

Cost of Living Adjustment (COLA) 2018

It is important that wage loss benefits fairly reflect what a worker's earnings were at the time of accident. Section 59 of the *Workers' Compensation Act* gives us the authority to adjust long-term benefits yearly using a standard formula.

This is known as a cost of living adjustment (COLA) and is used to prevent a decrease in benefits due to inflation. COLA restates the date of accident earnings in current dollars so the wage loss benefits of today reflect the real wage loss.

COLA is calculated based on the change in the Alberta Consumer Price Index (ACPI) for 12 months, ending September 30.

This method, based on a rolling 12-month average, is commonly used by pension groups and is considered to be a fair representation of the marketplace. Cost of living adjustments are effective January 1 each year.

Rates for 2018

Item	Rate for 2018
COLA	1.2%
Effective date	January 1, 2018
Maximum Insurable Earnings	\$98,700*
Maximum Monthly PTD Rate	\$5,398.86
Maximum Weekly Compensation rate	\$1,242.48
Minimum Monthly PTD Rate	\$1,786.45
Child's Monthly Pension Rate	\$272.95*
Minimum NELP	\$1,815.44
Maximum NELP	\$90,772.20
Maximum Home Maintenance Allowance - Level 1	\$228.06/month
Maximum Home Maintenance Allowance - Level 2	\$2,087.19/year
Minimum Personal Coverage	\$28,400/year

*effective until Sept. 1, 2018

Why base adjustments on a consumer price index?

The Alberta economy drives the cost of living adjustment from year to year. The Alberta Consumer Price Index (ACPI) is the most accurate reflection of cost-of-living for most workers. By reflecting annual changes in the consumer price index, COLA ensures long-range stability and fair benefits for workers.

