

**Alberta WCB  
Policies &  
Information**

Chapter:

**BENEFITS**

Subject:

**RETURN-TO-WORK SERVICES**

Authorization:

**BoD Resolution 2018/04/25**

Date:

**June 26, 2018**

**APPLICATION 9: SELF EMPLOYMENT**

**1. *When will WCB consider self-employment as part of a return-to-work plan?***

When determining return-to-work options for a worker who is not able to return to employment with the accident employer, WCB may, at the worker’s request, consider self-employment as one of the alternatives in a return-to-work plan.

WCB will not usually consider self-employment as an alternative unless asked to do so by the worker.

**2. *What conditions must be met?***

The worker must provide a detailed and viable business plan that includes realistic financial projections and anticipated income. WCB will arrange for an independent review and evaluation of the plan.

WCB will evaluate the self-employment plan in comparison to other alternatives. Probability of success will be considered, as well as the overall costs. A self-employment plan will be considered only if it is cost-effective compared to other reasonable return-to-work alternatives, and if there is a high probability of success.

Self-employment will be considered only when permanent compensable work restrictions prevent the worker from returning to the pre-accident occupation.

**3. *What does WCB consider when evaluating the probability of success?***

While every case is judged on its own merits, the following questions are considered:

- a) Does the independent review confirm the worker’s plan and financial projections?
- b) Is the work (including probable hours of work) suitable for the worker’s medical condition?

**Alberta WCB  
Policies &  
Information**

Chapter:

**BENEFITS**

Subject:

**RETURN-TO-WORK SERVICES**

Authorization:

**BoD Resolution 2018/04/25**

Date:

**June 26, 2018**

**APPLICATION 9: SELF EMPLOYMENT**

*Evaluating probability of  
success (continued)*

- c) Does the worker’s vocational assessment and profile indicate that the worker has the necessary skills and abilities (including technical, supervisory, sales, etc.) to successfully operate the business?
- d) Does the business opportunity make use of the worker’s transferable skills?
- e) Has the worker had successful business experience before?
- f) Is the business already established with a proven record (for example, a successful franchise or existing business)?
- g) Is the worker making a financial contribution to the business venture?
- h) Will the self-employment venture maximize the worker’s earning capacity?

The more “yes” answers there are, the more probable it is the worker will be successful. If the answer to either of the first two questions is “no”, WCB will not support the proposal.

This list is not exhaustive. Depending on the merits of a case, WCB may consider other factors when making its decision.

**Alberta WCB  
Policies &  
Information**

Chapter:

**BENEFITS**

Subject:

**RETURN-TO-WORK SERVICES**

Authorization:

**BoD Resolution 2018/04/25**

Date:

**June 26, 2018**

**APPLICATION 9: SELF EMPLOYMENT**

**4. *What costs will WCB consider in a self-employment plan?***

WCB will consider any reasonable costs involved in establishing a business. These costs may include, but are not limited to, purchase costs, franchising fees, inventory, tools, and equipment. As well, WCB may sponsor one or more training programs to help the worker gain the necessary skills to operate the business. The training programs may be technical or relate to business management.

All WCB-payable costs are included in the overall projected costs of the plan and will be considered when evaluating the cost-effectiveness of the plan.

**5. *How will WCB estimate post-accident earning capacity?***

WCB will use the financial projections in the approved business plan to estimate post-accident earning capacity (see Policy 04-04, Application 1, Determining Impairment of Earning Capacity).

**6. *If actual earnings are less than the estimate, will WCB revise the estimate?***

WCB has no control over economic conditions or how the worker operates the business. If the worker does not achieve the financial projections set out in the worker's business plan, WCB will not revise the estimated earning capacity unless the lower earnings are due to deterioration in the worker's compensable injury.

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

This policy application (Application 9 – Self Employment) is effective September 1, 2018, except when noted otherwise in a specific policy section(s).

**Alberta WCB  
Policies &  
Information**

Chapter:

**BENEFITS**

Subject:

**RETURN-TO-WORK SERVICES**

Authorization:

Date:

**BoD Resolution 2018/04/25**

**June 26, 2018**

**APPLICATION 9: SELF EMPLOYMENT**

[Document History](#)

**Previous versions**

- [Policy 0405 Part II, Application 7 - April 2018](#)
- [Policy 0405 Part II, Application 7 - February 2018](#)
- [Policy 0405 Part II, Application 7 - August 2015](#)
- [Policy 0405 Part II, Application 7 - January 2004](#)
- [Policy 0405 Part II, Application 7 - September 2001](#)
- [Policy 0405 Part II, Application 7 - October 1997](#)
- [Policy 0405 Part II, Application 7 \(consolidated manual 1st Issue\) - February 1997](#)