

# PRINCIPLES OF ALBERTA WORKERS' COMPENSATION

BoD Resolution 2021/02/07 Date: March 22, 2021

The principles contained in Sir William Meredith's 1913 *Final Report* (see Appendix C) are the foundation of workers' compensation in Alberta. Since 1913, these principles have evolved to reflect changing conditions. The principles are intended to be a "living document" and will continue to evolve as circumstances necessitate.

Today, the Workers' Compensation Board-Alberta operates according to the following principles, **which apply to all workers and employers protected by the Alberta Workers' Compensation Act (WCA)**. These principles provide direction to management in the development of policy and establish a frame of reference for the Board of Directors for policy decision-making. The principles also provide staff, management, our clients, and the general public with guidance on the interpretation and application of policy. The principles are intended to provide the "why" or philosophical basis behind the policies. The articulation of principles provides transparency and points of reference for all stakeholders so that policy decisions of the Board of Directors can be better understood.

## SYSTEM

### 1. Exclusive Jurisdiction

WCB has sole authority to determine all questions or matters arising under the WCA, subject only to review and appeal.

### 2. No Fault Benefits

WCB assumes liability for the injury in work-related circumstances despite the presence of fault on the part of a worker or employer.

### 3. Protection from Lawsuit

Protection from lawsuit applies where the activities causing the injury are part of an employer's normal insured activities. Workers' compensation is meant to replace any tort remedy for that injury.

### 4. Employer Financing of System

Employers are required to pay the full cost of the system through premiums.

### 5. Neutral Administrator

WCB is a neutral and autonomous administrator of the workers' compensation system and strives to balance the interests of workers and employers.

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## 6. Fairness

Decision-making is based on evidence, law, and policy, and a fair, impartial, and transparent process.

## 7. Promoting Prevention

WCB will offer pricing programs to employers that encourage safer workplaces and promote disability management.

## FINANCIAL/PREMIUM

### 8. Balance Between Collective Liability and Individual Accountability

The premium structure should reflect a balance between collective liability and individual employer accountability.

### 9. Full Funding

The funding of the workers' compensation system must ensure there are sufficient funds on hand to meet present and future liabilities. Furthermore, the objectives of funding should be to minimize the risk of being unfunded, cost volatility, and overall cost to employers, while ensuring intergenerational equity among employers.

## BENEFIT

### 10. Work-Relatedness

WCB determines whether the injury or illness is caused by work and compensates accordingly.

### 11. Focus on Safe Return to Work

The system should focus on safely restoring an injured worker, through return-to-work services, to a level of competitive employability.

### 12. Retrospective Earnings

The worker's historical earnings (up to any prescribed maximum in effect at the date of the accident) form the basis of the compensation rate, which is a percentage of the earnings, recognizing deductions that workers normally pay and encouraging return-to-work.

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## 13. Maximum Compensable Earnings

The Board of Directors sets maximum compensable earnings annually to achieve coverage for the full wages of at least 90 per cent of workers in the province. The annual amount will change when the percentage of workers covered drops below 90 per cent.

## 14. Health Care

WCB decides the nature, sufficiency, and cost of health care, bearing in mind individual needs and medical efficacy.

## 15. Quality of Life for Severely Injured Workers

WCB should take reasonable measures to maintain a reasonable quality of life for severely injured workers through the provision of services allowed by legislation and policy.

## 16. Survivor Benefits

Survivor benefits should make reasonable provision for the spouse, adult interdependent partner and any dependent children of the deceased worker.

### Previous versions

- [Principles - September 2018](#)
- [Principles - April 2018](#)
- [Principles - August 2015](#)
- [Principles - March 2014](#)
- [Principles - January 2004](#)
- [Principles - February 2002](#)
- [Principles - February 1997](#)