting purposes, it is treated as a defined benefit plan and the liability is valued on the basis of discount rates and other estimates that are consistent with the estimates used for defined benefit obligations. For this unfunded plan, where the WCB funds the obligation directly from its own resources, employee contributions are not required.

WCB Retiree Healthcare Spending Account (RHCSA)

The RHCSA is a defined benefit plan. Eligible retirees receive a predetermined annual credit amount which may be used to cover healthcare expenses not covered by other plans. The WCB funds this plan directly via the plan administrator.

Workers compensation claims

Workers compensation claims are liabilities representing the present obligation for expected employee claim costs. The WCB recognizes a provision when the claim is accepted.

Accounting policy

Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed when the services are rendered.

Defined benefit plans

The Projected Unit Credit Method is used to calculate the defined benefit obligations and current service costs. This method reflects service rendered by employees to the date of valuation and incorporates actuarial assumptions regarding discount rates used to determine the present value of benefits, projected rates of salary growth and long term expected rate of return on plan assets.

In accordance with IAS 19 *Employee Benefits*, the net interest approach is used to disaggregate the costs of the retirement plans. The change in the net defined benefit liability is disaggregated into the following components:

- Service cost, or the additional liability that arises from employees providing service during the period.
- Net interest or the interest expense on the net defined benefit liability calculated using the discount rate.
- Remeasurements, which are other changes in the value of the defined benefit obligation such as changes in estimates and other changes in the value of plan assets.

Service cost and net interest are recognized in operating surplus whereas remeasurements are recognized in other comprehensive income. Employee contributions, which are independent of the number of years of service, are treated as a reduction of service cost.

When past service costs arise they are recognized immediately.

Material accounting estimates and assumptions

The WCB measures its accrued benefit obligations and the fair value of plan assets for accounting purposes at December 31 each year using actuarial assumptions that are unbiased and mutually compatible. The assumptions represent management's best estimates of the variables that will determine the ultimate cost of post-employment benefits. Actuarial assumptions are comprised of demographic assumptions such as mortality and employee turnover, and financial assumptions such as salary and benefit levels, interest rates and return on investments. Given the long term nature of the plan and the use of these assumptions, the resulting estimates are subject to significant uncertainty.

Components of the employee benefits liabilities are as follows:

	2024	2023
Retirement plans	$ 41,526	$ 63,092
Sick leave plan	10,539	11,292
Employee vacation entitlements	4,353	4,488
Retiree healthcare spending account	3,081	2,998
Workers compensation claims	1,300	1,550
Other	1,873	1,593
As at December 31	$ 62,672	$ 85,013

The current portion of the employee benefits liabilities is estimated to be $17.4 million (2023, $15.1 million)

The significant actuarial assumptions used to value the defined benefit plan liabilities for accounting purposes are as follows:

	2024	2023
Discount rate:		
Current service costs	4.65%	5.05%
Benefit obligation	4.75%	4.65%
Rate of salary increase	2.00%	3.00%

The discount rates shown for benefit obligations were effective as at December 31 and applied in determining the balances at the end of the reporting period. The discount rates shown for the current service cost were applied in determining the benefit plan expenses for the reporting period. Discount rates are based on the market yields of high-quality corporate bonds.

The mortality assumptions used for 2024 and 2023 were 90 per cent of CPM2014Priv Projected with Scale MI-2017.

Defined benefit plans

A reconciliation of the defined benefit plan liabilities is as follows:

	2024			
	Retirement plans	Sick leave plan	RHCSA	Total
Change in defined benefit liability				
Defined benefit obligation, January 1	$ 368,438	$ 11,292	$ 2,998	$ 382,728
Current service cost[1]	8,796	662	75	9,533
Interest expense[2]	16,784	509	137	17,430
Employee contributions	3,521	-	-	3,521
Net transfers to the plan	434	-	-	434
Actuarial (gains) losses arising from[3,4]:				
Experience	3,236	(722)	3	2,517
Changes in financial assumptions	(12,213)	(506)	(42)	(12,761)
Benefits paid	(15,414)	(696)	(90)	(16,200)
Defined benefit obligation, December 31	$ 373,582	$ 10,539	$ 3,081	$ 387,202
Change in fair value of plan assets				
Fair value of plan assets, January 1	$ 305,346	$ -	$ -	$ 305,346
Employer contributions	5,276	696	90	6,062
Employee contributions	3,521	-	-	3,521
Net transfers to the plan	434	-	-	434
Interest income[2]	14,055	-	-	14,055
Return on plan assets (excluding interest income)[3]	18,838	-	-	18,838
Benefits paid	(15,414)	(696)	(90)	(16,200)
Fair value of plan assets, December 31	$ 332,056	$ -	$ -	$ 332,056
Net defined benefit liability				
Defined benefit obligation	$ 373,582	$ 10,539	$ 3,081	$ 387,202
Fair value of plan assets	332,056	-	-	332,056
	$ 41,526	$ 10,539	$ 3,081	$ 55,146

1 Current service cost is presented in operating expenses in the statement of operations and comprehensive income

2 Interest expense is presented net of interest income in operating expenses in the statement of operations and comprehensive income

3 Actuarial (gains) losses are presented net of return on plan assets in defined benefit plan remeasurements in the statement of operations and comprehensive income

4 There were no actuarial (gains) losses due to changes in demographic assumptions in 2024.

The current portion of the WCB's defined benefit liabilities is estimated to be $11.5 million (2023, $12.6 million).

