

# Compensation 101

Here are some workers' compensation basics to introduce you to how workers' compensation in Canada operates:

## • **Workers' Compensation Principles**

There are five basic concepts that underlie most workers' compensation legislation in Canada today, known as the Meredith Principles.

1. No-fault compensation, which means workers are paid benefits regardless of how the injury occurred.
2. Security of benefits, which means a fund is established to guarantee funds exist to pay benefits.
3. Collective liability, which means that covered employers, on the whole, share liability for workplace injury insurance.
4. Independent administration, which means that the organizations who administer workers' compensation insurance are separate from government.
5. Exclusive jurisdiction, which means only workers' compensation organizations provide workers' compensation insurance.

These principles are a historic compromise in which employers fund the workers' compensation system, and injured workers in turn surrender their right to sue their employer for their injury.

See '[About Workers' Compensation](#)' for further information on the history of workers' compensation, including more information on the Meredith principles.

## • **Workers' Compensation Boards/Commissions**

Each province and territory in Canada has its own exclusive Workers' Compensation Board/Commission (WCB). Note, Northwest Territories and Nunavut have a combined Workers' Compensation Board. Contact information for each WCB can be found by [clicking here](#).

## • **Assessments / Premiums (Employers)**

Workers' Compensation Boards/Commissions (WCBs) are funded by employers (not by government). Employers are charged a certain dollar amount per \$100 of payroll. This amount is known as the "assessment rate" or "premium" (for more information, [see here](#)).

Not all employers pay into workers' compensation; this depends on each province/territory's legislation. (For more information on worker coverage – [see here](#))

The money collected from employers goes into a fund, generally known as the Accident Fund. In general, monies from this fund go toward:

- a. providing wage loss benefits to workers injured on the job who are unable to work due to a work injury;
- b. providing medical aid and rehabilitation to workers injured on the job; and
- c. the general administration of the Workers' Compensation Board/Commission.

### **Experience Rating**

Each province/territory has an average provisional assessment rate. The employer does not necessarily pay this average assessment rate. Individual employers' assessment rates are based on:

1. Industry or Class assessment rate – Different industries, classes, and occupations can be charged different assessment rates since the inherent occupational danger for every job/industry varies (for more info [see here](#))
2. Experience Rating – An individual employer's assessment rate may be increased or decreased based on how many work injuries/diseases have occurred at the employer's place of business (for more info [see here](#))

### **Individually Liable Employers (Self-insurers)**

Certain employers may be individually liable employers (or self-insurers). These employers would not pay assessment rates but rather pay (either through reimbursement or a deposit

account) the WCB for the actual cost of compensation paid in respect of their workers. Examples of potential individually liable employers are federal and provincial governments. For a listing of individually liable employers in each province / territory [click here](#). For additional and more detailed information on Assessments / Premiums, [see here](#). For links to Employer Information at each WCB, [see here](#).

## • **Benefits (Workers / Dependants)**

Monies paid to injured workers by the Workers' Compensation Boards/Commissions (WCBs) are generally known as workers' compensation "benefits". The following are the most common type of workers' compensation benefits:

1. Wage loss benefits;
2. Permanent disability benefits;
3. Dependency benefits;
4. Rehabilitation

### **Wage Loss Benefits**

Each province / territory compensates the injured worker a certain percentage of his/her normal wages ([see here](#)). Most provinces/territories have a maximum amount of earnings that they will cover ([see here](#)). To learn more about temporary disability benefits (including wage loss), [see here](#). Some provinces have a waiting period before benefits are paid ([see here](#)).

### **Permanent Disability Benefits**

If an injured worker is determined to have a permanent disability because of his/her work injury, he/she may receive additional or varied compensation. For more information, [see here](#).

### **Fatal and Dependency Benefits (Survivor Benefits)**

If a worker dies due to a work injury/disease, his/her dependants may be eligible to receive fatal and dependency benefits. For more information, [see here](#).

### **Rehabilitation**

Workers' Compensation Boards/Commissions provide rehabilitation services and programs to workers injured on the job to return workers to their pre-injury health and to get injured workers back to work. For more information, [see here](#).

For additional and more detailed information on Benefits and Rehabilitation, [see here](#).

For links to Worker Information at each WCB, [see here](#).

## • **Legislation & Policy**

### **Workers' Compensation Legislation**

Workers' Compensation Boards/Commissions (WCBs) administer the workers' compensation legislation (generally the Workers' Compensation Act) of the province/territory that they are in. This legislation is created by the provincial/territorial government and administered by the WCB. You can access online versions of workers' compensation legislation [here](#).

### **Occupational Health and Safety Legislation**

Related to workers' compensation legislation is occupational health and safety (OH&S) legislation (generally, the Occupational Health and Safety Act). In addition to workers' compensation legislation, some WCBs also administer, in full or in part, the OH&S legislation in their jurisdictions. See [here](#) for links to online versions of OH&S legislation.

### **Federal Workers' Compensation Legislation**

Federal government employees are governed under the Federal Government Employees Compensation Act (GECA). Provincial/territorial WCBs generally administer GECA claims.

### **Policy**

All WCBs have policies outlining how workers' compensation legislation is applied in their jurisdiction. You can find links to each WCB's policy manual [here](#).

## **Benchmark Tables**

Workers' Compensation Acts and Regulations are very detailed and comprehensive. The AWCBC has prepared tables summarizing various legislation-related topics. See "benchmark tables" at [Workers' Compensation Legislation & Policy](#).

## **• Occupational Health & Safety (OH&S)**

Occupational Health and Safety (OH&S) is different from workers' compensation, but the two are very much related. Workers' compensation deals more specifically with compensating workers for work injuries (e.g. for lost wages or medical aid) after an injury has occurred. Occupational health and safety deals more specifically with keeping workers safe on the job (generally through specific work procedures) before a work injury has occurred.

Links to online versions of Occupational Health and Safety Acts and regulations can be [found here](#).

Some Workers' Compensation Boards/Commissions administer, in full or in part, the OH&S legislation in their jurisdictions. In other provinces/territories, the provincial government (or one of its departments) is responsible for administering occupational health and safety. To see who is responsible for OH&S in each jurisdiction, [click here](#).

Occupational health and safety deals with things such as:

- Inspections of worksites;
- Right to refuse (unsafe) work;
- WHMIS (workplace hazardous materials information system);
- Joint health and safety committees;
- Fall protection;
- Enforcement;
- First aid training for the workplace; and
- Prevention

## **• Interjurisdictional Agreement (IJA)**

[The Interjurisdictional Agreement \(IJA\)](#)

Canadian provincial and territorial Workers' Compensation Boards have signed an agreement to act together in assisting employees and employers who perform work in more than one jurisdiction.