

**Alberta WCB
Policies &
Information**

Chapter:

BENEFITS

Subject:

ESTABLISHING NET EARNINGS

Authorization:

BoD Resolution 2018/01/08

Date:

February 21, 2018

APPLICATION 3: RATE ADJUSTMENTS

1. *Under what circumstances will WCB adjust compensation rates?*

WCB adjusts compensation rates at any time if new evidence indicates the previous compensation rate was incorrect (see Policy 01-08, *New Evidence*). WCB may also adjust compensation rates under the following circumstances:

- if a worker is an apprentice and has a loss of earning capacity due to the injury (see Question 2)
- if a worker is a young worker (under age 25 at the time of the injury), or a worker age 25 or older who is enrolled in a vocational or academic program and has a permanent clinical impairment rating of 50% or higher (see Question 3)
- if the worker is a seasonal or casual worker (see Question 4)
- if the worker is a trades person injured while temporarily working outside the trade (see Question 6)
- for the purpose of maintaining approximate parity with the cost of living (see Application 4).

2. *Under what conditions is an apprentice eligible for an adjustment?*

To be eligible for an adjustment, the worker must meet the following conditions of apprenticeship:

- there is a signed apprenticeship contract or an agreement with the employer that the worker would enter into an apprenticeship program, and
- the worker must be employed in a designated trade as defined in the *Skilled Trades and Apprenticeship Education Act*.

In such cases WCB will adjust the worker’s compensation rate based on the average earnings at the time of accident of a fully qualified worker in the same trade. This adjustment is effective the month the worker would, in the normal

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*Apprentice adjustment
(continued)*

- 3. *Under what circumstances does WCB adjust earnings for young workers and workers enrolled in vocational or academic programs who have a permanent clinical impairment of 50% or higher?*

This policy question applies to all claims with a date of accident on or after September 1, 2018

course of events, have qualified in the trade if the injury had not occurred.

To be eligible for an earnings adjustment, workers must meet all of the following criteria:

- 1. the worker is under age 25 on the date of accident,
or
the worker is age 25 or older on the date of accident and is, at the time of the accident, enrolled in an academic or vocational program that would reasonably be expected to increase the worker’s earning capacity;
- 2. the worker has been assessed as having a permanent clinical impairment of 50% or higher,
or
the worker has been receiving temporary benefits for 24 months and is expected to have a permanent clinical impairment of 50% or higher; and
- 3. the worker’s compensable annual net earnings at the time of the accident are less than net earnings based on 52 times the Alberta average weekly earnings (annual) for the preceding calendar year (as published by Statistics Canada).

NOTE: Permanent clinical impairment of 50% or higher may be the result of one claim or the cumulative total of 2 or more claims that meet the criteria of 1, above.

When the above criteria are met, WCB will increase the worker’s earnings to the Alberta average weekly earnings for the year preceding the date of accident. The adjustment will be made when the permanent clinical impairment is confirmed, or when the worker has been receiving temporary benefits for 24 months, whichever is earlier.

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*Young worker adjustment
(continued)*

*Adjustment made
before the permanent
clinical impairment is
confirmed*

If, following the adjustment, the worker’s permanent clinical impairment is confirmed at less than 50%, WCB will readjust the worker’s earnings to the original date of accident earnings, plus applicable COLA. The readjustment will be effective the date the permanent clinical impairment is confirmed.

*Worker eligible for
more than one type of
adjustment*

In some cases a worker may be eligible for more than one type of adjustment – for example, a young worker adjustment and an apprentice adjustment (Question 2). When this occurs, WCB may apply one or more adjustments to the same claim.

For example, a 22-year old injured worker is a first-year apprentice in a 4-year apprenticeship program. The worker has a severe injury and, 24 months following the accident, is assessed as having a 60% permanent clinical impairment. As the worker’s earnings at the time of the accident were less than the Alberta average weekly wage, WCB adjusts the worker’s earnings to the Alberta average weekly wage when the permanent clinical impairment is confirmed at 24 months post-accident. When the worker would, in the normal course of events, have reached journeyman status, WCB compares the journeyman wages in the trade to the earnings used for the young worker adjustment and, if they are higher, will adjust the worker’s earnings to reflect journeyman wages.

In all cases, WCB will apply the adjustment most beneficial to the worker.

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4. *How does WCB adjust compensation rates for seasonal and casual workers?* Compensation rates for seasonal and casual workers are adjusted based on the worker's expected period of employment and prior earnings history. Refer to Application 2, Special Circumstances, for further information.
5. *What if, at the time of the accident, the worker has confirmed, pre-arranged employment at higher earnings?* WCB is required to base compensation benefits on the worker's earnings prior to the date of accident. WCB cannot include potential earnings from future employment, even when the worker has confirmation of the future employment.
6. *What if a trades person is injured while temporarily working outside the trade?* If the worker is a bonafide trades person who can prove that the work outside the trade was temporary, WCB will adjust the compensation rate as follows:
- temporary benefits will be based on confirmed earnings at the time of accident
 - if the accident causes permanent disability, permanent disability compensation will be based on the trade rate in effect at the time of the accident
7. *When is this policy application effective?* This policy application (Application 3 – Rate Adjustments) is effective September 1, 2018, except when noted otherwise in a specific policy section(s).

Previous versions

- [Policy 0401 Part II - September 2018](#)
- [Policy 0401 Part II - April 2018](#)
- [Policy 0401 Part II - August 2015](#)
- [Policy 0401 Part II - July 2005](#)
- [Policy 0401 Part II - January 2, 2004](#)
- [Policy 0401 Part II - January 1, 2004](#)

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- [Policy 0401 Part II - April 2002](#)
- [Policy 0401 Part II - June 2001](#)
- [Policy 0401 Part II - March 1999](#)
- [Policy 0401 Part II \(consolidated manual 1st Issue\) - February 1997](#)