	2023			
	Retirement plans	Sick leave plan	RHCSA	Total
Change in defined benefit liability				
Defined benefit obligation, January 1	$ 338,043	$ 11,054	$ 2,770	$ 351,867
Current service cost[1]	8,193	627	71	8,891
Interest expense[2]	16,774	541	138	17,453
Employee contributions	3,677	-	-	3,677
Net transfers to the plan	1,190	-	-	1,190
Actuarial (gains) losses arising from[3,4]:				
Experience	(4,176)	(592)	(54)	(4,822)
Changes in financial assumptions	17,718	348	160	18,226
Benefits paid	(12,981)	(686)	(87)	(13,754)
Defined benefit obligation, December 31	$ 368,438	$ 11,292	$ 2,998	$ 382,728
Change in fair value of plan assets				
Fair value of plan assets, January 1	$ 281,380	$ -	$ -	$ 281,380
Employer contributions	5,853	686	87	6,626
Employee contributions	3,677	-	-	3,677
Net transfers to the plan	1,190	-	-	1,190
Interest income[2]	14,153	-	-	14,153
Return on plan assets (excluding interest income)[3]	12,074	-	-	12,074
Benefits paid	(12,981)	(686)	(87)	(13,754)
Fair value of plan assets, December 31	$ 305,346	$ -	$ -	$ 305,346
Net defined benefit liability				
Defined benefit obligation	$ 368,438	$ 11,292	$ 2,998	$ 382,728
Fair value of plan assets	305,346	-	-	305,346
	$ 63,092	$ 11,292	$ 2,998	$ 77,382

1 Current service cost is presented in operating expenses in the statement of operations and comprehensive income

2 Interest expense is presented net of interest income in operating expenses in the statement of operations and comprehensive income

3 Actuarial (gains) losses are presented net of return on plan assets in defined benefit plan remeasurements in the statement of operations and comprehensive income

4 There were no actuarial (gains) losses due to changes in demographic assumptions in 2024.

The most recent actuarial valuation of the WCB Retirement Plan for funding purposes, to be filed with the pension regulators, was as at December 31, 2024. This funding valuation showed a funding surplus of $21.9 million (2023 valuation, surplus of $8.3 million). The solvency deficiency as at December 31, 2024 was $42.9 million (2023 valuation, deficiency of $52.7 million). The WCB is not required to fund this deficiency as the WCB is exempt from the solvency and transfer deficiency provisions of the *Pension Benefits Act*.

Future cash flows

Based on historical experience and expected salary expense, the WCB expects to fund $6.1 million in 2025.

Based on the latest actuarial valuation performed as at December 31, 2024, the weighted average duration of the benefit obligation for the WCB Retirement Plan was 17 years (2023, 18 years). The breakdown of this estimated average duration, is as follows:

	2024	2023
Active members	23 years	23 years
Deferred members	23 years	23 years
Retired members	12 years	13 years

Defined benefit plan risks

The WCB is exposed to defined benefit plan risks due to the assumptions used to determine the defined benefit liabilities. Changes in assumptions may negatively impact the funded position of the defined benefit plans. The most significant assumption risks are discussed below.

Investment risk

The retirement plans are exposed to investment risk as plan assets are invested in equity, fixed income and other assets. There is risk that investment returns could be lower than expected, negatively impacting the retirement plans' funded status.

Interest rate risk

The defined benefit plans are exposed to interest rate risk through assumptions based on economic factors such as discount rates determined with reference to bond markets. A decline in the discount rate would increase the liability and the expense.

Mortality risk

The present value of the defined benefit plans' liabilities is calculated by referencing the best estimate of the mortality of plan members. An increase in their life expectancy will increase the liabilities.

Salary risk

The present values of the retirement plans' liabilities and the sick leave liability are calculated by referencing an estimated increase in the future salaries of plan members. An increase in their salaries in excess of the estimate will increase the liabilities.

Sensitivity of defined benefit obligations

The actuarial present value of the defined benefit obligations are sensitive to changes in key actuarial assumptions.

The following table illustrates the sensitivity of the defined benefit obligations to a change in the discount, mortality and salary rate.

2024

		Effect on defined benefit obligation					
		Retirement plans		Sick leave plan		RHCSA	
	Change in assumption	Increase	Decrease	Increase	Decrease	Increase	Decrease
Assumption							
Discount rate	1%	(47,901)	62,912	(781)	911	(374)	468
Mortality rate	10%	(6,239)	6,812	-	-	(48)	51
Salary rate	1%	11,766	(10,100)	1,016	(885)	-	-

2023

		Effect on defined benefit obligation					
		Retirement plans		Sick leave plan		RHCSA	
	Change in assumption	Increase	Decrease	Increase	Decrease	Increase	Decrease
Assumption							
Discount rate	1%	(49,088)	64,005	(832)	967	(375)	469
Mortality rate	10%	(6,231)	6,802	-	-	(47)	49
Salary rate	1%	11,828	(10,239)	1,075	(940)	-	-

Retirement plan assets

Retirement plan assets, at fair value, are comprised of the following:

	2024	2023
Equity		
Canadian	$ 92,672	$ 76,640
Global	107,514	92,058
	200,186	168,698
Fixed income	65,964	75,533
Real estate	53,934	61,215
Private debt	11,973	-
As at December 31	$ 332,057	$ 305,446

The retirement plans' assets are wholly invested in segregated funds. The fair value represents the retirement plans' share of the net asset value provided by the custodian and is based on the last market price for the underlying assets. At December 31, 2024 plan assets are categorized as Level 2 of the fair value hierarchy (2023, Level 2).

