

**Alberta WCB  
Policies &  
Information**

Chapter:

**BENEFITS**

Subject:

**PERMANENT DISABILITY**

Authorization:

**BoD Resolution 2017/08/32**

Date:

**December 22, 2017**

**APPLICATION 2: NON-ECONOMIC LOSS PAYMENT - INJURIES ON OR AFTER  
JANUARY 1, 1995**

1. *What is the purpose of the Non-Economic Loss Payment?*

The Non-Economic Loss Payment (NELP) is paid in recognition that a permanent clinical impairment may also impact the worker’s life outside the workplace.

2. *Who is eligible for a Non-Economic Loss Payment?*

To be eligible for a NELP, the worker must meet the following conditions:

- the date of accident is on or after January 1, 1995
- the worker has a measurable permanent clinical impairment

3. *What if the worker’s compensable injury or condition results in death or the worker dies from unrelated causes?*

As explained in Question 1, the intent of the NELP is to compensate the worker for the impact the injury has on the worker’s life outside the workplace. Therefore, the worker is not eligible for a NELP when there is an immediate fatality. For this policy, “immediate fatality” is defined as death within 30 calendar days of the date of the work-related accident. The 30 calendar days include the date of accident.

If, however, death is not immediate and it is clear the worker has or will have a permanent clinical impairment if he or she lives, the worker is eligible for a NELP. If WCB is unable to assess the degree of permanent clinical impairment before the worker’s death, it will base the assessment on the documentary medical evidence, using the WCB’s-approved rating method.

In these cases, the NELP will be paid to the worker’s estate.

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**4. *When does WCB determine the amount of the Non-Economic Loss Payment?***

With the exception of deteriorating conditions, WCB determines the value of a non-economic loss payment at the medical plateau, when medical opinion indicates no further significant medical change is likely.

If the injury is a deteriorating condition, the non-economic loss payment is assessed when the condition first stabilizes, and may be periodically reassessed as the condition deteriorates.

**5. *How does WCB determine the degree of permanent clinical impairment?***

The degree of permanent clinical impairment is determined by a physician, using WCB's approved rating schedule.

The clinical impairment rating on one claim or a combination of claims with dates of accident on or after January 1, 1995, cannot be greater than 100%.

**6. *How does WCB calculate the Non-Economic Loss Payment?***

As the Non-Economic Loss Payment is not intended to compensate the worker for lost earnings, the payment base is the same for all workers, regardless of earnings. The payment is paid as a lump sum, and is based on the degree of permanent clinical impairment resulting from the compensable injury.

The maximum payment (payable to workers who suffer a 100% permanent clinical impairment) is indicated in Addendum A of this policy.

When determining a payment, WCB will use the maximum amount in effect on the date of the non-economic loss payment evaluation.

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*Calculating NELP  
(continued)*

For less than permanent total clinical impairment, the payment is a proportionate amount of the maximum (for example, if the maximum is \$60,000 and the permanent clinical impairment is 20%, the payment will be \$60,000 x 20%, or \$12,000).

The minimum payment is 2% of maximum (for example, \$60,000 x 2%, or \$1,200). A worker with a permanent clinical impairment equal to or greater than 0.4% but less than 2% will receive a 2% payment.

**7. *How is the minimum NELP applied if a worker becomes eligible for a NELP under a subsequent claim?***

WCB generally considers each claim separately (unless the combined total exceeds 100% - see Question 5). For example, a worker who receives a minimum 2% award for a 1% permanent clinical impairment of a finger will receive another minimum 2% award for a 1% permanent clinical impairment of a different finger under a later claim.

However, if the later accident is to the **same** body part and site (for example, the same site on the same finger), WCB looks at the cumulative total of the actual clinical impairment. As the worker has already received a 2% award for the permanent clinical impairment of that body part and site, WCB does not pay an additional NELP unless the cumulative compensable permanent clinical impairment is more than 2%. If the total is more than 2%, the additional NELP is based on the total percentage of permanent clinical impairment, minus 2%.

**8. *Does WCB periodically adjust the maximum NELP?***

Starting January 1, 1996, the maximum payment will be increased on the same date and by the same percentage as cost-of-living adjustments made pursuant to s.59 of the WCA (see Addendum A at the end of this policy).

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**9. *When is this policy  
application effective?***

This policy application (Application 2 – Non-Economic Loss Payment – Injuries On or After January 1, 1995) is effective January 1, 2018, except when noted otherwise in a specific policy section(s).

**Previous versions**

- [Policy 0404 Part II - January 2018](#)
- [Policy 0404 Part II - August 2015](#)
- [Policy 0404 Part II - December 2009](#)
- [Policy 0404 Part II - January 2004](#)
- [Policy 0404 Part II - June 2003](#)
- [Policy 0404 Part II - January 2002](#)
- [Policy 0404 Part II - October 2001](#)
- [Policy 0404 Part II - June 2001](#)
- [Policy 0404 Part II - September 1999](#)
- [Policy 0404 Part II \(consolidated manual 1st Issue\) - February 1997](#)