

# Retirement benefits

## Economic loss payments

If your work-related injury led to permanent work restrictions and reduced earnings potential, you may qualify for an economic loss payment (ELP) from the Workers' Compensation Board (WCB). An ELP provides the difference between what you were earning when you were injured, and what you are able to earn when you have recovered from your work injury. ELP benefits may be paid until age 65, or longer if you continue to work.

## ELP Retirement Benefit

Retirement typically occurs at age 65, although some people might work longer. At age 65, your ELP changes to a retirement payment called the ELP Retirement Benefit. The purpose of this benefit is to recognize that you may not have been able to maximize your pension contributions while you were working because of your work injury. Here is how it works:

- The ELP retirement review typically occurs at age 65. However, if you were injured on or after January 1, 2018, and you were age 60 or older at that time, the retirement review would occur five years from the date of accident.
- Your ELP is adjusted to an ELP Retirement Benefit to reflect the shift from a working wage to a retirement payment, which is a reduced amount.
- The ELP may be extended beyond age 65 only if specific criteria are met (i.e., you must provide satisfactory information that supports your continued employment [that is not reflective of semi-retirement] or your intention to work past retirement age).
- You can expect to receive the ELP Retirement Benefit for the rest of your life and the amount is determined by your date of injury/illness as described below.

## Understanding the calculations

The [Workers' Compensation Act](#) and [Policy: 04-04 PART II](#) prescribes the following:

- For workers injured between **January 1, 1995 – December 31, 2017**, the average compensation total (based on the average ELP benefits received over the last five years or all ELP payments if the ELP was in place for less than five years) is multiplied by the total number of years compensation payments have been paid (to a maximum of 35 years). This total is then multiplied by 2%.
- For workers injured after **January 1, 2018**, the total wage loss compensation is the sum of all wage loss benefits paid from the date of accident up to the month in which the permanent wage loss benefit ends. This total is then multiplied by 2%.

Here is an example for a worker who was injured at work between January 1, 1995 – December 31, 2017:

- In 2012, Pat was injured at work when they were 55.
- When Pat was able to return to work, they received a monthly ELP of \$2,500 (\$30,000 per year).
- In 2022, Pat retired at age 65 and their ELP ended. Their ELP Retirement Benefit calculates to \$500 per month.

The calculations for this example are provided below:

\$2,500 <i>(Average monthly ELP)</i>	x	10 <i>(this number represents the number of years [2012 - 2022] compensation payments have been paid)</i>	x	2%	=	\$6,000 per year <i>(\$500 per month)</i>
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Here is an example for a worker who was injured at work after January 1, 2018.

- In 2018, Sanjay was injured at work when they were 60.
- When Sanjay was able to return to work they received a monthly ELP of \$2,500 (\$30,000 per year).
- In 2023, Sanjay retired at age 65 and their ELP ended.
- Sanjay received a total of \$210,000 in all wage loss benefits throughout the course of their claim (2018 – 2023). Their ELP Retirement Benefit calculates to \$350 per month.

The calculations for this example are provided below:

\$210,000 <i>(Total amount of all wage loss benefits paid for the duration of the claim)</i>	x	2%	=	\$4,200 per year <i>(\$350 per month)</i>
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### Additional information

If you qualify for an ELP, the details about this decision will be outlined in a Wage Loss Supplement letter. Your claim owner can provide an estimate of your ELP Retirement Benefit for retirement planning purposes. However, the exact amount cannot be calculated until you are near retirement because the amount can fluctuate due to changes in your actual income and/or cost-of-living adjustments.