The WCB's Board of Directors, through the Investment Committee, is responsible for the overall strategic direction and governance of the retirement plan assets through its review and approval of the Retirement Plan Statement of Investment Policies & Objectives (the SIP&O), and the ongoing oversight of investment risk, performance and compliance. The SIP&O identifies a target asset mix and range of acceptable levels of each type of investment which it believes will generate a consistent, positive, real rate of return on the invested assets which will provide for payment of all liabilities as required.

Related party transactions

By definition, the WCB Retirement Plan is a related party to the WCB. Transactions between the related parties are detailed below:

	2024	2023
Contributions from the employees	$ 3,521	$ 3,677
Contributions from the employer	5,137	5,787

There were no amounts outstanding as at December 31, 2024 or December 31, 2023.

11. WORKERS COMPENSATION LIABILITIES

Accounting policy

Under the provisions of the Act, the WCB has a legislated obligation to accept insurance risk from employers in exchange for premiums paid. As such, the WCB issues workers compensation insurance contracts which are comprised of a liability for incurred claims and a liability for remaining coverage.

Level of aggregation

IFRS 17 requires the WCB to aggregate its workers compensation contracts into portfolios and groups for measurement purposes. Portfolios are comprised of contracts that have similar risks and are managed together. The WCB has determined that it has one portfolio of contracts, as all of the WCB's workers compensation contracts including Class E employers (general employer pool) and Class B to D employers (individually assessed employers) have similar risks and are managed together.

Portfolios are further divided into three groups based on expected profitability: onerous contracts, contracts with no significant risk of becoming onerous and all remaining contracts. The WCB has identified two groups of contracts:

Contracts with no significant risk of becoming onerous, and
All remaining contracts.

Contract boundary

The WCB includes in the measurement of a group of workers compensation contracts all future cash flows within the boundary of the contracts in the group. Cash flows are within the boundary if they arise from the substantive rights and obligations that exist during the reporting period in which the WCB can compel employers to pay premiums, or in which the WCB has the substantive obligation to provide services under the workers compensation contract. The WCB has determined that the substantive obligation ends when the WCB has the practical ability to reassess the risks of contracts in the group and, as a result, can set a price or level of benefits that fully reflects those risks.

The WCB's contract boundary ends at the end of each calendar year on December 31, which is when the WCB can set a price that fully reflects the risks for the following year. The WCB has determined that the contract boundary of the portfolio is one year. In accordance with the Act, it has the substantive right to collect premiums on an annual basis and the practical ability to set a price that reflects these risks on an annual basis.

Recognition

The WCB recognizes each group of workers compensation contracts at the beginning of the coverage period on January 1 which is the beginning of the coverage period in accordance with the Act.

Measurement

Subject to specified criteria in IFRS 17, the Premium Allocation Approach (PAA) can be adopted as a simplified approach to the IFRS 17 General Measurement Model. The WCB applies the PAA to all workers compensation contracts that it holds, as the coverage period for each workers compensation contract in the groups is one year or less.

Workers compensation liabilities are measured as the liability for remaining coverage (LRC) plus the liability for incurred claims (LIC). The LRC represents the WCB's unexpired portion of insurance coverage. The LIC represents the WCB's obligation to pay claims which have already occurred, including claims which have occurred but have not yet been reported.

On initial recognition, the LRC component of the workers compensation liabilities is measured as the premiums received plus or minus any assets or liabilities related to the cash flows paid or received prior to initial recognition.

Onerous contracts

The profitability of groups of insurance contracts is determined by actuarial models that consider facts and circumstances that would indicate that a group of contracts is onerous, including pricing information and rate setting.

The WCB has concluded that it does not have onerous contracts for 2023 and 2024.

Liability for remaining coverage and liability for incurred claims

At the end of the reporting period, the WCB measures the LRC as the LRC at the beginning of the reporting period plus premiums received during the period, minus amounts recognized as premium revenue during the period, plus any change in onerous contract liability recognized during the period.

As no significant financing component related to the LRC exists and the time between providing insurance service and the related premium due date is not more than one year, the WCB does not adjust the LRC for interest and the LRC is not discounted.

The WCB includes insurance acquisition cash flows within the measurement of a group of insurance contracts if the acquisition cash flows are directly attributable to individual contracts within a group or the group itself. The WCB expenses these acquisition costs immediately as incurred as all workers compensation liabilities have a coverage period of one year or less.

The WCB estimates the LIC as the fulfilment cash flows related to incurred claims. The fulfillment cash flows incorporate all reasonable and supportable information available that reflects the amount, timing and uncertainty of those cash flows. The LIC is adjusted for the effect of time value of money and changes in the time value of money. The impact of changes in market interest rates related to the LIC liability is recognized in the statement of operations and comprehensive income. The LIC is calculated by discounting expected future cash flows at a risk free rate plus an illiquidity premium plus a risk adjustment for non-financial risk.

Critical accounting estimates and assumptions

In preparing the valuation, the WCB relies on assumptions and estimates as explained below.

