Permanent disability compensation and pensions

Date of accident/illness on or after Jan. 1, 2018

Permanent disability compensation

If you suffered a work-related injury/illness on or after Jan. 1, 2018, that has left you permanently disabled you may be eligible for permanent disability compensation. This may include financial compensation for permanent clinical impairments as well as any wage loss from your permanent work restrictions.

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.

Determining PCI

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 PCI.

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 permanent clinical impairment. This recommendation is sent to your adjudicator or case manager to translate the percentage into a non-economic loss payment (NELP).

NELPs

A NELP is applicable if medical evidence tells us you have a PCI (relating to an injury/illness that occurred on or after Jan. 1, 2018). The medical consultant will review the medical evidence and recommend a percentage of PCI. This percentage recognizes the severity of the permanent impairment and is used to determine the NELP amount. A NELP is a one-time 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 payment of $9,077.22 (based on the 2018 maximum payment which is subject to annual cost-of-living adjustments).

Here is the formula we use:

\[
\frac{10\%}{(The \ assessed \ PCI)} \times \frac{\$90,772.20}{(Maximum \ payment \ for \ 2018)} = \frac{\$8,969.59}{(The \ amount \ is \ given \ as \ a \ lump \ sum \ payment)}
\]

**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></td>
<td>Temporary</td>
</tr>
<tr>
<td>Temporary partial disability (TPD)</td>
<td>✓</td>
</tr>
<tr>
<td>Temporary economic loss (TEL)</td>
<td>✓</td>
</tr>
<tr>
<td>Economic loss payment (ELP)</td>
<td>✓</td>
</tr>
</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 compensation you. Here is an example:

- In 2017 you earned $60,000 annually.
- This translates into a net income of $45,063.66.
- After your injury you have work restrictions in 2018 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).
Here is the formula we use:

\[
\frac{\$45,063.66 - \$41,831.67}{\text{(2017 net earnings) - (2018 net earnings with a new job)}} \times \frac{90}{12} = \$242.40/\text{month}
\]

Note: The amount may vary due to the Cost of Living Adjustment (COLA). Talk to your case manager for more details.

ELPs that continue to normal retirement age (retirement adjustment)

To recognize loss of pension income caused by decreased opportunity to contribute to pension plans, WCB-Alberta will continue the ELP beyond the normal age of retirement at an adjusted amount. These monthly payments are known as an ELP retirement adjustment and will continue throughout your life.

The normal age of retirement is normally age 65 or five years after your date of accident, whichever is later. However, if you are able to provide evidence that supports you planned to work beyond normal retirement age if the injury had not occurred, the WCB will not adjust your ELP until the date you were planning to retire.

The retirement adjustment paid is equal to two per cent of your total wage loss compensation. Total wage loss compensation is the sum of all wage loss benefits paid from the date of your accident up to the month in which your ELP/TEL ends. It includes temporary wage loss benefits as well as ELP/TEL.

Here is an example:

• You were 55 years old when you were injured in 2018.
• After you returned to work you received a monthly ELP of $262.43 ($3,149 per year).
• It is now 2028. You are 65 years old and decide to retire
• You received a total of $55,000 in wage loss benefits throughout your claim from 2018 to 2028.

Here is the formula we use:

\[
\frac{\$55,000 \times 2\%}{\text{(This number represents the total amount of benefits paid for the duration of your claim)}} = \$1,100/\text{year or } \$91.60/\text{month}
\]

ELPS or TELs that end prior to normal retirement age

When an ELP or TEL ends prior to normal retirement age because of a full recovery of your pre-accident earning capacity, and you have received an ELP/TEL continuously for a minimum of two years, you will receive a lump sum retirement benefit. The lump sum is paid to compensate you for reduced opportunity to contribute to retirement plans during the period of compensable loss of earning capacity.
The lump sum retirement benefit paid is equal to two per cent of your total wage loss compensation. Total wage loss compensation is the sum of all wage loss benefits paid from the date of your accident up to the month in which your ELP/TEL ends. It includes temporary wage loss benefits as well as ELP/TEL.

Here is an example:

• You were injured in 2018 and began receiving compensation benefits.
• In 2019, you were able to return to work in a different job after your injury however you earned less money in your new position. You were paid a TEL starting in 2019.
• Over the next three years, you received yearly raises in your salary in your new job. By 2022, you were earning more than you did at the time of your accident. Your TEL was therefore discontinued in 2022 because you were no longer experiencing a loss of earnings. You received a total of $30,000 in wage loss benefits throughout your claim from 2018 - 2022.
• You are eligible for a lump sum retirement benefit after your TEL ended in 2022.

Here is the formula we use:

\[
\text{Total wage loss compensation} \times 2\% = \text{Lump sum retirement benefit.}
\]

\[
\frac{30,000}{\text{(This number represents the total amount of benefits paid for the duration of your claim.)}} \times 2\% = \frac{600}{\text{(Lump sum retirement benefit.)}}
\]