

What are collateral benefits?

Collateral benefits are any additional benefits you are entitled to receive for a workplace injury under the Canada Pension Plan, the Quebec Pension Plan, the Employment Insurance Act, a disability insurance plan, and employer “top-up benefits”.

What do collateral benefits have to do with workers compensation benefits?

Collateral benefits you receive will either be deducted from your wage loss benefits or will be considered earnings after the injury, depending on whether the benefits are taxable or non-taxable. The reason collateral benefits are deducted from your wage loss benefits is to ensure that the total amount of benefits you receive from the various sources does not add up to more than 100% of your net actual loss of earnings.

But my collective agreement says I am entitled to top-up benefits from my employer.

The top-up will not be deducted from your wage loss benefits as long as the top-up does not provide you with more than 100% of your net actual loss of earnings.

What's the point in having top-up benefits if they are just deducted from my wage loss benefits?

It is important to note that collateral benefits are deducted from your compensation benefits only when the collateral benefits, plus wage loss benefits add up to more than 100% of your net actual loss of earnings.

Are there any exemptions to what is considered a collateral benefit?

Yes, there are several exemptions. You are not required to report:

- insurance benefits that are designated for mortgages or loan payments
- CPP disability child benefits
- capital gains income, investment income or rental income
- RRSP or RRIF income
- sick benefits received from a concurrent employer
- any survivor benefit you are receiving.

If you are unsure whether or not the income you are receiving is a collateral benefit, call your adjudicator or case manager.