Liability for incurred claims

The WCB's Chief Actuary prepares a valuation of the LIC at each year end. This valuation is conducted in accordance with accepted actuarial practice in Canada, and is subject to peer review by the WCB's external actuary. The LIC represents the actuarial present value of all future benefit payments expected to be made for claims or injuries which occurred in the current fiscal year or in any prior year, adjusted for the time value of money. The LIC includes provisions for all benefits provided by current legislation, policies and/or administrative practices in respect of existing claims, plus provisions for the future expenses of administering the existing claims. The valuation of the workers compensation liabilities is the WCB's most critical accounting estimate. Assumptions and estimates related to future developments may change as a result of economic changes, or other circumstances that cannot be controlled by the WCB. Differences arising from actual claims experience and assumptions used for the previous valuation, as well as the impacts of changes in legislation, policy, administrative practice or actuarial methods and assumptions, are recognized in the period that they occur.

The actuarial present value of future benefit payments reflects management’s long-term estimates of economic and actuarial assumptions and methods, which are based upon past experience and modified for current trends. As these assumptions may change over time to reflect underlying conditions, it is possible that such changes could cause a material change in the actuarial present value of the future payments.

The key actuarial assumptions used to value the liability for incurred claims as at December 31 are as follows:

	2024	2023
Inflation for CPI-indexed benefits		
2025	2.00%	3.00%
Thereafter	2.00%	2.00%
Inflation for wage-related benefits		
2025	3.00%	4.00%
Thereafter	3.00%	3.00%
Inflation for healthcare benefits		
2025	4.50%	4.50%
Thereafter	4.50%	4.50%

Discount rate

The WCB calculates the liability for incurred claims by discounting expected future cash flows by applying a marked-to-market risk free rate plus adjustments to reflect the characteristics of the cash flows and the liquidity of the workers compensation contracts. The risk free rate is determined by referencing Government of Canada yield curves.
Due to the highly illiquid nature of the WCB's workers compensation contracts, the WCB is using the illiquid reference curve provided regularly for the Canadian Institute of Actuaries by Fiera Capital.

The discount rates applied to the expected future cash flows are as follows:

Year	2024	2023
1	3.82%	5.39%
3	3.97%	4.86%
5	4.20%	4.75%
10	4.73%	4.79%
25	5.04%	4.89%
50	5.06%	4.97%
70 and thereafter	5.15%	5.15%
Single equivalent rate[1]	4.60%	5.08%

[1] Single equivalent rate is a derived spot rate that allows for the comparison or aggregation of cash flows that occur at different points in time.

Other economic assumptions

Long-term economic assumptions are developed using historical assumptions and other economic indicators.

The CPI-indexed benefits assumption considers inflation rates, the Bank of Canada's target inflation rate, inflation assumptions used by other workers compensation boards and the inflation assumption used in the Thirty-first Actuarial Report on the Canada Pension Plan, prepared as at December 31, 2022.

The wage-related benefits assumption is comprised of an inflation assumption plus real wage growth of 1.0 per cent (2023, 1.0 per cent).

The healthcare benefits assumption is developed from analysis of historical changes in healthcare expenditures.

Long latent occupational disease risk

Long latent occupational diseases differ from other workplace injuries in that there can be a considerable lag between the exposure, the manifestation of the disease and identification of the injury as a workers compensation claim.

The WCB periodically undertakes studies of occupational disease claims and costs in order to develop and maintain models to determine the liability for these future long latency claims. The assumptions used in this valuation are based on the most recent 2021 study or a combination of the 2021 study and the 2015 study where experience was limited.

Mortality risk

Future mortality rates are estimated to determine the liability for monthly pensions established for long-term disability and survivor benefits. The mortality assumption is based on information published from Statistics Canada.
Mortality is based on the 105 per cent of the generational table created from the Male and Female Life Tables 2015-2017 for Manitoba (published by Statistics Canada) with generational mortality improvements projected from 2016 using the CPM-B mortality improvement scale (published by the Canadian Institute of Actuaries).
The impact of the mortality risk is not considered material to the WCB.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the WCB requires for bearing uncertainty about the amount and timing of the cash flows of groups of workers compensation contracts that arises from non-financial risk. Due to the non-profit nature of the WCB's operations, the WCB does not require compensation for bearing uncertainty for any non-financial risk. The WCB has assessed the risk adjustment at near zero and corresponds to a 50 per cent confidence level.

The following tables present the change in the carrying amounts of workers compensation liabilities.

	2024		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total
		Estimates of the present value of future cash flows	
Workers compensation liabilities, January 1	**$ (3,753)**	**$ 1,254,737**	**$ 1,250,984**
Changes in the Statement of Operations and Comprehensive Income			
Premium revenue	**(240,875)**	**-**	**(240,875)**
Workers compensation expenses			
Incurred claims and other insurance service expenses	-	110,940	93,877
Changes that relate to past service	-	(83,537)	(66,474)
Workers compensation service result	**(240,875)**	**27,403**	**(213,472)**
Insurance finance income or expenses	-	70,363	70,363
Total changes in the Statement of Operations and Comprehensive Income	**(240,875)**	**97,766**	**(143,109)**
Insurance cash flows			
Premiums received	251,111	-	251,111
Incurred claims	-	(159,425)	(159,425)
Other insurance service expenses paid	-	(85,474)	(85,474)
Total insurance cash flows	**251,111**	**(244,899)**	**6,212**
Workers compensation liabilities, December 31	**$ 6,483**	**$ 1,107,604**	**$ 1,114,087**

