

Determining compensation rates for personal coverage holders

What is personal coverage?

Personal coverage is optional workers' compensation coverage (subject to approval). It is available for individuals who employ workers or who are proprietors, partners in a partnership, directors of a corporation, or members of an association, board, authority, commission or foundation.

There is a minimum and maximum amount of personal coverage that can be purchased, and some industries have a guaranteed coverage amount or GCA.

How does WCB set my compensation rate if I have personal coverage?

The compensation rate depends on the amount of personal coverage you had on the date of your accident.

Minimum personal coverage

If you purchased minimum personal coverage, the compensation rate is set based on that amount. You do not have to provide us with tax documents verifying your personal employment earnings.

Personal coverage is up to (or equal to) the guaranteed coverage amount (GCA)

If you purchased personal coverage up to (or equal to) the GCA, the compensation rate is set based on your personal coverage amount. You do not have to provide us with tax documents verifying your personal employment earnings.

Personal coverage is over the minimum (no GCA for the industry)

If you purchased personal coverage over the minimum amount (but there is no GCA for your industry), you must provide verification of personal employment earnings to substantiate the amount of coverage you purchased.

- Initially, we will set your compensation rate based on the minimum personal coverage amount, and send you a letter requesting a copy of your tax return (T1 General) for the tax year prior to your accident.
- If your tax documents verify earnings equal to or greater than the amount of coverage you purchased, your compensation rate will be adjusted to reflect your personal coverage amount.
- If your tax documents do not verify earnings equal to or greater than the amount of coverage purchased, your compensation rate will be set based on your verified earnings or the minimum personal coverage amount – whichever is higher.

Personal coverage is over the guaranteed coverage amount (GCA)

If you purchased personal coverage over the GCA, you must provide verification of personal employment earnings to substantiate the amount of coverage you purchased.

- Initially, we will set your compensation rate based on the GCA and send you a letter requesting a copy of your personal tax return (T1 General) for the tax year prior to your accident.
- If your tax documents verify earnings equal to or greater than the amount of coverage you purchased, your compensation rate will be adjusted to reflect your personal coverage amount.
- If your tax documents do not verify earnings equal to or greater than the amount of coverage purchased, your compensation rate will be set based on your verified earnings or the GCA – whichever is higher.

How much will I receive in wage replacement benefits?

If you are losing time from work due to a work-related injury, you may be entitled to wage replacement benefits. When you purchase personal coverage, the amount purchased is based on annual gross earnings. However, Section 56 of the *Workers' Compensation Act* tells us to pay compensation based on 90% of net earnings.

Once you determine my gross earnings, how do you know what my net earnings are?

Every year, we receive information from the Canada Revenue Agency (CRA) that tells us the equivalent CPP, Employment Insurance and income tax amounts, which we use to determine your net earnings. Then we pay 90% of these net earnings.

For example:

Gross earnings 2019 personal coverage amounts	90% of net annual earnings	90% of net weekly compensation rate
\$31,300 (2019 minimum)	\$23,305.81	\$446.96
\$35,000	\$25,638	\$491.69
\$40,000	\$28,790.13	\$552.14
\$45,000	\$31,942.05	\$612.59
\$50,000	\$31,925.68	\$669.81

What if I have a second job at the time of my injury?

If you had a second job when you were injured and your injury prevents you from doing your second job, we may also consider those earnings when setting your compensation rate. We call this your concurrent rate.

Questions about your personal coverage?

[Contact us](#) if you have further questions about your personal coverage.

I need more information, what are my resources?

Section 15(1) of the [Workers' Compensation Act](#)

Section 56 of the [Workers' Compensation Act](#)

Section 1(2) of the [General Regulations](#)

[Appendix E from the WCB Policy Manual](#)

[Appendix F from the WCB Policy Manual](#)

[WCB Policy 04-01 Part I – Establishing Net Earnings](#)

[Policy 04-01, Part II, Application 1 – Establishing Net Earnings \(General\)](#)

[Policy 04-01, Part II, Application 2 – Establishing Net Earnings \(Special Circumstances\)](#)

[WCB Policy 06-02 Part I – Insurance Coverage for Workers and Employers](#)

[WCB Policy 06-02 Part II – Insurance Coverage for Workers and Employers](#)

[Personal coverage web page](#)

[Personal coverage employer fact sheet](#)

[Guaranteed coverage employer fact sheet](#)

[90% of net earnings fact sheet](#)