

Payment of interest on retroactive benefits— Appeals Commission decisions

Workers' Compensation Regulation authorizes the Workers' Compensation Board – Alberta (WCB) Board of Directors to specify a class or classes of cases in which interest may be payable in respect to amounts owing by the organization Regulation 18 (1) and (2).

Retroactive benefits authorized by the Appeals Commission

The Board of Directors has specified that interest will be paid by WCB to workers following a decision by the Appeals Commission that awards retroactive disability benefits under the following sections of the *Workers' Compensation Act* (the Act):

- **56:** Compensation for Disability.
- **57:** Additional compensation Payment.
- **58:** Additional supplement.
- **60:** Adjustment to temporary disability.
- **61:** Recurrence of disability.
- **65:** Supplement respecting pre-existing condition.
- **66:** Increase respecting residual disability.

Payment of interest will also be made to dependents who are awarded retroactive dependency benefits by the Appeals Commission under sections:

- **70:** Compensation for death.
- **71:** Compensation to child not residing with dependent spouse or dependent adult interdependent partner.
- **72:** Additional payments to child.
- **73:** Payments to dependants for illness.
- **74:** Payments to dependent children on death of spouse or dependent adult interdependent partner.
- **75:** Additional compensation.
- **76:** Compensation to other dependants.

Effective date

This change is effective immediately and applies to all Appeals Commission decisions made on or after August 18, 2011, and that grant retroactive disability benefits.

Interest payments do not apply to other types of benefits

Interest is only calculated on disability benefits such as temporary total disability benefits or an economic loss payment. Interest is not payable on other benefits like home maintenance allowance, personal care allowance or medical expenses.

Calculation of interest payable

Interest will be calculated as simple interest and will commence:

- As of a date two years before the date of the filing of the Request for Review, or
- As of the first date on which the retroactive amount is payable, whichever is later and continuing until the total of the retroactive amount and all accrued interest are paid.

** This two-year period includes the one-year time limitation to submit a Request for Review to the DRDRB as well as a one-year period to allow for any system delays.*

Interest will be paid according to the rates prescribed under the *Judgement Interest Act*. This is the standard used in the courts and provides a reliable benchmark on which to base interest payments.

The Judgment Interest Act

The [Judgement Interest Act](#) is available through the Queen's Printer.

Timing of payment

Once all retroactive disability benefits arising from the Appeals Commission decision are issued, the applicable interest will be calculated and a separate payment will be produced by WCB-Alberta.

Previously implemented Appeals Commission decisions

Previously implemented Appeals Commission decisions that grant retroactive disability benefits made on or after August 18, 2011, and that now qualify for payment of interest, will be processed by WCB automatically by December 31, 2013.

There is no application required to receive this payment.

Interest payments are not taxable

Interest paid on retroactive benefits is not taxable and would not be included in annual T5007 as determined by the Canada Revenue Agency.

Need more information? Please call our Contact Centre. For more information on payment of interest related to employer accounts, please see the [Payment of Interest Employer Fact Sheet](#).

Additional links:

[Interest payment board order](#)

