

IN THE MATTER OF section 18 of the *Workers' Compensation Regulation*,
being Alberta Regulation 325/2002, and amendments thereto

ORDER OF THE BOARD OF DIRECTORS

Under the authority of section 18(1) of the *Workers' Compensation Regulation*, the Board of Directors may, by order, specify:

- (a) a class or classes of cases in which interest is payable by the Workers' Compensation Board (WCB) in respect of amounts owing by WCB, and
- (b) the rate, manner, and terms of the interest payable.

Classes of individuals to which interest is payable

The purpose of this Order is to provide interest to a defined class of individuals who appeal to the external and independent Appeals Commission (AC). Interest granted under this Order is intended to compensate for the time required for the appeal process, so as to alleviate potential hardship from any delay occurring during a successful appeal. Interest is not intended to be paid for the entire time period that an individual may have become entitled to amounts owing to them.

1. The Board of Directors therefore orders that WCB pay interest to the following classes of individuals:
 - a) **workers who, as a direct result of a decision of the AC, become entitled to retroactive amounts owing to them as follows:**
 - i) wage replacement benefits for temporary total or partial disability under sections 56 or 61 of the *Workers' Compensation Act*, RSA 2000, and amendments thereto (*WCA*)
 - ii) economic loss payments and earnings loss supplements for permanent total or partial disability under section 56 of the *WCA*
 - iii) an adjustment to temporary disability under section 60 of the *WCA*
 - iv) retirement benefits under section 60.1 of the *WCA*
 - v) benefits under the following repealed sections of the *WCA*: sections 57, 58, 65, and 66
 - b) **dependants who, as a direct result of a decision of the AC, become entitled to retroactive amounts owing to them as follows:**
 - i) a pension under section 70 of the *WCA*
 - ii) additional payments to dependants under sections 71, 72, 73, or 76 of the *WCA*
 - iii) benefits under the following repealed sections of the *WCA*: sections 74 and 75
 - c) **employers who become entitled to a premium refund on premiums paid as a direct result of a decision of the AC.**
2. Interest is not payable when a decision of WCB or its Dispute Resolution and Decision Review Body (DRDRB) results in a benefit increase owing to a worker or dependant or a premium refund owing to an employer.

Rate, manner, and terms of interest payable

The Board of Directors orders that the rate, manner, and terms of interest payable under this Order are as follows:

3. The formula for calculating interest payable is the **principal amount** multiplied by the **interest rate** multiplied by the **time period**.

4. The **principal amount** is the amount owing to the worker, dependant, or employer that flows directly out of the AC decision.
 - a) For workers and dependants, the amount owing is the difference between the amount already paid to the worker or dependant and the adjusted amount that should have been paid to the worker or dependant under section 1 above.
 - b) For employers, the amount owing to the employer is the difference between the amount already paid by the employer and the adjusted amount that should have been paid by the employer.
 - c) The principal amount is limited to the amount that becomes owing for the specific issue under appeal.
5. The **interest rate** is the rate prescribed in the *Judgment Interest Regulation* under the *Judgment Interest Act*, and amendments thereto, for the time period.
6. The **time period** is the amount of time between, and including, the starting date and end date.
 - a) The starting date is the date the appeal is filed with the AC on the issue that causes the interest to be payable.
 - b) The end date is the date that the principal amount owing under section 4 of this Order is paid to the worker, dependant, or employer.
 - c) The time period is calculated using the number of eligible days for each year divided by 365. Eligible days are days that fall between, and include, the starting date and end date.
 - d) If the matter before the AC causing interest to be payable is a reconsideration of an AC decision, the starting date is the date the *reconsideration* is submitted to the AC.
7. Interest is paid as simple interest and is only payable on the principal amount owing to the worker, dependant, or employer.
8. The AC does not need to specify that interest is payable in its decision for interest to become payable. If the worker, dependant, or employer becomes entitled to interest under this Order, interest automatically becomes payable. The worker, dependant, or employer does not need to apply for or request interest for it to become payable.

Interest is only payable under this Order

Under section 18(2) of the *Workers' Compensation Regulation*, WCB is authorized to pay interest only in the circumstances specified in an order referred to in section 18(1) of the *Regulation*.

The Board of Directors, therefore, orders that interest is payable only in the circumstances outlined in this Order.

This Order was duly enacted by the Board of Directors by Resolution 2024/03/09 passed at Edmonton, Alberta, on April 30, 2024, and applies to all AC decisions on or after that date.