

WCB Alberta Draft Policy Change - Provincial States of Emergency and Temporary Modified Work (July 2106)

Policy 04-05, Part II, Application 2, Temporary Modified Work Programs

Policy 07-02, Part II, Application 2, Experience Rating

Proposed revisions to Policy 04-05, Part II, Application 2, and Policy 07-02, Part II, Application 2, are now open for comment.

The proposed revisions provide:

- An amendment to Policy 04-05, Part II, Application 2, addressing what happens when business disruptions during a provincial state of emergency impact the availability of temporary modified work.
- An amendment to Policy 07-02, Part II, Application 2, clarifying WCB's ability to alleviate the financial consequences caused by the unavailability of temporary modified work due to business disruptions during a provincial state of emergency.
- The proposed effective date is May 6, 2016 to ensure that these changes, if approved, will apply to the situation in Fort McMurray.

In May 2016 a fire destroyed infrastructure in and around the Regional Municipality of Wood Buffalo, including the city of Fort McMurray. In addition to considerable personal loss, many businesses were affected. The destruction and evacuation has led to the loss of jobs and modified work opportunities, at least on a temporary basis.

In looking at how best to treat the interruption in temporary modified work, WCB determined that the situation should be treated in a similar manner as strikes and lockouts. That is, we assess disability and entitlements based on remaining disability and then pay the correct benefits to achieve employability.

On the employer side, we looked at existing programs and determined that, while the Maximum Per Claim Cost (MPCC) and Maximum Per Incident Cost (MPIC) programs are effective in limiting the impact of random accidents and the time loss claims that may be incurred as a result of those accidents on an employer's premium adjustment, they were not designed to address the impact of a catastrophic event on temporary modified work. The proposed revisions to Policy 07-02, Part II, Application 2, are designed to address this gap by alleviating the undue financial consequences of the unavailability of temporary modified work due to the business disruption for affected employers.

The policy amendments apply to the impact of the business disruption on the availability of temporary modified work and only when the province has declared