

Changes to Maximum Insurable Earnings

Historically, maximum insurable earnings (MIE) served two purposes—setting an annual maximum that injured workers can receive as wage benefits, as well as setting a maximum amount per worker that employers use when reporting their insurable earnings. The maximum amount set ensured 90% of the workforce was covered for 100% of their wages.

What's changing in 2018

As a result of legislative changes effective September 1, 2018, workers' compensable earnings will no longer be capped. This means that workers with a date of accident on or after September 1, 2018 will be compensated at 90% of their net earnings, with no limit. The new legislation does not make reference to a maximum assessable earnings (MAE).

In order to provide clarity, the term "maximum insurable earnings" is changing to two distinct pieces:

Compensable Earnings, which is the earnings used to determine worker wage loss benefits, based on the worker's full earnings.

Assessable Earnings, which is the amount used for determining employer premiums based on their reported workers' gross earnings. For the full 2018 year, WCB has set the maximum assessable earnings amount at \$98,700. The decision to maintain the current MAE methodology will not impact compensable benefits for workers.

Employers will still have a cap on assessable earnings when reporting their 2018 earnings (i.e., the maximum assessable earnings for September 1, 2018 to December 31, 2018 will remain at \$98,700).

What can employers expect for 2019?

MAE is based on a formula to ensure it covers 90% of workers' earnings in the province. We will continue to use that approach to set the maximum assessable earnings for employers in 2019. We will continue to analyze the impact of the removal of the cap for compensable earnings to determine if there should be any adjustments to MAE in the coming

years. In order to do that analysis, we will be requesting more information from employers during our annual return cycles. Analysis will continue into 2019 and we will determine if any change to this approach is necessary for 2020.

Personal Coverage (PC)

There will be a cap for assessable and compensable earnings for PC holders (using the same process used to set the MAE for 2019). If PC holders wish to enhance their coverage, just as they can today, they can purchase supplemental coverage elsewhere. More information about personal coverage is available in the employer [fact sheet](#).

