

Permanent disability compensation and pensions

For workers with an injury/illness that occurred on, or after, January 1, 1995, WCB-Alberta compensates for any remaining permanent clinical (measurable) impairment, as well as any on-going disability as a result of the workplace injury/illness.

Defining permanent disabilities

Permanent clinical impairment is the loss (amputation), loss of use (nerve damage), or derangement (burn) of any body part, system or function. The degree of permanent clinical impairment may be measured through a permanent clinical impairment examination by an independent physician at the point of maximum medical recovery.

Disability is a person's decreased capacity or loss of ability to meet the demands of the job. This is measured as a loss of earnings ability resulting from the workplace injury.

Determining permanent clinical impairment

Permanent clinical impairment is determined either through a medical examination by an independent medical examiner or through a review of the medical reporting on the file. The objective (measurable) clinical information related to the impairment is gathered from the review and converted to a percentage of permanent clinical impairment using the Alberta Permanent Clinical Impairment Guide http://www.wcb.ab.ca/pdfs/public/policy/manual/a_d.pdf.

Some injuries or conditions, which are on a scheduled (pre-selected) list, can be assessed for permanent clinical impairment through a review of the medical reporting on the file. The scheduled list, taken from the Alberta Permanent Clinical Impairment Guide, includes standard injuries or conditions such as the partial removal of a disc in the back or an amputation. These injuries or conditions do not require a medical examination to assess basic impairment.

Permanent impairment examination

An examination is arranged when enough time has passed to allow for maximum medical recovery. The time frame varies depending on the type of injury/illness, but could take up to two years or more to arrive at a level considered permanent. The time period is based on guidelines of standardized healing times. For example, it generally takes two years for nerve regeneration, so WCB-Alberta will wait, as a guideline, for two years before the injury is assessed.

Your adjudicator or case manager will discuss this process with you. If your injury/illness is likely to result in permanent impairment, your file will be processed at the recommended review time.

A number of specialized staff are involved in determining permanent impairment. At the recommended review time, an examination by an independent medical examiner provides objective clinical data; a WCB-Alberta medical advisor assesses the impairment percentage based on the Alberta Permanent Clinical Impairment Guidelines; and the case manager or adjudicator issues the award.

Compensation for permanent impairment or disability

The following apply to payments when the date of accident is on or after January 1, 1995.

Non-economic loss payments (NELPs)

NELPs are paid for permanent clinical impairment. The permanent clinical impairment percentage is used to determine the NELP amount. The amount is a one-time cash payment.

Example: If your back injury required surgery and this resulted in a permanent restriction in your range of back movement, the impairment may be assessed at 10% of full body function. The 10% clinical assessment results in a one-time cash payment of \$8,384.38 (amount is based on 2012 maximum payment which is subject to annual legislative review).

10%	X	\$83,843.87	=	\$8,384.38
(clinical impairment)		maximum (2012)		lump sum payment

Economic loss payments (ELP)

ELP are paid for disability or the impact a compensable injury/illness has on a worker's capacity to earn wages. ELP are considered when both the work restrictions and the loss of earnings capacity are considered permanent. A review of your compensation amount will be made periodically and again at the age of 65.

Temporary economic loss (TEL)

TEL benefits are paid when work restrictions are permanent and loss of earnings capacity is only temporary (the pre-accident earnings can be reached within 60 months). A review of your compensation amount will be made yearly.

Temporary partial disability (TPD)

TPD benefits are payable to workers with temporary work restrictions and a temporary loss of earnings capacity that are not normally expected to last longer than six months.

Example: In 2012 you were working as an auto mechanic earning \$40,000 annually (\$31,508.05 net). Your back injury required corrective surgery and you now have permanent work restrictions that prevent you from returning to work as a mechanic. Through your return-to-work plan you returned to work as a parts distributor at an annual wage of \$35,000 (\$28,008.55 net) and this salary represents your maximum earning capacity. A monthly ELP, TEL or TPD payment is payable in the amount of \$262.43 per month.

\$31,508	-	\$28,009	x	.9	/12	=	\$262.43
pre-accident net (in year 2011)		post-accident Net (in year 2011)		90%	divided by 12 months		monthly amount

**The amount may vary due to the Cost of Living Adjustment (COLA) established for the year of the accident and the COLA established for the year the ELP is assessed. Please contact your case manager for details.*

Calculating Compensation post age 65

To recognize loss of pension income caused by decreased opportunity to contribute to pension plans, WCB-Alberta will continue the ELP on a monthly basis post age 65, for the life of the injured worker. This payment is based on the following formula: $ELP_{65} = A \times B \times 2\%$ where:

A = average annual Economic Loss Payment (last 5 years or lesser actual period of time)

B = number of years compensation payments have been paid (maximum 35 years)

Example: You were 55 years of age when you were injured in 2001. After your return to work, you received a monthly Economic Loss Payment of \$262.43 (\$3,149.16/year). After retirement (age 65 is normal retirement age), the Economic Loss Payment is adjusted and the amount payable represents lost retirement income due to reduced employment earnings. The adjusted yearly total is \$629.83/year, which amounts to a monthly total of \$52.49/month.

\$262.43	X12	X10	X0.02	=	\$629.83
average monthly compensation	multiplied by 12 months	number of years of compensation	multiplied by 2%		adjusted yearly amount or \$52.49/month

The following apply to payments when the date of accident is before January 1, 1995.

Permanent partial disability payments (PPD)

When you return to work, your adjudicator or case manager will discuss your eligibility for a PPD award. The percentage of permanent clinical impairment (PCI) is determined as explained on page one. The final value of the award considers the PCI percentage and the earnings at the time of the accident.

A monthly pension is payable for your lifetime. If the pension is being paid out all at once (a lump sum) then the amount is based on the value of your monthly pension and your age using forecast tables.