	2023		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total
		Estimates of the present value of future cash flows	
Workers compensation liabilities, January 1	**$ 8,112**	**$ 1,188,695**	**$ 1,196,807**
Changes in the Statement of Operations and Comprehensive Income			
Premium revenue	**(229,139)**	**-**	**(229,139)**
Workers compensation expenses	-	-	-
Incurred claims and other insurance service expenses	-	243,250	247,380
Changes that relate to past service	-	(58,005)	(62,135)
Workers compensation service result	**(229,139)**	**185,245**	**(43,894)**
Insurance finance income or expenses	-	104,152	104,152
Total changes in the Statement of Operations and Comprehensive Income	**(229,139)**	**289,397**	**60,258**
Insurance cash flows			
Premiums received	217,274	-	217,274
Incurred claims	-	(137,459)	(137,459)
Other insurance service expenses paid	-	(85,896)	(85,896)
Total insurance cash flows	**217,274**	**(223,355)**	**(6,081)**
Workers compensation liabilities, December 31	**$ (3,753)**	**$ 1,254,737**	**$ 1,250,984**

The LIC includes a liability for short term disability, long term disability, survivor benefits, healthcare benefits and rehabilitation services:

- The short term disability claims is an estimate of future wage loss payments for claims that have yet to medically plateau or stabilize.
- The long term disability liability includes estimated future wage loss payments for those claims that have medically plateaued and stabilized, estimated future pension payments and estimated future cost of claims relating to certain long latent occupational diseases.
- The liability for survivor benefits is composed of estimated future pension payments and other services provided to survivors of those who have lost their lives as a result of workplace injuries or illnesses.
- The healthcare liabilities are the estimated future medical costs for existing claims. The liability for rehabilitation services is composed of the estimated cost of future rehabilitation services which are externally supplied to the WCB.

The following table provides information on the liability for incurred claims by benefit type:

		2024		2023
Short term disability	$	228,699	$	242,315
Long term disability		434,806		543,327
Survivor benefits		106,266		108,197
Healthcare benefits		325,853		350,262
Rehabilitation services		3,282		3,442
Liability for incurred claims		1,098,906		1,247,543
Directly attributable fulfilment costs		8,698		7,194
Total liability for incurred claims	$	1,107,604	$	1,254,737

Included in the long term disability LIC balance is $91.9 million (2023, $105.9 million) for the estimated long latent occupational disease liability including Post-Traumatic Stress Disorder.

Included in workers compensation liabilities are claim costs of $21.9 million (2023, $17.3 million) the WCB has paid to injured workers of individually assessed employers. This is offset by claim cost recoveries of $21.9 million (2023, $17.3 million).

Payments in the amount of $14.9 million (2023, $11.1 million) have been made by individually assessed employers directly to injured workers on the WCB's behalf.

As at December 31, 2024, included in the LIC is $282.0 million (2023, $271.2 million) for the future cost of claims arising from individually assessed employers, offset by deferred assessments of $262.3 million (2023, $252.4 million).

Individually assessed employers may provide collateral in the form of cash, irrevocable letters of credit, surety bonds or other suitable forms of guarantee. As at December 31, 2024, the value of collateral held was $35.2 million (2023, $29.0 million).

Financial risk

The workers compensation liabilities are exposed to the following financial risks:

- Market risk - interest rate risk and inflation risk
- Liquidity risk

Market risk – interest rate risk and inflation risk

The most significant assumption in the determination of the LIC is the discount rate and the inflation rate. The following table shows the sensitivity of the LIC to an immediate one per cent increase or decrease in the key assumptions used to determine the liabilities:

Change in insurance contract liability in millions:

	2024		2023	
+/- % change on assumed rates	+1%	-1%	+1%	-1%
Discount rate	$ (88)	$ 105	$ (99)	$ 119
Wage inflation rate	59	(51)	68	(59)
General inflation rate	6	(5)	6	(6)
Healthcare inflation rate	40	(33)	43	(35)

The methods used and assumptions made for workers compensation liabilities are disclosed above, including a sensitivity analysis. Changes in the value of the workers compensation liabilities along with changes in the value of the investment portfolio for interest rate sensitivity will be offset by changes in the unallocated surplus to the extent available.

The method used for obtaining sensitivity information and significant assumptions is consistent to the previous period.

Investment risk is discussed in Note 5.

Liquidity of workers compensation liabilities

The following table estimates the expected amount and timing of future benefit payments based on the present value of the future cash flows expected to be paid. As these payments extend well out into the future, these estimates involve considerable uncertainty.

	2024	2023
Within 1 year	$ 144,346	$ 169,261
Year 2	97,190	111,493
Year 3	83,680	95,662
Year 4	73,907	83,962
Year 5	66,152	74,015
Thereafter	633,631	713,150
Total	$ 1,098,906	$ 1,247,543

Insurance risk

Claim risk

Because there is no statutory limit on the benefit amount payable or the duration of the risk exposure related to work related injuries, the WCB bears risk with respect to its future claims costs, which could have material implications for liability estimation. In determining the workers compensation liabilities, a primary risk is that the actual benefits payments may exceed the estimation of the amount of the liabilities. This may occur due to changes in claim reporting patterns, frequency and/or size of claim payments or duration of claims. Compensable injuries and benefits payable may also change due to legislation or policy changes. With potentially long claim runoff periods, inflation is also a factor because future costs could escalate at a faster rate than expected.

