

# Payment of interest on retroactive benefits— Appeals Commission decisions

The *Workers' Compensation Regulation* [18\(1\)](#) and [\(2\)](#) authorizes WCB's 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.

## Interest payable to workers

Under an Order of the Board of Directors, WCB pays interest to workers who, as a direct result of a decision made by the Appeals Commission (AC), become entitled to retroactive amounts for the following types of benefits:

- wage replacement benefits for temporary total or partial disability under sections 56 or 61 of the *Workers' Compensation Act* (the Act)
- economic loss payments and earnings loss supplements for permanent total or partial disability under section 56 of the Act
- an adjustment to temporary disability under section 60 of the Act
- retirement benefits under section 60.1 of the Act\*
- benefits under the following repealed sections of the Act: sections 57, 58, 65, and 66

*\*Interest is only payable on retroactive s.60.1 benefits for AC decisions made on or after April 30, 2024.*

## Interest payable to dependants

WCB also pays interest to dependants who, as a direct result of an AC decision, become entitled to the following retroactive amounts:

- a pension under section 70 of the Act
- additional payments to dependants under sections 71, 72, 73, or 76 of the Act
- benefits under the following repealed sections of the Act: sections 74 and 75

## Interest payments do not apply to other types of benefits

Interest is only available on the benefits listed above.

Interest is not available on retroactive benefits owing as a result of a decision made by WCB or its Dispute Resolution and Decision Review Body (DRDRB).

## Calculation of interest payable

Interest is calculated as simple interest, using the following formula:

$$\text{principal amount} \times \text{interest rate} \times \text{time period}$$

For AC decisions made on or after April 30, 2024:

- principal amount: the amount owing to the worker or dependant for the retroactive period, less any amounts already issued to the worker or dependant for that same period
- interest rate: the rate in effect for the time period for which the retroactive benefits will be paid (as prescribed under the *Judgment Interest Act*)
- time period: the number of days from the date the worker or dependant submits their appeal to the AC to the date WCB pays the worker or dependant the amount owing (i.e., the principal amount)

For AC decisions made on or after August 18, 2011, up to and including April 29, 2024, interest is paid as simple interest:

- according to the rates prescribed under the *Judgment Interest Act*
- commencing on a date two years before the date of the filing of the request for review or on 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

## The Judgment Interest Act

The [Judgment Interest Act](#) and the [Judgment Interest Regulation](#) are available through the King's Printer.

## Timing of payment

Once the retroactive amount owing as a result of an AC decision is paid, WCB calculates the applicable interest and pays the interest amount as a separate payment.

## Interest payments are not taxable

Interest paid on retroactive benefits is not taxable and are not included in the annual T5007 issued by WCB.

*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](#) (effective April 30, 2024)

[Interest payment board order](#) (effective August 11, 2011, to April 29, 2024)

