



WAGE LOSS BENEFITS FOR CONTRACT (DEEMED) WORKERS

The Workers Compensation Board provides coverage and benefits for contract workers in mandatory industries. Individuals who work on a contract basis for one employer may be deemed to be a worker for that employer as determined by the WCB.

The employer is responsible for the payment of WCB premiums for all deemed workers.

What benefits can I expect from the WCB if I get hurt at work?

A full list of benefits provided by the WCB can be found in the fact sheet "Benefits Guide" or in the Injured Workers Handbook. To view all WCB fact sheets, please go to our website: <http://www.wcb.mb.ca/wcb-fact-sheets>

When are Wage Loss benefits payable?

You must **demonstrate an actual loss of earnings due to your injury** to receive wage loss benefits.

Full wage loss benefits will only be authorized if you are incapable of performing any and all duties, as supported by medical evidence and you have no post injury earnings.

If you are capable of performing some of your regular duties or modified duties or have post injury earnings, you will be eligible for partial wage loss benefits. Any post injury business income that continues will be used to reduce your wage loss entitlement.

How are wage loss benefits calculated for deemed workers?

Once your claim is accepted, the initial average earnings rate will be calculated using gross contract earnings information from your employer and the WCB assigned labour percentage for the industry you work in.

What is a labour percentage?

The labour percentage is used to calculate the labour portion of the total gross contract earnings. This portion is used to establish your average earnings rate and the amount the deemed employer is responsible for paying premium on for your WCB coverage.



The WCB has a schedule for contract labour in various industries which sets out a standard labour percentage for your industry. See the Assessment Schedule for Contract Labour fact sheet on the WCB website.

How is my Initial Average Earnings rate calculated?

The initial average earnings rate is calculated:

Gross Contract Earnings X Labour Percentage = Gross Wages

- "Gross contract earnings" are earnings reported by your employer, before deductions.
- The WCB will deduct company commissions and/or wages paid to other workers from gross contract earnings before applying the "labour percentage".

The gross wages (calculated above) are divided by 52 weeks to arrive at a gross weekly amount.

How are "Net" Wage Loss Benefits calculated?

Net Wage Loss Benefits are calculated using the gross weekly wages, detailed above, less probable deductions. Probable deductions represent the estimated amounts you would expect to pay for:

- Canada Pension Plan contributions
- Employment Insurance, if applicable
- income tax
 - based on your dependency status – specifically, whether you are single, married or in a common law relationship,
 - whether or not your spouse works
 - the number of infirm dependants you claim on your income tax return and
 - tax deductions for child-care expenses, child support payments, and/or spousal support payments, if you qualify to claim them.

This information is important for the calculation of your benefits and must agree with the information you report to Canada Revenue Agency.

If you have a total loss of earning capacity, you are paid at 90% of the net amount calculated above. A further reduction is made for the probable tax savings as a result of being in receipt of tax free WCB wage loss benefits for part of the year.

For injuries on or after January 1, 2006, your benefits will be paid at 100% net, less an amount for the probable tax savings, if your earnings before the injury are less than or



equal to the minimum annual earnings established by the WCB. If you have no other income, you will be paid this amount.

The minimum annual earnings in effect as of October 1, 2018 are \$23,608 and this amount remains the same as of January 1, 2019.

What if I do not agree with the labour percentage used?

You can request an average earnings review if your actual net earnings are greater than what was calculated using the assigned labour percentage as described above. Your request for review must include the necessary information to support your request.

Any increase to your benefit rate resulting from an average earnings review is retroactive to the date of the injury. Any decrease to your benefit rate resulting from an average earnings review is effective at week 13.

What if I earn income after the injury?

The WCB will use the same labour percentage to calculate post-injury income for benefit entitlement purposes as we used to calculate your pre-injury income.

We will review your post-injury business income based on information you provide until we can verify your actual loss of earnings with your financial statements. Your post injury business income may also be confirmed with Canada Revenue Agency.

What happens if I am on benefits for more than 12 weeks?

If you are on benefits for more than 12 weeks, we will verify your average yearly earnings, if not already done. We will ask you to sign a document authorizing the WCB to obtain copies of your income tax returns for the past one to two years, or in some cases up to five years, from Canada Revenue Agency. The WCB will verify your gross contract average yearly earnings with information received from Canada Revenue Agency.

Benefits will continue based on your verified gross contract average earnings, and the information you provide on your post-injury business income and any wages paid to other workers.

Are wage loss benefits subject to revision?

All benefits are subject to revision at any time, and based on the receipt of new post-injury income and/or business operations information.



Who do I contact for more information?

If you have questions regarding the calculation or payment of benefits in the event of a workplace injury, please call our General Information line at (204) 954-4321 or toll-free 1-855-954-4321 and ask to speak to a Payment Supervisor or Manager.

You can also write to us via email at wcb@wcb.mb.ca or via regular mail at:

Workers Compensation Board
Compensation Services
Attention: Payment Manager
333 Broadway, Winnipeg, Manitoba R3C 4W3

For examples of the calculations for earnings, please see the fact sheet Calculation of Earnings for Contract (Deemed) Workers at <http://www.wcb.mb.ca/wcb-fact-sheets>.

This publication is provided for general information. It is not intended to be legal advice, and should not be relied on as such. For more specific information, see *The Workers Compensation Act and Regulations and WCB Policies*. These documents are available on the WCB website at wcb.mb.ca.