Personal coverage

Personal coverage, subject to approval, is optional workers’ compensation coverage available for individuals who employ workers or who are:

- proprietors,
- partners in a partnership,
- directors of a corporation or a society, or
- members of an association, board, authority, commission or foundation.

To register for a personal coverage, you first have to open a WCB account. Signing up is easy. Go to www.wcb.ab.ca/application to get started.

Personal coverage is flexible, and once in place, it can be changed at any time. It automatically renews every year on Dec. 31.

Benefits of coverage

The benefits of personal coverage include:

- **No fault insurance.** Workers’ compensation provides no fault coverage. This means that if your injury is work-related, you’re eligible for benefits whether or not negligence was a factor.

- **Protection against loss of employment income.** Disability benefits are based on 90 per cent of your net income, or the amount of coverage purchased, up to the maximum amount of coverage allowed under the Alberta Workers’ Compensation Act (currently $98,700 in 2019).

- **Lawsuit protection.** If a workplace injury or illness happens, the Workers’ Compensation Act (WC Act) will help mitigate the risks associated with potential legal action from other workers and employers covered by the WC Act.

Coverage amount

It is important to base the coverage you buy on your actual employment earnings (before tax, CPP and EI deductions). This amount will be used to determine the compensation you receive in case of a work-related injury.

Purchasing the minimum amount of coverage may initially reduce your costs, but the benefits you receive, if injured, may not be enough to replace lost income.

If your income exceeds the maximum assessable earnings available ($98,700 in 2019), you should also ensure that you carry additional private insurance to make up the difference not covered by WCB.

If injured, you may need to verify your self-employment earnings through records such as T4 slips, tax returns (T1 General), income and expense statements or payroll stubs.

If your records do not match the amount of coverage purchased, compensation benefits will be based on the lesser amount of coverage purchased, guaranteed coverage amount (if applicable) or verified earnings (to the minimum, currently $31,300 in 2019). Please see illustration 1.1 on page 3 for more information.

If you’re a new business owner, in order to substantiate your personal employment income, we will request a copy of the previous year’s tax information.

If you don’t have a history of self-employed income, you may wish to purchase minimum coverage or guaranteed coverage until your business is established and you’re able to provide proof of personal employment income.

Please note dividends and shareholder loans are not covered as employment income and corporate tax returns aren’t acceptable as proof of earnings.

Guaranteed Coverage Amounts are offered in some industries without earnings validation. Please contact WCB to discuss the details. See our Guaranteed Coverage fact sheet for more information.

Cost of personal coverage

Cost will vary based on the amount of coverage you purchase and the industry you operate in. The minimum annual premium on a WCB account is $200.
Compensation amounts

Compensation benefits depend on the level of coverage purchased. You may choose an amount between the minimum and maximum.

The following chart shows the approximate weekly benefits for selected levels of coverage.

<table>
<thead>
<tr>
<th>2019 personal coverage levels</th>
<th>Approximate weekly compensation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31,300 (minimum 2019)</td>
<td>$446.96</td>
</tr>
<tr>
<td>$35,000</td>
<td>$491.69</td>
</tr>
<tr>
<td>$40,000</td>
<td>$552.14</td>
</tr>
<tr>
<td>$45,000</td>
<td>$612.59</td>
</tr>
<tr>
<td>$50,000</td>
<td>$669.81</td>
</tr>
<tr>
<td>$55,000</td>
<td>$726.22</td>
</tr>
<tr>
<td>$60,000</td>
<td>$785.62</td>
</tr>
<tr>
<td>$65,000</td>
<td>$845.60</td>
</tr>
<tr>
<td>$70,000</td>
<td>$905.58</td>
</tr>
<tr>
<td>$75,000</td>
<td>$965.56</td>
</tr>
<tr>
<td>$77,000</td>
<td>$989.55</td>
</tr>
<tr>
<td>$82,800</td>
<td>$1,059.13</td>
</tr>
<tr>
<td>$86,700</td>
<td>$1,105.91</td>
</tr>
<tr>
<td>$92,300</td>
<td>$1,173.09</td>
</tr>
<tr>
<td>$95,300</td>
<td>$1,207.08</td>
</tr>
<tr>
<td>$98,700 (maximum 2019)</td>
<td>$1,244.64</td>
</tr>
</tbody>
</table>

For 2019, $31,300 is the minimum amount of coverage (those earning less than this should choose this amount). $98,700 is the maximum amount of wage loss coverage available (if your income exceeds this amount, you should buy additional private insurance coverage).

Owner-operators of mobile industrial equipment

If you own and operate mobile industrial equipment, you may wish to buy coverage for an amount above what you would draw as personal income from your business.

As there are several ways to draw income from a business, such as T4'd wages, dividend payment or shareholder loans, WCB will consider different approaches to setting your compensation rate.

WCB considers the gross income earned from operating the piece of equipment when setting a compensation rate. The compensation rate can be set based on 25 per cent of this income (or 50 per cent for portable welders), if this amount is greater than the owner-operator’s personal, taxable income.

*Example: The owner-operator of a tractor/trailer unit has a yearly gross business income of $200,000. He draws a wage of $40,000 per year in personal, taxable income. This owner-operator could purchase personal coverage up to $50,000 (25 per cent of $200,000) to protect himself against the potential loss of employment income.*

For additional information about the benefits of personal coverage, please visit our [website](#).
As a resident of Canada, you have to report your income from all sources both inside and outside Canada.

### Total income

**Employment income (box 14 of all T4 slips)**

- Commissions included on line 101 (box 42 of all T4 slips) **101**
- Other employment income **104**
- Old age security pension (box 18 of the T4A(OAS) slip) **113**
- CPP or QPP benefits (box 20 of the T4A(P) slip) **114**
- Disability benefits included on line 114 (box 16 of the T4A(P) slip) **152**
- Other pensions or superannuation **115**
- Elected split-pension amount (attach Form T1032) **116**
- Universal child care benefit (UCCB) **117**
- UCCB amount designated to a dependant **185**
- Employment insurance and other benefits (box 14 of the T4E slip) **119**
- Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (attach Schedule 4) **120**
- Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations **180**
- Interest and other investment income (attach Schedule 4) **121**
- Net partnership income: limited or non-active partners only **122**
- Registered disability savings plan income **123**
- Rental income Gross: **160**
- Net: **126**
- Taxable capital gains (attach Schedule 3) **127**

**Support payments received**

- Total **156**
- Taxable amount **128**

**RRSP income (from all T4RSP slips)**

- **129**

**Other income**

- Specify: **130**

**Self-employment income**

- Business income Gross: **162**
- Net: **135**
- Professional income Gross: **164**
- Net: **141**
- Commission income Gross: **156**
- Net: **139**
- Farming income Gross: **168**
- Net: **141**
- Fishing income Gross: **170**
- Net: **143**

**Workers’ compensation benefits (box 10 of the T5007 slip)**

- **144**

**Social assistance payments**

- **145**

**Net federal supplements (box 21 of the T4A(OAS) slip)**

- **146**

Add lines 144, 145, and 146 (see line 250 in the guide) **147**

Add lines 101, 104 to 143, and 147. This is your total income **150**

---

**Dividends, Shareholder loans and other sources of investment income are not considered employment income**

If the PC holder draws a T4 salary from their company, it is reported on **line 101** of the T1 General. The PC holder must submit a copy of their T4 from their company to verify these employment earnings.

If the PC holder does not draw a T4 salary, we use their Business Income (after expenses) which is **line 135** on the T1 General.