



YUKON WORKERS
COMPENSATION
HEALTH AND
SAFETY BOARD

SUBJECT: CLAIMS AND BENEFITS

POLICY NO.: CL-56

BOARD APPROVAL:

APPROVAL DATE: May 16, 2006

BOARD ORDER NO.: 2006/04

EFFECTIVE DATE: July 1, 2006

(Amended, June, 20, 2006)

POLICY STATEMENT

POLICY: **MINIMUM COMPENSATION**

Application

This policy applies to the Board of Directors, president and staff of the Yukon Workers' Compensation Health and Safety Board, and to employers and workers covered by the Act.

Purpose

The proposed policy is based on sections 40 and 41 of the *Workers' Compensation Act* R.S.Y. 2002 (the Act). Section 40 states that the Board may enact a Board Order prescribing a minimum amount of compensation which is based on full-time employment, and payable to a worker who suffers a total disability.

Section 41(4) of the Act, states that the board may increase an injured worker's annuity to equal the minimum compensation amount.

General Information

In the event of a work-related injury, the Act prescribes that a worker will receive 75% of their gross salary. Compensation benefits are tax free, and the 25% taken off the gross salary acknowledges the tax free status of benefits. However, workers at the lower end of the wage scale often pay little tax, and losing 25% of their wages can cause extreme hardship. To avoid this, the Act gives the Board the authority to establish a minimum threshold at or below which a worker will receive 100% of their salary.

Policy Statement

For the purpose of this policy, total disability will be separated into two categories, temporary and permanent. A temporary total disability means that the worker will, at some point in the future, be expected to return to work. A permanent total disability means the injured worker will never return to work at any employment.

Temporary Total Disability

Injured workers earning equal to or less than the minimum compensation amount will receive 100% of their weekly loss of earnings.

If earnings are more than the minimum compensation amount, a disabled worker will receive 75% of their weekly gross salary or the minimum compensation amount, whichever is greater.

Permanent Total Disability

If a worker suffers a work-related disability which impairs the worker's ability to secure any form of employment, that worker will receive, at a minimum, the absolute minimum compensation amount in effect at the time the permanent total disability is determined. The determination of a permanent total disability will be made after a functional capacity assessment, or any other way the board may see fit.

Minimum Compensation Amount

The minimum compensation amount will be 25% of the Maximum Wage Rate¹.

Annuities

The Act states that the board may increase annuity payments so that the worker's retirement income is equal to the minimum compensation amount. The board, after reviewing all relevant income, may provide an annuity adjustment to the minimum compensation level for those who are permanently totally disabled.

References

Minimum Compensation Board Order
CL-35 Policy Statement "Loss of Earnings Benefits"

Chair

¹ The words, "as prescribed by Board Order" have been deleted, amended June 20, 2006.