

## Personal coverage

Personal coverage, subject to approval, is optional workers' compensation coverage available to:

- proprietors,
- partners in a partnership,
- directors of a corporation or a society, or
- members of an association, board, authority, commission or foundation.

To register for personal coverage, you first have to have a WCB account. Signing up is easy. Go to [www.wcb.ab.ca/application](http://www.wcb.ab.ca/application) to get started.

Personal coverage is flexible, and once in place, it can be changed at any time. It automatically renews every year on Dec. 31.

### Benefits of coverage

The benefits of personal coverage include:

- **Protection against loss of employment income.** If your injury or illness is work related and you are unable to work, you will receive compensation for lost earnings.
- **Comprehensive medical and rehabilitation services.** With no preset limits, these services help you return to work.
- **Risk management.** Workers' compensation is the only insurance that offers protection from lawsuits for you and other covered parties.
- **A smoother bidding process.** Personal coverage is a requirement of some contracts.

### Coverage amount

It is important to base the coverage you buy on your actual employment earnings (before tax, CPP and EI deductions). This amount will be used to determine the compensation you receive in case of a work-related injury.

**Purchasing the minimum amount of coverage may initially reduce your costs, but the benefits you receive, if injured, may not be enough to replace lost income.**

If your income exceeds the maximum assessable earnings available (\$98,700 in 2022), you should also ensure that you carry additional private insurance to make up the difference not covered by WCB.

If injured, you may need to verify your self-employment earnings through records such as T4 and T5 slips, tax returns (T1 General), income and expense statements or payroll stubs.

If your records do not match the amount of coverage purchased, compensation benefits will be based on the lesser amount of coverage purchased, guaranteed coverage amount (if applicable) or verified earnings (to the minimum, currently \$31,300 in 2022). Please see illustration 1.1 on page 3 for more information.

If you're a new business owner, in order to substantiate your personal employment income, we will request a copy of the previous year's tax information.

If you don't have a history of self-employed income, you may wish to purchase minimum coverage or [guaranteed coverage](#) until your business is established and you're able to provide proof of personal employment income.

**Please note dividends may be considered earnings for directors when they are paid in lieu of salary. Shareholder loans are not covered as employment income and corporate tax returns aren't acceptable as proof of earnings.**

Guaranteed Coverage Amounts are offered in some industries without earnings validation. Please contact WCB to discuss the details. See our [Guaranteed Coverage fact sheet](#) for more information.

### Cost of personal coverage

Cost will vary based on the amount of coverage you purchase and the industry you operate in. The minimum annual premium on a WCB account is \$200.



## Compensation amounts

Compensation benefits depend on the level of coverage purchased. You may choose an amount between the minimum and maximum.

The following chart shows the approximate weekly benefits for selected levels of coverage.

2022 personal coverage levels	Approximate weekly compensation rate
\$31,300 (minimum 2022)	\$451.61
\$35,000	\$496.14
\$40,000	\$556.31
\$45,000	\$616.49
\$50,000	\$675.73
\$55,000	\$731.16
\$60,000	\$787.35
\$65,000	\$846.20
\$70,000	\$906.18
\$75,000	\$966.16
\$77,000	\$990.15
\$82,800	\$1,059.72
\$86,700	\$1,106.51
\$92,300	\$1,173.69
\$95,300	\$1,209.67
\$98,700 (maximum 2022)	\$1,249.83

For 2022, \$31,300 is the minimum amount of coverage (those earning less than this should choose this amount). \$98,700 is the maximum amount of wage loss coverage available (if your income exceeds this amount, you should buy additional private insurance coverage).

## Owner-operators of mobile industrial equipment

If you own and operate mobile industrial equipment, you may wish to buy coverage for an amount above what you would draw as personal income from your business.

As there are several ways to draw income from a business, such as T4'd wages, dividend payment or shareholder loans, WCB will consider different approaches to setting your compensation rate.

