



## WORKERS' COMPENSATION IN NEW BRUNSWICK

### What is workers' compensation?

Workers' compensation is a no-fault liability insurance system that provides financial, medical and rehabilitation assistance to workers who are injured on the job, or who develop an occupational disease.

Workers' compensation is designed to help workers recover from their work-related injury or illness and return to work.

In New Brunswick, workers' compensation is administered by WorkSafeNB, in accordance with the *Workers' Compensation Act*.

### Who is covered?

Under the *WC Act*, any worker who works for a company that employs three or more workers is covered. An exception is the fishing industry, where coverage is required only for companies that employ 25 or more workers at the same time.

The *WC Act* does not cover family members of the employer living with the employer and who are under 16 years of age, domestic workers, Armed Forces personnel, professional athletes and members of the Royal Canadian Mounted Police.

### Who pays for it?

Workers' compensation is funded exclusively by employers; workers do not contribute financially to the system and employers cannot collect compensation contributions from employees.

Workers' compensation is funded entirely by New Brunswick's employers, based on yearly assessment rates. These rates are calculated to cover all costs of injuries expected to occur in the current year, and are based on previous overall cost of the industry group in which the employer belongs, as well as the employer's individual accident history.

WorkSafeNB strives to provide the best possible benefits to injured workers or their dependants while maintaining affordable assessment rates for employers. This balance between assessment rates and benefits ensures the sustainability of the compensation system into the future.

### What type of compensation does this insurance cover?

The system provides wage loss protection up to a limit of 85% of a worker's net earnings, and not to exceed the maximum compensation



allowable for the year of the injury. (For example, in 2010, the maximum of insurable earnings is \$55,400.) Compensation may include a variety of benefits, depending on the eligibility of each individual case. Examples of compensation include: reimbursement of medical aid; assistive devices; long-term disability; and, death benefits.

Compensation covers only those medical and rehabilitation services required as a direct result of the workplace injury or illness, and does not replace other employer or personal insurance coverage.

### Who establishes benefits?

Benefits are established under provincial legislation—the *Workers' Compensation Act*—or under WorkSafeNB policy. The legislation delegates responsibility to establish policies governing benefits to WorkSafeNB's board of directors. This board is made up of a chairperson, a vice-chairperson, four members representing workers, four members representing employers, and two non-voting members – WorkSafeNB's president and CEO, and the chairperson of the Appeals Tribunal.

Under the *WC Act*, loss of earnings benefits are compensated at 85% of a worker's net earnings, not to exceed the maximum compensation allowable for the year of the injury. Net earnings are calculated by deducting income tax, Canada Pension Plan (CPP) contributions and EI premiums from the worker's established, pre-injury gross earnings. The maximum amount of insurance earnings is equal to 1.5 times the New Brunswick Industrial Aggregate Earnings (NBIAE). These earnings are established annually by WorkSafeNB, based on increases in the Consumer Price Index for Canada, and monthly reports published by Statistics Canada.

Workers' compensation benefits are not taxable; however, they must be reported to the Canada Revenue Agency as they may affect tax credits.

This pamphlet provides basic information on workers' compensation. For more specific information on workers' compensation benefits, call 1 800 222-9775, or consult *Workers' Compensation: A Guide for New Brunswick Workers*, available for download in the Publications section of [www.worksafenb.ca](http://www.worksafenb.ca). Hard copies are available by contacting the Communications Department.

More information is also available under the Workers tab on our website, under the drop-down headings "Understanding your coverage" and "Understanding your benefits."