

POLICY NUMBER: POL-55

Chapter:
CLAIMS

Subject:
BENEFIT ASSIGNMENT

Effective Date:
November 18, 1999

Last Update:
December 25, 2021

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 (WCB) will make payments directly to the worker in the majority of circumstances. However, the WCB will consider assigning the worker's benefits under the following circumstances:
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Maintenance Enforcement Orders

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

Employment Insurance Sickness Benefits

3. 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 WCB 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

4. 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 WCB 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

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

7. If the worker is a minor or mentally incompetent, the WCB 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.

Confined Workers

8. If a worker is confined to a jail, penitentiary or place of detention, or to a mental health care unit, hospital or facility for reasons other than the work-related injury, during the confinement the WCB may:
 - Withhold or suspend compensation benefits, or
 - Redirect the benefits to another person to administer.
9. Unless otherwise authorized in this policy, the WCB will not assign the worker's compensation benefits under the following circumstances:

Allocation of Benefits to a Worker's Employer

10. The WCB will not reimburse a worker's employer if the employer continues to pay the worker for time loss from work due to an injury. The WCB 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

11. The WCB 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.
12. The WCB will notify the worker prior to assigning benefits.

HISTORY:

December 25, 2021- Non-substantive changes to reflect *Workers Compensation Act* amendments.

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 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.

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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