

Determining compensation rates

Your compensation rate is based on the amount of money you were earning at the time of your accident. This is usually determined by considering your:

- taxable employment earnings (taxable earnings from second jobs can be considered when setting your compensation rate)
- holiday pay (if it is paid out on a regular basis, like on every paycheque)
- statutory holidays (if they are part of your regularly scheduled work week)
- overtime pay (if it is worked on a consistent basis)

Employment insurance benefits are not considered earnings.

Your compensation rate is set on 90 per cent of your estimated date of accident net earnings based on a maximum of \$86,700.00 in gross earnings in 2012 (subject to an annual review). This is based on Section 56 of the *Alberta Workers' Compensation Act*.

You can reference the *Workers' Compensation Act* at:

<http://www.wcb.ab.ca/public/policy/legislation.asp>

Net earnings are calculated by deducting probable income tax, employment insurance premiums and Canada Pension Plan contributions from your gross employment earnings amount. The deductions are based on tables that are produced by the Government of Canada. The 90 per cent of net earnings is 90 per cent of your gross income minus the estimated deductions based on the government tables. We do not make any deductions for, or submit any money to the federal government.

Permanent status and non-permanent status

Your employer is asked to confirm whether your job would have lasted for one year or more, without interruption. If so, for WCB-Alberta purposes, you have permanent employment. If your job was subject to seasonal breaks, job shutdowns or lack of work layoffs, you would be considered a non-permanent employee. As a non-permanent employee, your compensation rate would normally change on the date your job would have ended. This new rate is called the Base Rate.

Temporary Total Disability (TTD) benefits

While you are unable to work, you may be entitled to TTD benefits. TTD replaces the income you would normally earn while working. Depending on the level of your recovery and the nature of your work duties, you may be able to return to modified duties. If you are earning less money working modified duties than you were before your injury/illness, temporary partial disability benefits are a possibility.

Vacation Time

Your vacation time should remain the same as it was before the accident. Vacation time cannot be used as a substitute for disability benefit entitlement when you are disabled from work due to a compensable (acceptable work-related) accident or illness. If this happens, you should talk to your employer and WCB-Alberta.

Other Factors

Off Work Again - If you become disabled again under the same claim, your compensation rate cannot be lower than the Section 56/Base rate that was determined on your claim. Under certain conditions, your rate may be increased to reflect higher earnings. You should contact your adjudicator or case manager to see if you qualify.

Permanent Partial Disability (PPD) award - If your injury date was prior to January 1, 1995, and you are off work again under the same claim, the PPD award on your claim will continue to be paid if you receive your PPD award monthly. The PPD award is deducted from your compensation rate effective the PPD award date. If your PPD award was given as a lump sum, a monthly rate is still deducted. The reduced compensation rate is used to calculate temporary benefits paid for periods after the PPD award effective date. The PPD award and the reduced compensation rate will equal 100 per cent of your disability entitlement on your claim. In most cases, your PPD award will not affect the rate on a different claim.

Non-Economic Loss Payments (NELP) - If your injury date was on or after January 1, 1995, you would receive a NELP award to recognize a permanent clinical impairment. A NELP award will not affect your compensation rate. The maximum NELP for 2012 (subject to an annual review) is \$83,843.87/per year.

Income Taxes

Revenue Canada requires you to report WCB-Alberta benefits as income, but they are not taxed. The WCB-Alberta will mail a T5007 form to you for income tax purposes. This form will provide the total disability compensation money you received up to the 31st day of December in that calendar year. For more information, refer to the [T5007 Statement of benefits fact sheet](#).