

**Alberta WCB
Policies &
Information**

Chapter:

BENEFITS

Subject:

ESTABLISHING NET EARNINGS

Authorization:

BoD Resolution 2003/10/39

Date:

December 9, 2003

REFERENCE:

[Workers' Compensation Act, RSA 2000, Sections 1\(1\)\(s\), 15\(1\), 17\(3\), 56, 59, 67, 68, and 153\(1\)\(j\), \(2\)](#)
[Workers' Compensation Regulation, Sections 1, 5, 6, and 7](#)

POLICY:

When a compensable disability results in earnings loss, WCB will *compensate the worker for the earnings loss*, based on *confirmed earnings* for a *period or periods of time* that fairly represents the worker's wage loss or impairment of earning capacity.

This policy is effective January 1, 2004, unless noted otherwise in a specific policy section(s).

INTERPRETATION

1.0 Compensation for Earnings Loss

Compensation for earnings loss is based on 90% of the worker's net earnings, calculated in accordance with the *Workers' Compensation Act (WCA)* and *Workers' Compensation Regulation (WC Regulation)*.

If the worker is totally disabled (either temporarily or permanently), WCB pays compensation at 90% of net earnings, subject to any maximum compensable earnings in effect at the date of accident. If the disability is only partial, WCB pays the worker a proportionate amount of 90% of net earnings, based on the degree of disability and WCB's estimate of the worker's loss of earning capacity.

WCB will continue to pay compensation for earnings loss for as long as the disability lasts.

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2.0 Period of Time

WCB is required to estimate loss of earnings by considering the worker's earnings for a period or periods of time prior to the accident. The actual period(s) of time considered may vary, as WCB must determine the period(s) which most fairly and justly represents the worker's earnings at the time of the accident.

3.0 Confirmed Earnings

To ensure compensation is correct, WCB requires confirmation of reported earnings. The normal confirmation source is the employer.

Please see Part II for additional information on the following subjects:

Application

- 1 – [General](#)
- 2 – [Special Circumstances](#)
- 3 – [Rate Adjustments](#)
- 4 – [Cost-of-Living Adjustments](#)

Addendum

[Addendum A – Maximum Annual Compensable Earnings](#)

[Addendum B – Cost-of-Living Adjustments and Legislated Increases](#)

Previous versions

- [Policy 0401 Part I - April 2018](#)
- [Policy 0401 Part I - May 2016](#)
- [Policy 0401 Part I - August 2015](#)
- [Policy 0401 Part I - January 2010](#)
- [Policy 0401 Part I - January 2, 2004](#)
- [Policy 0401 Part I - January 1, 2004](#)
- [Policy 0401 Part I - January 2002](#)
- [Policy 0401 Part I - June 2001](#)
- [Policy 0401 Part I \(consolidated manual 1st Issue\) - February 1997](#)