In accordance with the Act, for the purposes of maintaining the accident fund, the WCB levies and collects assessments from employers. In the event of a deficiency in assessments, the WCB may recover such deficiencies by further assessments.

Premium rates for Class E employers are determined by the rate setting model, which considers a number of factors including industry classification, employer size and individual claim experience. Individually assessed employer premiums are determined by the costs attributable to claims arising from their employees, as well as a proportionate share of the administration expenses of the WCB.

Premium rates are the primary means to mitigate the claim risk. The WCB is responsible under the Act to levy and collect premiums from established classes of employers in amounts sufficient to cover the current and future costs of existing claims.

Concentration of insurance risk

The WCB provides workers compensation insurance to all employers in all industries in Manitoba, except those that are explicitly excluded by regulation. Therefore, the WCB's risks are concentrated in workplace risks associated with various industries in Manitoba.

Claims development

The following table presents the development of outstanding claims relative to the cumulative expected claims for the 10 most recent accident years. The table illustrates how the estimate of cumulative claims for each accident year has changed with more experience over succeeding year-ends, and compares the current estimate of cumulative claims cost to the actual claim liabilities over the development period for which there is material uncertainty about the estimate and timing of claim. The lower section of the table reconciles the total outstanding claims amounts to the discounted amount reported in the statement of financial position.

	Injury year										
Estimate of ultimate claims	2015 & Prior	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
End of accident year	$ 3,399,001	192,331	199,311	194,341	196,585	191,616	202,499	220,498	230,959	278,113	
1 year later	3,357,266	189,192	204,883	194,005	190,185	174,602	202,987	212,543	242,967	-	
2 years later	3,346,186	190,487	204,370	187,014	179,060	175,979	202,238	217,807	-	-	
3 years later	3,339,819	190,640	185,142	174,306	179,712	176,853	202,295	-	-	-	
4 years later	3,329,982	182,127	187,187	175,011	179,321	176,729	-	-	-	-	
5 years later	3,335,563	179,848	187,973	175,942	178,987	-	-	-	-	-	
6 years later	3,231,750	180,868	189,473	175,459	-	-	-	-	-	-	
7 years later	3,259,601	180,462	189,257	-	-	-	-	-	-	-	
8 years later	3,238,446	178,603	-	-	-	-	-	-	-	-	
9 years later	3,211,611	-	-	-	-	-	-	-	-	-	
Cumulative estimate of ultimate claims	3,211,611	178,603	189,257	175,459	178,987	176,729	202,295	217,807	242,967	278,113	$ 5,051,828
Less: Cumulative claims paid	(2,319,849)	(117,759)	(125,852)	(113,637)	(110,624)	(100,735)	(106,057)	(102,836)	(97,123)	(64,096)	(3,258,568)
Current year unpaid and unreported claims	891,762	60,844	63,405	61,822	68,363	75,994	96,237	114,971	145,844	214,017	1,793,259
Effect of discounting											(726,563)
Administration cost within benefit liabilities											129,572
Future dated long latency liability											164,930
Deferred assessments											(262,292)
Directly attributable fulfillment costs											8,698
Total benefit liabilities											$ 1,107,604

12. PREMIUM REVENUE

Accounting policy

Premium revenue consists primarily of Class E employer (General Employers Pool) assessments for workplace injury coverage.

Employers registered within Class E are subject to collective liability. Premium revenue is estimated by applying applicable industry assessment rates to the employers' reported assessable payrolls for the current year. Any difference between the estimated premium revenue and the actual premium revenue is credited or charged to income in the year the determination is made. Historically, the difference has not been significant.

The Prevention Rebate Program (PRP) reduces the risk of workplace injury and illness by rewarding employers who have developed and maintained meaningful workplace safety and health management systems. SAFE Work Manitoba administers the PRP, determines employer eligibility and issues the prevention rebate. SAFE Work Certified employers who have met all criteria are eligible for the prevention rebate. The rebate is calculated using the actual payroll associated with the rebate eligibility period.

Premium revenue is fully earned and recognized over the coverage period. Premium revenue reported in the period is recorded net of prevention rebates, uncollectable account write-offs, interest and penalties on overdue amounts and adjustments of premiums for prior periods.

The table below shows the premium revenue recognized during the period from Class E employers:

	2024	2023
Premiums - Class E employers	$ 251,599	$ 236,735
Prevention rebates	(10,724)	(7,596)
Total premium revenue	$ 240,875	$ 229,139

Included in the LRC is premiums due from Class E employers. The WCB is exposed to credit risk on these premiums due, which varies with employer-specific circumstances, industry conditions and other factors. Specific employer accounts in excess of five thousand dollars are individually reviewed for collectability. In accordance with the Act the WCB has the authority to pursue and collect outstanding premiums. When there is no reasonable expectation of collection, amounts are written off. The WCB's maximum exposure to credit risk related to its workers compensation liabilities is $9.6 million ($8.4 million in 2023).

The table below illustrates the changes in credit experience adjustments included in the LRC:

	2024	2023
Balance, January 1	$ 1,779	$ 1,763
Write offs	(771)	(574)
Additions	1,304	590
Balance, December 31	$ 2,312	$ 1,779

13. WORKERS COMPENSATION SERVICE AND OPERATING EXPENSES

Accounting policy

Workers compensation service expense include payments to (or on behalf of) a policyholder, claims handling costs, policy administration and maintenance costs, and an allocation of administrative overhead.

