

Feb. 12, 1997
 Approved
 David Stegmaier

CL-35, AVERAGE WEEKLY EARNINGS POLICY STATEMENT APPLICATION

GENERAL INFORMATION
<i>A worker who is absent from work due to a compensable disability is entitled to compensation for loss of earnings, which usually takes the form of periodic payments, commonly referred to as "wage loss benefits." As a starting point in the calculation of how much a worker will receive in the event of a work-related injury, a wage rate is established by reference to the average weekly earnings of the worker at the time of or preceding the injury.</i>
The General Information section is not part of the policy statement. The purpose of the General Information section is to provide an overview of the intent of the policy statement.

A.	EARNINGS
<i>The term "earnings" is defined in the Act as:</i>	
<i>"Earnings" includes salary, wages, commissions, tips, remuneration for overtime, piece work and contract work, bonuses and allowances, the cash equivalent of board and lodging, store certificates, credits, directors fees, indemnities and allowances paid to members of the Legislative Assembly, and any substitute for money but does not include any amount received for expenses incurred by the worker by reason of the worker's employment.</i>	
The definition of earnings used in the policy statement is taken from the 1992 Workers' Compensation Act . The Workers' Compensation Act defines what sources of income may be considered earnings .	
A worker's average weekly earnings are based on earnings . In the calculation, only consider earnings as defined in the Workers' Compensation Act .	
<u>Room and Board</u>	
<i>To calculate the value of Room and Board, the Board will adopt the amount of room and board reported as taxable income on the worker's T-4 slip provided to the worker by the employer.</i>	
Only consider Room and Board as earnings when it is taxable and appears on a worker's T-4.	

B.	AVERAGE WEEKLY EARNINGS
Average weekly earnings will be calculated by:	
Section B. provides the methods to use to calculate Average Weekly Earnings .	

(a)	The worker's hourly rate at the time of the disability times the weekly hours of work, times 52 weeks;
<p>Apply hourly rate to workers who are either:</p> <ul style="list-style-type: none"> (i) permanent (indeterminate) full-time workers who are paid on an hourly rate basis; or (ii) permanent (indeterminate) part-time workers who are paid on an hourly rate basis. 	

(b)	The worker's annual salary divided by 52 weeks;
<p>Apply annual salary to workers who are either:</p> <ul style="list-style-type: none"> (i) permanent (indeterminate) full-time workers who are paid on an annual salary basis; or (ii) permanent (indeterminate) part-time workers who are paid on an annual salary basis. 	

(c)	Under special circumstances, the board may consider using a longer period of pre-injury earnings;
<p>Apply special circumstances to workers who are:</p> <ul style="list-style-type: none"> (i) seasonal workers, or (ii) term position workers, or (iii) contract workers, or (iv) casual workers, or (v) non-permanent workers. <p>The period of pre-injury earnings to be considered is:</p> <ul style="list-style-type: none"> (i) 12 months, or (ii) 24 months, or (iii) 36 months <p>as determined appropriate on case by case basis.</p>	

(d)	<i>If there is little or no history of earnings available, the board will take the weekly wage rate of a like-occupation in the same industry;</i>
<p>Apply <i>little or no history of earnings</i> to:</p> <ul style="list-style-type: none"> (i) workers who have been unemployed because they were students, or (ii) workers who have been unemployed for significant periods of time. 	

(e)	<i>For those purchasing Optional Coverage, average weekly earnings shall be the amount of personal coverage in effect at the time of the disability divided by 52 weeks;</i>
<p>Apply <i>Optional Coverage</i> to workers who have purchased Optional Coverage.</p> <p><i>Test (e)</i> is subject to policy statement, <i>AS-18, Optional Coverage</i>.</p> <p>Actual earnings must be verified. Verify actual earnings using T-4's, tax returns, or pay stubs.</p>	

(f)	<i>Where a director of an incorporated company, who does not draw a wage, is injured, the benefits paid will be based on the Director's value of service, as determined by the Assessment Branch under Section 62.(6)</i>
<p>Apply <i>value of service</i> to workers who are directors of incorporated companies.</p> <p><i>Test (f)</i> is subject to policy statement, <i>AS-23, Statement and Estimate of Earnings - Value of Service</i>. <i>Value of Service</i> applies to directors of incorporated companies who either do not draw a wage or draw a nominal wage.</p> <p><i>Value of Service</i> shall be determined by the Assessment Branch.</p>	

C.	<i>DESCENDING ORDER</i>
<p><i>The list provided for in Section B is to be used in descending order. In other words, the board will first apply test (a), and if test (a) is not applicable, the board will proceed to test (b) etc.</i></p>	
<p>The <i>test</i> used to determine a worker's loss of earnings must be <i>appropriate</i>. Examine each <i>test</i> in descending order to determine which <i>test</i> is applicable to the claim.</p> <p>Document the reasons for using or not using <i>test (a) through (f)</i>.</p> <p>Documentation must be placed on a worker's file.</p>	

AVERAGE WEEKLY EARNINGS CHECK LIST

Name of Worker _____
 Claim # _____

INFORMATION	Y	N	?	DETAILS
(a) <i>Worker's hourly rate at the time of the disability times the weekly hours of work, times 52 weeks;</i>				
Permanent Full-Time Worker				
Permanent Part-Time Worker				
(b) <i>Worker's annual salary divided by 52 weeks;</i>				
Permanent Full-Time Worker				
Permanent Part-Time Worker				
(c) <i>Under special circumstances, the board may consider using a longer period of pre-injury earnings;</i>				
Seasonal Worker				
Term Position Worker				
Contract Worker				
Casual Worker				
Non-Permanent Worker				
12 Months				
24 Months				
36 Months				
Other - Specify				
(d) <i>If there is little or no history of earnings available, the board will take the weekly wage rate of a like-occupation in the same industry;</i>				
Formerly Student				
Formerly Unemployed				
Like-Occupation				
(e) <i>For those purchasing Optional Coverage, average weekly earnings shall be the amount of personal coverage in effect at the time of the disability divided by 52 weeks;</i>				
Optional Coverage				
(f) <i>Where a director of an incorporated company, who does not draw a wage, is injured, the benefits paid will be based on the Director's value of service, as determined by the Assessment Branch under Section 62.(6)</i>				
Director of an Incorporated Company				
Value of Service				
VERIFIED EARNINGS				
T-4's				
Tax Returns				
Pay Stubs				
Other - Specify				
Room and Board				
T-4's				
CALCULATION				