

Plain Language Summary for Bill 21: An Act to Amend the *Workers' Compensation Act*

The Workers' Safety and Compensation Commission (WSCC) is proposing amendments to the *Workers' Compensation Act* to improve and update the way long-term benefits are calculated for permanently injured workers.

Under the present system, workers receive a lifetime pension if they have a workplace injury that results in a lasting loss of function after medical treatment or rehabilitation efforts are complete. This is known as a permanent medical impairment. The amount each individual receives is based solely on the percentage of impairment they experience as a result of the injury and what they were earning at the time the injury happened. They continue to receive that same amount for the rest of their lives. The existing system gives rise to inequity as it fails to take into consideration the impact the injury has on the person's ability to return to their job.

The proposed system replaces lifetime pensions with a one-time lump sum payment for a permanent injury plus an ongoing benefit payment to compensate injured workers for their lost earnings. This dual system better considers not just a person's injury but also their occupation and the extent of their loss of income at the time of injury and in their future.

The WSCC committed to developing this Bill to establish a more equitable and modern system that would bring the Northwest Territories in line with compensation systems in the rest of Canada. At present, Nunavut and the Northwest Territories are the only Canadian jurisdictions awarding pensions for life based exclusively on medical impairment.

The WSCC engaged broadly during the development of these amendments, including with

- Indigenous and Inuit Governments
- Employers
- Workers
- Associations and Businesses, and with
- Members of the public.

The amended Act would work similarly to the legislation found in other Canadian jurisdictions and cover the following areas:

1. Non-Economic Loss Payment
 - The payment would be a lump sum based on their Permanent Medical Impairment as currently defined in the *American Medical Association Guide to the Evaluation of Permanent Impairment*. This payment would be eligible for reassessment if the impairment increases over time.
2. Long-Term Earning Loss Benefit
 - Based on a worker's wage loss and includes provision for a Retirement Benefit.
 - Calculated based on 90% of the difference between the claimant's pre-injury net average earning and post-injury actual or net estimated capable earnings, whichever is greater. This benefit would be offset by 50% of any net Canada Pension Plan Disability benefits.

- The Retirement Benefit is equal to 10% of each economic loss benefit payment made to the injured worker and is payable when the worker reaches retirement age.

For additional information or questions, contact:

Patrick Bruce

General Counsel

Workers' Safety & Compensation Commission Northwest Territories and Nunavut

T: (867) 920-3895

E: Patrick.Bruce@wscc.nt.ca