Costs, including overhead costs, are allocated to workers compensation service expense using estimates and professional judgement in a systematic and rational manner, applied consistently to all costs that have similar characteristics.

The following tables presents the workers compensation service expense

	2024	2023
Incurred claims	$ (59,575)	$ 101,488
Other operating expenses	86,978	83,757
Workers compensation service expense	$ 27,403	$ 185,245

Workers compensation service expense includes claim costs and allocated indirect administration expenses.

14. OPERATING EXPENSES

Accounting policy

Operating expenses are the costs included in the normal course of business. Operating costs are expensed as incurred.

The following tables presents the operating expense

	2024	2023
Salaries, employee benefits and training	$ 69,023	$ 67,897
Information technology service fees	4,504	3,257
Occupancy costs	3,167	3,059
Right-of-use asset depreciation	934	791
Lease interest	178	116
Communications	3,118	2,813
Professional fees	9,111	8,485
Amortization of property and equipment	2,869	2,766
Amortization of intangible assets	1,756	1,751
Other	2,914	1,116
	97,574	92,051
Appeal Commission	1,500	1,414
Research and Workplace Innovation Program grants	49	(78)
Recoveries from the Government of Canada	(2,335)	(2,311)
SAFE Work Manitoba	7,144	7,208
Province of Manitoba Workplace Safety and Health Department funding (Note 17)	9,400	8,725
	$ 113,332	$ 107,009
Reclassified to workers compensation expense	(86,978)	(83,757)
Operating expenses	$ 26,354	$ 23,252

Of the total operating expenses, $13.6 million (2023, $13.0 million) was allocated to individually assessed employers based on the current year's transaction volumes.

The WCB administers the *Government Employees Compensation Act* program for the Government of Canada. The Government of Canada reimburses the WCB for all claims paid out on their behalf plus a recovery of operating expenses.

15. WORKERS COMPENSATION FINANCE EXPENSE

Accounting policy

Insurance finance expense is comprised of the change in the carrying amount of the group of insurance contracts arising from the growth in the present value of the liabilities and the effect of market based discount rates (referred to as financial risk and changes in financial risk).

Workers compensation finance expense is recognized in the period incurred and included in the statement of operations and comprehensive income in the period.

		2024		2023
Interest on the workers compensation liabilities	$	63,287	$	62,253
Changes in discount rate and other financial assumptions		7,076		41,899
Workers compensation finance expense	$	70,363	$	104,152

16. RELATED PARTY TRANSACTIONS

The WCB is a statutory corporation created by the Manitoba Legislature. As a corporation of the Province of Manitoba, the WCB applies the exemption for government-related entities in IAS 24 *Related Party Disclosures*.

Pursuant to *The Workplace Safety and Health Act* of Manitoba, the Province may pay the expenses incurred in the administration of that Act out of its consolidated fund and may subsequently recover such portion as it may determine from the WCB under *The Workers Compensation Act* of Manitoba. For 2024, the amount charged to operations under this provision was $8.8 million (2023, $8.2 million).

Also, under Section 84.1(1) of *The Workers Compensation Act* of Manitoba, the Province may pay the costs incurred in respect of worker advisors and may recover them from the WCB. For 2024, the amount charged to operations under this provision was $0.6 million (2023, $0.5 million).

In addition to the legislated obligations referred to above, included in these financial statements are amounts resulting from routine operating transactions conducted at prevailing market prices with various provincial government controlled ministries, agencies and Crown corporations with which the WCB may be considered related. This includes the provision of assistance, in the form of medical opinions and appeal services, for the Province of Manitoba relating to criminal injury claims. The provincial government is a Class C employer under *The Workers Compensation Act* of Manitoba. Accordingly, the Province of Manitoba was allocated $5.1 million (2023, $5.1 million) of the total operating expenses (Note 14) based on their transaction volume. Balances resulting from transactions with the Province of Manitoba are included in these financial statements and are settled on normal trade terms.

No guaranteed debentures issued by the Province of Manitoba were included in the WCB's investment portfolio as at December 31, 2024 (2023, $nil).

Other related party disclosures

In addition to the related government entities above, the key management personnel of the WCB (comprised of the WCB executive personnel and the Board of Directors) are deemed related parties. By definition, close family members of the key management personnel are also related parties of the WCB. Any transactions or business relationships are incidental, and carried out at normal trade terms.

The WCB has a pension plan for the benefit of WCB employees, which is a related party by definition of IAS 24 *Related Party Disclosure*. Detailed information on transactions with the pension plan are included in note 10.

Key management compensation

The following table shows total compensation for the executive personnel of the WCB:

		2024		2023
Short term employee benefits	$	2,185	$	2,122
Post-employment benefits		401		343
Total compensation	$	2,586	$	2,465

Short term employee benefits include salary, vacation, car allowances, group health and dental benefits, group life insurance, and the employer's share of contributions to the Canada Pension Plan and employment insurance. Post-employment benefits include the estimated current service cost accrued for pension and other post-employment benefits.

The Board of Directors of the WCB is comprised of 10 members appointed by the Government of Manitoba. Members' remuneration is set out in Order in Council passed by Lieutenant Governor in Council. For 2024, total compensation paid to the Board of Directors was $0.1 million (2023, $0.1 million).

