Permanent disability compensation and pensions

Permanent disability compensation – accident/condition on or after Jan. 1, 1995

If you suffered a work-related injury/illness on or after Jan. 1, 1995 that has left you permanently disabled you may be eligible for permanent disability compensation.

To qualify for permanent disability compensation you must have a permanent clinical impairment and/or work restrictions from your disability that causes wage loss.

A permanent clinical impairment (PCI) is the loss (amputation), loss of use (nerve damage), or a permanent change of any body part, system or function. The degree of your impairment may be measured through a PCI examination by a physician when you have reached the point of maximum recovery.

Work restrictions mean that you are unable to meet the physical demands of your job.

If you were hurt on or after Jan. 1, 1995, we may provide financial compensation for permanent clinical impairments as well as any wage loss from your permanent work restrictions.

Permanent Clinical Impairment (PCI)

Determining permanent clinical impairment

To determine the level of your PCI, an independent physician will complete a medical examination or review the medical reporting on your file*. The objective clinical information related to your impairment is gathered and converted to a percentage of permanent clinical impairment using the Alberta Permanent Clinical Impairment Guide.

*Some injuries or conditions that are on a predetermined list can be assessed for PCI through a review of the medical reporting on the file. The list, taken from the Alberta Permanent Clinical Impairment Guide, includes standard injuries or conditions like the partial removal of a disc in the back or an amputation. These injuries or conditions do not require a medical examination to assess impairment.

The PCI examination

An examination is scheduled when enough time has passed to allow for you to reach your maximum medical recovery. The time frame varies depending on the type of injury/illness, but it could take up to two years or more to arrive at a recovery level that is considered permanent. The time period is based on guidelines of standardized healing times. For example, it generally takes two years for a nerve to heal so if your nerves are damaged we will usually wait two years before assessing your injury. Ask your adjudicator or case manager if you have questions about whether you will be assessed for permanent clinical impairment.

Once the examination by an independent medical examiner is complete, the results are given to one of our medical consultants. This medical consultant will review them along with the Alberta Permanent Clinical Impairment Guide to recommend a percentage of the impairment. This recommendation is sent to your adjudicator or case manager to translate the percentage into a financial award known as a non-economic loss payment (NELP).

Non-economic loss payments (NELPs)

A non-economic loss payment (NELP) is applicable if medical evidence tells us you have a permanent clinical impairment (relating to an injury/illness that occurred on or after Jan. 1, 1995). The medical consultant will review the medical evidence and recommend a percentage of permanent clinical impairment. This percentage recognizes the severity of the permanent impairment and is used to determine the NELP amount. A NELP is a one-time cash payment.
Here is an example of the amount of a NELP based on a 10 per cent assessed permanent clinical impairment:

- You injured your knee and required surgery to repair the damage.
- The injury resulted in a permanent restriction in the range of movement within your knee.
- You are assessed a 10 per cent permanent clinical impairment award.
- The 10 per cent assessment results in a one-time cash payment of $8,969.59 (based on the 2017 maximum payment which is subject to annual legislative review).

\[
10\% \times \$89,695.85 = \$8,969.59
\]

Work restrictions—compensation for wage loss

Sometimes, after a work injury, you will have work restrictions. These work restrictions—either temporary or permanent—may result in you receiving vocational services and looking for employment elsewhere. If, in this case you earn less in the new job than you did in the job you had before your accident, you may be entitled to an additional wage loss benefit. The table below gives you a snapshot of the three types of wage loss benefits you could be eligible for:

<table>
<thead>
<tr>
<th>Work restrictions</th>
<th>Loss of earnings ability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary partial disability (TPD)</td>
<td>Temporary partial disability (TPD)</td>
</tr>
<tr>
<td>temporary for six months or less</td>
<td>Permanent</td>
</tr>
<tr>
<td>Temporary economic loss (TEL)</td>
<td>Temporary economic loss (TEL)</td>
</tr>
<tr>
<td></td>
<td>temporary up to 5 years (60 months) with annual earnings review</td>
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<tr>
<td>Economic loss payment (ELP)</td>
<td>Economic loss payment (ELP)</td>
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<tr>
<td></td>
<td>a review of earnings is done periodically and at the age of 65</td>
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</tbody>
</table>

The TPD, TEL, ELP payment calculation

The payment calculation of a TPD, TEL or ELP starts by taking your date of accident net earnings and subtracting your net earnings from your new job. We then take this amount and calculate 90 per cent and divide by 12 months. This gives us the monthly amount we can compensate you. Here is an example:

- In 2016 you were earning $60,000 annually.
- This translates into a net income of $45,063.66.
- After your injury you have work restrictions in 2017 and you are working in a new position which pays less—$55,000 annually.
- Your net earnings in this new position are $41,831.67
- You are eligible for compensation (e.g., TPD, TEL, or ELP).
Permanent disability compensation and pensions (continued)

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- Here is the formula we use:

\[
\text{Average annual ELP} \times \frac{90}{12} \times 2\% = \text{Monthly ELP65}
\]

Note: The amount may vary due to the Cost of Living Adjustment (COLA) established for the year of the accident and the COLA established for the year the ELP is assessed. Talk to your case manager for more details.

Economic loss payments after age 65 (accident date on or after Jan. 1, 1995)

To recognize loss of pension income caused by decreased opportunity to contribute to pension plans, WCB-Alberta will continue the ELP on a monthly basis after age 65. These monthly payments are known as ELP65 and will continue throughout your life.

To arrive at the ELP65 amount we calculate:

1. The average annual ELP (the last five years of ELP payments or, if the ELP is in place for less than five years we use all of the ELP payments).
2. The number of years compensation payments have been paid (maximum 35 years).

First we multiply your average annual ELP by the number of years you received payments. Then we take that total and multiply it by two per cent. Here is an example:

- You were 55 years old when you were injured in 2007.
- After your returned to work you received a monthly economic loss payment of $262.43 ($3,149 per year).
- It is now 2017. You are 65 years old and decide to retire. After retirement your economic loss payment is adjusted to $52.49 month ($629.83/year). This represents lost retirement income due to your reduced employment earnings.

Pensions (Permanent partial disability payments) – accident/condition before January 1, 1995

If you suffered a work-related injury/illness before Jan. 1, 1995 that has left you permanently disabled you may be eligible for permanent partial disability (PPD) payment.

When you return to work, your adjudicator or case manager will discuss your eligibility for a PPD payment. The percentage of permanent clinical impairment (PCI) is determined as explained on page one. The final value of the payment takes into account the PCI percentage and your earnings at the time of the accident. A monthly pension is payable for your lifetime. If the pension is being paid out all at once (a lump sum) then the amount is based on the value of your monthly pension and your age using forecast tables.