WCB considers the gross income earned from operating the piece of equipment when setting a compensation rate. The compensation rate can be set based on 25 per cent of this income (or 50 per cent for portable welders), if this amount is greater than the owner-operator's personal, taxable income.

*Example: The owner-operator of a tractor/trailer unit has a yearly gross business income of \$200,000. He draws a wage of \$40,000 per year in personal, taxable income. This owner-operator could purchase personal coverage up to \$50,000 (25 per cent of \$200,000) to protect himself against the potential loss of employment income.*

For additional information about the benefits of personal coverage, please visit our [website](#).



T1 General: Income Tax and Benefit Return (updated 2021)

Attach only the documents (schedules, information slips, forms, or receipts) requested to support any claim or deduction. Keep all other supporting documents.

Step 2 – Total income

As a resident of Canada, you have to report your income from all sources both inside and outside Canada. The Income Tax and Benefit Guide may have additional information for certain lines.

Employment income (box 14 of all T4 slips)		10100	
Tax-exempt income for emergency services volunteers (See line 10100 in the guide.)	10105		
Commissions included on line 10100 (box 42 of all T4 slips)	10120		
Wage-loss replacement contributions (See line 10100 in the guide.)	10130		
Other employment income		10400 +	
Old age security pension (box 18 of the T4A(OAS) slip)		11300 +	
CPP or QPP benefits (box 20 of the T4A(P) slip)		11400 +	
Disability benefits included on line 11400 (box 16 of the T4A(P) slip)	11410		
Other pensions and superannuation (See line 11500 in the guide and complete line 31400 in the Worksheet for the return.)		11500 +	
Elected split-pension amount (Get and complete Form T1032.)		11600 +	
Universal child care benefit (UCCB) (See the RC62 slip.)		11700 +	
UCCB amount designated to a dependant	11701		
Employment insurance and other benefits (box 14 of the T4E slip)		11900 +	
Employment insurance maternity and parental benefits and provincial parental insurance plan benefits	11905		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (Complete the Worksheet for the return.)		12000 +	
Taxable amount of dividends other than eligible dividends, included on line 12000, from taxable Canadian corporations	12010		
Interest and other investment income (Complete the Worksheet for the return.)		12100 +	
Net partnership income: limited or non-active partners only		12200 +	
Registered disability savings plan income (box 131 of the T4A slip)		12500 +	
Rental income	Gross 12599	Net 12600 +	
Taxable capital gains (Complete Schedule 3.)		12700 +	
Support payments received	Total 12799	Taxable amount 12800 +	
RRSP income (from all T4RSP slips)		12900 +	
Other income	Specify:	13000 +	
Taxable scholarship, fellowships, bursaries, and artists' project grants		13010 +	
<b>Self-employment income</b>			
Business income	Gross 13499	Net 13500 +	
Professional income	Gross 13699	Net 13700 +	
Commission income	Gross 13899	Net 13900 +	
Farming income	Gross 14099	Net 14100 +	
Fishing income	Gross 14299	Net 14300 +	
Workers' compensation benefits (box 10 of the T5007 slip)	14400		
Social assistance payments	14500 +		
Net federal supplements (box 21 of the T4A(OAS) slip)	14600 +		
Add lines 14400, 14500, and 14600. (See line 25000 in Step 4.)		14700 +	
Add lines 10100, 10400 to 11400, 11500 to 11700, 11900, 12000, 12100 to 12500, 12600, 12700, 12800, 12900 to 13010, 13500, 13700, 13900, 14100, 14300, and 14700.			
This is your total income.	15000	=	

If the PC holder draws a T4 salary from their company, it is reported on line 10100 of the T1 General. The PC holder must submit a copy of their T4 from their company to verify these employment earnings.

Dividends, shareholder loans and other sources of investment income are not considered employment income.

If the PC holder does not draw a T4 salary, we use their Business Income (after expenses) which is line 13500.

