



Policy Amendment Proposal

EL-03 Payment of Interest on Compensation Benefits

This policy amendment proposal relating to payment of interest on compensation benefits will reflect the issues consulted on during the engagement for the *Workers' Safety and Compensation Act* (the 'Act') and will align the amendments made in the new legislation.

The new Act comes into force July 1, 2022. The intended effective date of the proposed policy amendments will be July 1, 2022.

The proposed amended Payment of Interest on Compensation Benefits policy will reflect minor changes to ensure consistency with the provisions of the Act.

A five-year policy review plan will be developed later in 2022. After July 1, 2022, all amended policies to align with the new Act will be prioritized for a more detailed review.

The purpose of this policy is to outline when a worker, spouse or dependant of a deceased worker may be entitled to interest on compensation benefits and how that interest is calculated.

Relevant sections of the Act

The following sections of the Act are relevant:

- 183 payment of interest and administrative fees

Proposed minor changes to this policy are highlighted in yellow

- changes to section references, language and definitions

Board Orders/Regulations

N/A

Current policy

[EL-03 Payment of Interest on Compensation Benefits](#)



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The board of directors is providing this policy amendment proposal to stakeholders seeking their input, comments, questions and suggestions.

Some questions for consideration:

1. Are there any general comments about this policy proposal?
2. Are there any gaps in this policy proposal?
3. Additional comments?

The views of our stakeholders are important to us. All feedback will be considered prior to the board of directors approving any amendments.

Engagement on this policy proposal closes on **April 30, 2022**. Please provide your feedback by:

1. Downloading a [fillable form](#) on our website and sending it as an attachment to Policy.Feedback@wcb.yk.ca
2. Emailing comments directly to Policy.Feedback@wcb.yk.ca
3. Receipt in our building by April 30, 2022, by mail or drop off at
Yukon Workers' Compensation Health and Safety Board
401 Strickland Street
Whitehorse, Yukon Y1A 5N8

By the end of May a summary of all feedback on this policy amendment proposal will be published on our website at www.wcb.yk.ca



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Preventing work-related injuries is the most important job in any workplace. The *Workers' Safety and Compensation Act* establishes the responsibilities of all workplace parties to work together to ensure the physical and psychological health and safety of workers. When injuries do occur, workers and employers must continue to work together to facilitate an injured worker's early and safe return to health and work.

Purpose

This policy outlines when a worker, spouse or dependant of a deceased worker may be entitled to interest on compensation benefits and how that interest is calculated.

Definitions

Appeal Tribunal means the appeal tribunal continued under Part 5 of the Act

board means the Workers' Safety and Compensation Board

prime rate means the lowest rate of interest quoted by chartered banks to the most credit worthy borrowers for prime business loans, as determined and published by the Bank of Canada

worker means a person who performs work or services for an employer under a contract of service or apprenticeship, written or oral, express or implied and as further defined in section 77 of the Act

Policy Statement

1. General

The Act states that, if compensation is payable, the board may pay interest on the compensation and may also set the rates of interest that are payable.

2. Interest on compensation benefits

Undue delay

- a. Interest is payable to a worker on eligible loss of earnings benefits that have been unduly delayed because of circumstances over which the **board** has control; and
- b. Interest is payable to a spouse or dependent of a deceased worker on amounts they are eligible for under the Act that are unduly delayed because of circumstances over which the **board** has control.



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Reconsideration decisions and appeal decisions

- a. Interest will be payable to an worker following a reconsideration decision of the board or an appeal decision of the Appeal Tribunal on a retroactive award loss of earnings benefits; and
- b. Interest will be payable to a spouse or dependant of a deceased worker following a reconsideration decision of the board or an appeal decision of the Appeal Tribunal on retroactive awards of benefits payable to a spouse or dependant of a deceased worker under the Act.

Reimbursements of eligible health care assistance benefits

Interest will be payable on costs incurred by the worker for eligible health care assistance benefits including, but not limited to, medical treatment, prescriptions, massage therapy, occupational therapy, physiotherapy, and travel expenses incurred to receive medical treatment. The board determines whether the health care assistance is eligible for reimbursement. Receipts must be provided to be eligible for reimbursement.

Permanent impairment benefit

Interest is not payable, for any reason, on delays or retroactive payment of a permanent impairment benefit.

3. Calculation of Interest

Interest will be calculated as simple interest at a rate equal to the prime rate.

Interest payments calculated at any time during a calendar year must be calculated at the prime rate in effect as at January 1 of that calendar year.

When interest is calculated on amounts owing from more than one calendar year, the applicable prime rate is the rate as at January 1 of the year in which the payment is actually made.

For example, if interest is calculated and paid on March 1, 2019, on a lump sum for loss of earnings benefits for the period November 1, 2018, to February 28, 2019, the prime rate applied to the interest calculation is the prime rate as at January 1, 2019.

Interest Period

Undue delay: interest will be calculated from the 30th day following the date of entitlement up to the day the compensation benefit in question is paid.

Reconsideration decisions and appeal decisions: interest will be calculated from the date of entitlement up to the day the compensation benefit in question is paid.



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Reimbursement of eligible health care assistance benefits: interest will be calculated from the 30th day following the date the worker submitted receipts to the **board** to claim the expense up to the day the reimbursement payment is made.

4. Impact on Employers

The cost of interest awarded under this policy will not be charged against the claims costs experience account of the employer.