

**Alberta WCB
Policies &
Information**

Chapter:

BENEFITS

Subject:

PERMANENT DISABILITY

Authorization:

BoD Resolution 2017/08/32

Date:

December 22, 2017

APPLICATION 9: PERMANENT DISABILITY BENEFIT ADVANCES

- 1. *What conditions must be met for WCB to consider allowing an advance on permanent disability benefits?***

WCB may consider a permanent disability benefit advance when **all** the following conditions are met:

 - the worker does not qualify for alternative options such as other WCB benefits (for example, a lump sum commutation or vocational services) or a loan from a financial institution,
 - the worker is not dependent on the monthly benefit for the necessities of life, and
 - in WCB’s opinion, allowing an advance is in the worker or dependant’s interest or pressing need.

- 2. *What does WCB consider to be “interest or pressing need”?***

WCB takes into consideration the intended purpose of the advance. WCB may consider an advance for purposes such as helping protect the worker’s home equity or consolidating, reducing, or eliminating non-recurring debts which resulted from hardship caused by an extended period of disability.

WCB will not usually allow advances for such things as:

 - consolidating, reducing, or eliminating recurring debts
 - purchasing a recreational vehicle
 - financing a vacation
 - financial investment in business or stocks
 - any other purpose not considered to be in the worker’s interest

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3. *If an advance is allowed, what conditions are there?*

Interest is charged on all advances. The interest rate is set annually.

WCB reserves the right to limit the number of advances paid on a claim.

The maximum advance allowed and the repayment terms are determined according to the circumstances of each claim.

There are additional conditions for ELP advances, as ELP is subject to reviews and may change (see Applications 3 and 4). The maximum allowed for an ELP advance cannot be more than:

- (a) 12 times the worker's monthly ELP, or
- (b) (number of months to next scheduled review) times the worker's monthly ELP,

whichever amount is lower.

When a worker meets the conditions for an advance and has an ELP review scheduled within the next 12 months, WCB will consider conducting an immediate ELP review so the worker can obtain a 12-month advance.

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December 22, 2017**APPLICATION 9: PERMANENT DISABILITY BENEFIT ADVANCES****4. *What repayment terms are available?***

Advances may be repaid according to one of the following:

- a stop on all permanent disability payments until the principal and interest are recovered
- reduced permanent disability payments until the principal and interest are recovered
- a single repayment

As well, WCB may withhold any cost-of-living or other adjustment and apply the amount against the outstanding balance.

When the advance, including principal and interest, has been repaid, WCB will resume normal permanent disability benefits.

5. *When is this policy application effective?*

This policy application (Application 9 – Permanent Disability Benefit Advances) is effective January 1, 2018, except when noted otherwise in a specific policy section(s).

Previous versions

- [Policy 0404 Part II, Application 9 - January 2018](#)
- [Policy 0404 Part II, Application 8 - August 2015](#)
- [Policy 0404 Part II, Application 8 - January 2004](#)
- [Policy 0404 Part II, Application 8 - June 2003](#)
- [Policy 0404 Part II, Application 8 - October 2001](#)
- [Policy 0404 Part II, Application 8 - June 2001](#)
- [Policy 0404 Part II, Application 8 - December 2000](#)
- [Policy 0404 Part II, Application 8 - January 2000](#)
- [Policy 0404 Part II, Application 8 - September 1999](#)
- [Policy 0404 Part II, Application 8 \(consolidated manual 1st Issue\) - February 1997](#)