17. CONTINGENCIES

The WCB is party to various claims and lawsuits related to the normal course of business that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable. However, based on the total amount of all such actions, the WCB has concluded that their outcomes, either individually or in aggregate, will not have a material effect on the results of operations or financial position.

18. CAPITAL MANAGEMENT

The Act establishes the Accident Fund to provide for the payment of compensation, outlays and expenses of the workers compensation system. The Act also requires that sufficient funds be available for the payment of all current and future liabilities and the maintenance of reserves to ensure rate stability. The WCB is guided by the funding policy to meet these objectives.

The funding policy is the framework for the management of the Accident Fund to maintain the workers compensation system's financial security while ensuring sufficient funds are available to meet future benefit payments and maintain rate stability. In accordance with the funding policy, the WCB assesses its financial security on the funding basis of accounting, which values the workers compensation liabilities and the defined benefit liabilities of employee benefit plans based on the WCB's long-term expected rate of return.

In accordance with the funding policy, the funding ratio target for the Accident Fund is 130 per cent as measured on the funding basis. The 130 per cent target provides for 100 per cent funding – sufficient to fully fund all current and future liabilities – plus an additional 30 per cent to protect the system from risks, uncertainties and market volatility.

Each year, the WCB will review the funding ratio. When the funding ratio deviates from the 130 per cent target, the Board of Directors, at its total discretion, will consider steps to move the WCB's funded position back toward the funding ratio target. When the funding ratio exceeds the 130 per cent target the Board of Directors, at its discretion, may approve a surplus distribution. However, the Board of Directors has total discretion over the use of the surplus funds, and may consider benefit enhancements, future business requirements or significant investments in the system.

When the funding ratio falls below the 130 per cent target the WCB may approve adjustments in assessment rates in such a manner that will bring the funding ratio back to the 130 per cent target.

19. COMPARATIVE FIGURES

Certain comparative figures and disclosures have been reclassified to conform to the financial statement presentation adopted in the current year.

20. SUBSEQUENT EVENT

On April 24, 2025, the Board of Directors approved a surplus distribution of $122 million, to be credited to eligible employers in May 2025.

21. RESTATEMENT

The WCB adopted IFRS 17, *Insurance Contacts* at the effective date of January 1, 2023. The adoption of IFRS 17 resulted in significant changes to the presentation and disclosure in the financial statements from prior years.

In preparing its December 31, 2023 financial statements for the first time under IFRS 17, the WCB selected and applied IFRS 17 accounting policies and resulting presentation and disclosure using certain judgments and interpretations. To achieve fair presentation and compliance with IFRS, the WCB presents information that provides relevant, reliable, comparable and understandable information. Upon further review of the adoption of IFRS 17 and resulting presentation and disclosure by its WCB counterparts across Canada, the WCB has revised certain underlying judgments and interpretations used in applying IFRS 17 when preparing its current year's financial statements and resulting presentation and disclosure.

Under the previous presentation approach, both the workers' retirement annuity fund and unallocated surplus were presented as an extension of the workers' compensation contract and a component of the liability for incurred claims in total workers' compensation liabilities.

Under the revised presentation approach, the workers' retirement annuity fund is presented as workers' retirement annuity fund in the Statement of Financial Position and recognized as a financial liability in accordance with IFRS 9 *Financial Instruments*, and unallocated surplus is presented as accident fund reserve in the Statement of Financial Position and included within net assets.

The WCB revised its underlying judgements and interpretations used in applying IFRS 17 in adopting the new presentation and disclosure to provide more relevant and reliable information in the financial statements that better reflect the WCB's obligations under the Act and comparability with WCB counterparts across Canada.

The WCB has applied the change in presentation and disclosure retrospectively and restated the comparative information for 2023.

The table below reconciles the WCB's assets and liabilities as at December 31, 2022 to the restated assets and liabilities on January 1, 2023.

As at January 1, 2023	As presented	Reclassification	As restated
Assets	$ 1,751,642	$ -	$ 1,751,642
Payables and accruals	3,772	-	3,772
Workers' retirement annuity fund	-	43,093	43,093
Employee benefits	77,041	-	77,041
Workers' compensation liabilities	1,644,018	(447,211)	1,196,807
Total liabilities	1,724,831	(404,118)	1,320,713
Accident fund reserve	-	404,118	404,118
Accumulated other comprehensive income	26,811	-	26,811
	26,811	404,118	430,929
Total liabilities funded position	$ 1,751,642	$ -	$ 1,751,642

The table below reconciles the WCB's assets and liabilities as presented at December 31, 2023 to the restated assets and liabilities on December 31, 2023.

As at December 31, 2023	As presented	Reclassification	As restated
Assets	$ 1,862,632	$ -	$ 1,862,632
Payables and accruals	3,645	-	3,645
Workers' retirement annuity fund	-	46,135	46,135
Employee benefits	85,013	-	85,013
Workers' compensation liabilities	1,748,493	(497,509)	1,250,984
Total liabilities	1,837,151	(451,374)	1,385,777
Accident fund reserve	-	451,374	451,374
Accumulated other comprehensive income	25,481	-	25,481
	25,481	451,374	476,855
Total liabilities funded position	$ 1,862,632	$ -	$ 1,862,632

As a result of the revised presentation approach, $3.5 million workers' retirement annuity fund interest has been reclassified from workers' compensation service expense to total operating and other expenses on the December 31, 2023 Statement of operations and comprehensive income. There was no impact to total comprehensive income as a result of the change in presentation and disclosure.

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