

What are average earnings?

“Average earnings” is a term used to describe the amount of money the WCB determines you were earning before your workplace accident. Another way to think about average earnings is your yearly gross earnings.

In general, the Workers Compensation Board (WCB) uses one of two methods to determine the amount you were earning at the time of your workplace accident:

your regular earnings - under this method, your earnings are calculated based on the amount of earnings you were regularly receiving from your employer in your normal pay period at the time you were injured.

your average yearly earnings - under this method, your documented earnings over a longer period of time (generally 12 months, but sometimes longer) are used to calculate your gross earnings. The WCB often uses this method to calculate gross earnings when workers have an irregular earnings pattern due to the nature of their work (e.g. shift work, seasonal work, overtime, etc.).

In particular circumstances, the WCB may calculate your average earnings using a method known as probable future earning capacity. Under this method, the WCB forecasts what it thinks your future earnings over the next 12 months will be, based on your past work history, if any, and your probable employment and earnings pattern going forward. This method is generally only used when the regular earnings or average yearly earnings methods do not accurately reflect your loss of earnings and there is certainty about what your future earnings likely would have been.

The WCB will choose the method that best reflects your loss of earnings.

Why would my benefits (average earnings) be reviewed?

We want to pay you the amount that best represents your actual loss of earnings, but we also want to make sure that you get paid as quickly as possible once your claim has been accepted. To do this, we typically use the earnings information received from you and your employer at the time your claim is reported to the WCB. These earnings are used to establish your initial benefit rate.

If it is anticipated you will have a loss of earnings beyond 12 weeks, we will complete another review of your pre-accident earnings. This review is called an Average Earnings Review.

To help us ensure that your wage loss benefits are representative of your loss of earnings, it is important for you to provide all of your earnings information when you file your claim with the WCB.

When are my average earnings reviewed?

We will automatically begin a review of your average earnings after you receive eight weeks of benefits.

However, you may request a review of your short-term average earnings at any point if you believe the calculation is not reflective of what you typically earn. Additional information that supports your request must be submitted when a review is requested. Supporting



information may include:

- a copy of your income tax and benefit return(s) with supporting documentation, such as copies of your information slips (T4s) from Canada Revenue Agency (CRA)
- proof of income from other jobs you can no longer do because of your work-related injury including bonuses, piecework income, self-employment income, etc.
- proof of income you received from Employment Insurance

How does the WCB do an Average Earnings Review?

The WCB reviews any additional financial documentation or evidence you have provided, information obtained from independent sources, such as CRA, and changes in your circumstances to determine whether the gross earnings amount it has been using to calculate your wage loss benefits is still the most appropriate.

The WCB also determines whether it should be using a different method to calculate your average earnings going forward than it used in the short term. As is the case when initially determining your average earnings, the method the WCB uses to calculate your average earnings for the purposes of an Average Earnings Review will be the one that best represents your actual pre-accident earnings.

For example, your employment income may be averaged over the tax year(s) it was earned. If, for some reason, this average doesn't accurately reflect your annual gross earnings, we will request further information from you, your employer or CRA to confirm your earnings. For instance, if you were unable to work because of a medical condition, we will look at excluding the periods you were unable to work.

What types of income does the WCB include in my average yearly earnings?

We will consider all verifiable employment income when calculating your average yearly earnings. This includes:

- income from other jobs you are unable to perform because of your work-related injury
- bonuses, overtime, piecework income
- income from Employment Insurance
- self-employment income, etc.

Note: Emergency relief benefits are specifically excluded from all earnings calculations.

If my benefits change because of the review, when does the change become effective?

- Higher benefit rate - the increase will be effective on the date of your injury, and you will receive an adjustment.
- Lower benefit rate - the decrease is effective at the beginning of the thirteenth week of wage loss benefits.

Note: If we cannot initially establish short-term average earnings due to insufficient information, an interim average earnings amount may be set. Upon receipt of verifiable information, a review will take place to establish your short-term average earnings, any upward or downward adjustments are effective as of the date of the accident.

For more information about the review process and how it affects you, call us at (204) 954-4321 or toll-free at 1-855-954-4321.

This publication is provided for general information. It is not intended to be legal advice, and should not be relied on as such. For more specific information, see The Workers Compensation Act and Regulations and WCB Policies. These documents are available on the WCB website at wcb.mb.ca.

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WCB
Workers Compensation
Board of Manitoba

If you're
hurt at work,
we're
here to help.