

POLICY NUMBER: POL-55

**Chapter:
CLAIMS**

**Subject:
BENEFIT ASSIGNMENT**

**Effective Date:
November 18, 1999**

**Last Update:
March 29, 2018**

PURPOSE STATEMENT:

The purpose of this policy is to explain how the Workers Compensation Board assigns payment of compensation benefits to a party other than the injured worker.

REFERENCE:

Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, Sections 16, 51, 53.
Maintenance Enforcement Act R.S.P.E.I. 1988, Cap. M-1.
Employment Insurance Act (S.C. 1996, c. 23), Section 126(4)

DEFINITION:

POLICY:

1. When a worker is approved for compensation benefits, the Workers Compensation Board will make payments directly to the worker in the majority of circumstances. However, the Workers Compensation Board will consider assigning the worker's benefits under the following circumstances:
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Maintenance Enforcement Orders

Upon receipt of a written request from the Maintenance Enforcement Program, and for the purpose of enforcing a maintenance enforcement order, the Workers Compensation Board will remit a specified sum to the Maintenance Enforcement Program.

Employment Insurance Sickness Benefits

If a worker, who is waiting for their claim to be adjudicated or whose claim is under appeal, receives employment insurance sickness benefits for their compensable injury while awaiting a decision, the Workers Compensation Board will reimburse the federal government on behalf of the worker for the overpayment of employment insurance sickness benefits when a *Notice of Debt* is received.

Social Assistance Benefits

If a worker, who is waiting for their claim to be adjudicated or whose claim is under appeal, receives social assistance benefits while awaiting a decision, the Workers Compensation Board will reimburse the provincial social assistance agency, on behalf of the worker, for the overpayment of social assistance benefits upon receipt of a signed *Release of Information and Assignment of Benefits – Social Assistance Program* form, as well as proof of the debt owing to the provincial social assistance agency.

Demand on Third Party by Canada Revenue Agency

Upon receipt of a *Demand on Third Party* (garnishment) from the Canada Revenue Agency for the purpose of repaying a worker's liability, the Workers Compensation Board is required to offset the specified sum from the benefits payable to the worker.

2. The Workers Compensation Board will consider assigning the worker's benefits to a person other than the worker under the following circumstances:

In the Case of Minors or Mental Incompetence

If the worker is a minor or mentally incompetent, the Workers Compensation Board may make the payments to such persons who, based on supporting evidence, are best qualified in all circumstances to administer the payment, whether or not the person to

whom the payment is made is the legal guardian of such minor or committee of that person.

Incarcerated or Committed

If a worker who is entitled to compensation benefits is committed to a mental health facility, for reasons other than the work-related injury or illness, or incarcerated in jail or prison, compensation is not payable to the worker for the period of their confinement.

The Workers Compensation Board may pay any part of the compensation to any dependant of the worker or to such persons who, based on supporting evidence, are best qualified in all circumstances to administer the payments on behalf of the dependants.

3. Subject to Sections 1 and 2 of this policy, the Workers Compensation Board will not assign the worker's compensation benefits under the following circumstances:

Allocation of Benefits to a Worker's Employer

The Workers Compensation Board will not reimburse a worker's employer if the employer continues to pay the worker for a period(s) of time loss from work due to an injury. The Workers Compensation Board will pay the worker if the claim is accepted and it is the worker's responsibility to reimburse the employer.

Payment of Worker's Debt

The Workers Compensation Board will not authorize benefit payment to a creditor in payment of a worker's debt unless the creditor has a court order which is not under active appeal.

4. In all cases where the Workers Compensation Board has made a decision to assign benefits, the worker shall be notified prior to the benefits being assigned.

HISTORY:

March 29, 2018 – Amended to explain the requirements related to a Demand on Third Party by the Canada Revenue Agency, the terms under which compensation is not payable, the requirement for supporting evidence when determining the persons best qualified to

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administer payments.

September 19, 2011 - Amended to add that the WCB may reimburse the provincial social services agency on behalf of the worker for an overpayment of social assistance benefits.

June 24, 2009 - Amended to identify when the worker must reimburse Human Resources and Skills Development Canada for Employment Insurance sick benefits or situations when the WCB will not assign compensation benefits.

September 25, 2008 - The policy was updated as a result of the 60 month policy review process. The policy has been amended to ensure consistency between this policy and provisions in the Workers Compensation Act. Also, the name has been changed from "Cheque Assignment" to "Benefit Assignment".

December 13, 2001 - Replaces Policy and Practice Cheque Assignment dated November 18, 1999.

Board of Directors Approval Date: November 18, 1999