

Interaction between WSIB Benefits and Canada Pension Plan (CPP) Benefits Frequently Asked Questions (FAQ)

All references to CPP benefits in this document are also meant to refer to Quebec Pension Plan (QPP) benefits.

Introduction

This document is intended for:

- workers who are receiving WSIB loss of earnings (LOE) or future economic loss (FEL) benefits, or
- spouse/dependents who are receiving WSIB survivors' benefits as a result of a worker's work-related death, and are considering applying for Canada Pension Plan (CPP) benefits.

The document provides basic information about WSIB and CPP benefits and how these benefits may affect each other. Please contact your adjudicator to discuss any potential impacts the receipt of CPP disability / survivor benefits may have on your WSIB benefits.

The receipt of CPP disability / survivor benefits paid on behalf of children has no effect on any WSIB benefit, so these CPP benefits have not been included in this FAQ.

Who qualifies for the different types of CPP and WSIB benefits?

CPP Disability benefits	CPP Survivor benefits	CPP Retirement benefits	WSIB benefits
<ul style="list-style-type: none"> • individuals between the ages of 18 and 65 who: <ul style="list-style-type: none"> ○ have contributed to CPP for a minimum number of years, and ○ have a severe and prolonged disability which regularly prevents earning or is likely to result in death 	<ul style="list-style-type: none"> • surviving spouse of an individual who made the minimum required CPP contributions before his/her death • there are some limitations for surviving spouses under the age of 35 at the time of the contributor's death 	<ul style="list-style-type: none"> • individuals who have made at least one valid CPP contribution and are at least 65, or • individuals who are between 60 and 64 and meet the earning requirements set out in the CPP legislation, or • individuals who are in receipt of a CPP disability benefit which automatically changes to a retirement pension when they turn 65 	<ul style="list-style-type: none"> • individuals who are: <ul style="list-style-type: none"> ○ a worker of an employer covered under the Workplace Safety & Insurance Act (the Act), and have a work-related injury / disease, or ○ a spouse, child, or dependant of a worker who has died as a result of a work-related injury or disease

When can I apply for benefits?

CPP Disability benefits	CPP Survivor benefits	CPP Retirement benefits	WSIB benefits
<ul style="list-style-type: none"> • at any time you believe you have a serious long-term disability which prevents you from working regularly at any job 	<ul style="list-style-type: none"> • as soon as possible after the contributor's (spouse's) death 	<ul style="list-style-type: none"> • normally when you turn age 65 • you can apply as early as age 60, for a reduced benefit amount 	<ul style="list-style-type: none"> • within six months of the occurrence of a work-related injury, disease or death

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What is the impact of applying late or not applying for benefits?

CPP Disability benefits	CPP Survivor benefits	CPP Retirement benefits	WSIB benefits
<ul style="list-style-type: none"> • if you apply late you may lose benefits • CPP can only make retroactive payments for up to 12 months • applying late or not applying at all may reduce the amount of your CPP retirement pension because any periods of time you weren't working and weren't contributing to CPP are left in the retirement calculation. However, periods of time when you were receiving CPP disability are removed from the retirement calculation, making the CPP retirement pension higher. 	<ul style="list-style-type: none"> • if you apply late you may lose benefits • CPP can only make retroactive payments for up to 12 months 	<ul style="list-style-type: none"> • if you apply late you may lose benefits • CPP can only make retroactive payments for up to 11 months • if you are age 60 to 64 there are no retroactive payments 	<ul style="list-style-type: none"> • the WSIB may not provide benefits if a: <ul style="list-style-type: none"> ○ worker delays filing a claim longer than six months after an accident or learning of an occupational disease ○ survivor delays filing a claim longer than six months after the worker's death • only in certain circumstances will the WSIB extend the six-month deadline for workers or survivors • if workers/survivors have the option to claim WSIB benefits or to take legal action against a 3rd party, they must select an option within three months of the accident or date of death • only in certain circumstances will the WSIB extend the three-month deadline

Does getting re-married, returning to work, etc. affect benefits?

CPP Disability benefits	CPP Survivor benefits	CPP Retirement benefits	WSIB benefits
<ul style="list-style-type: none"> • re-marriage, volunteer work, or, returning to work earning less than the CPP minimum (i.e., \$4,100 for 2005) does not affect benefits • your benefits may be affected by earning more than the CPP minimum, contact your local CPP office to discuss 	<ul style="list-style-type: none"> • re-marriage, volunteer work, returning to school or, returning to work does not affect benefits 	<ul style="list-style-type: none"> • re-marriage, volunteer work, returning to school or, returning to work does not affect benefits (if you earn wages after you receive the retirement pension you can no longer contribute to CPP) 	<ul style="list-style-type: none"> • re-marriage does not affect any WSIB benefit • LOE and FEL benefits may be affected by a return to work • Survivors' monthly benefits are not affected by a return to work

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When do benefits stop?

CPP Disability benefits	CPP Survivor benefits	CPP Retirement benefits	WSIB benefits
<ul style="list-style-type: none"> • when they automatically change to a CPP retirement pension at age 65, or • after a reassessment denying further entitlement, or • your date of death 	<ul style="list-style-type: none"> • if you are over age 35 at the time of your spouse's death, your pension will stop the month after your death • if you are under the age of 35 at the time of your spouse's death, the date your pension will stop is specific to your individual circumstances, e.g. raising children or not, disabled, etc. 	<ul style="list-style-type: none"> • the end of the month after your date of death 	<ul style="list-style-type: none"> • Survivors' monthly benefits stop the month after your date of death • LOE and FEL wage loss benefits stop at the earliest of the following dates: <ul style="list-style-type: none"> ○ the day there is no longer a work-related loss of earnings before or at the final review, ○ the day there is no longer an impairment due to the injury /disease before or at the final review ○ two years after the date of the injury/ disease, if you are 63 years or older on the date of the injury, ○ at age 65, or ○ the date of your death, <p>The WSIB conducts a final LOE review 72 months after the date of accident and locks in the benefits until the worker turns 65. The final FEL review occurs 60 months after the initial FEL determination.</p>

Note: FEL benefits are payable for accidents from January 2, 1990 to December 31, 1997

LOE benefits are payable for accidents on or after January 1, 1998

Do CPP and WSIB benefits affect each other?

CPP benefits

- are **not** affected by the receipt of WSIB benefits

WSIB benefits

- are not affected by the receipt of CPP retirement benefits
- may be affected by the receipt of CPP disability or CPP survivor benefits. The WSIB is required by the Act to offset CPP benefits when a worker or surviving spouse receives benefits from CPP and WSIB for the same period of time **and** for the same injury, disease or death.

If CPP informs me that I am entitled to CPP benefits what are my obligations to the WSIB?

- workers and survivors must notify the WSIB within 10 days of being informed they are entitled to CPP disability or survivor benefits (for more information see Operational Policy manual (OPM) document 22-01-02, Material Change in Circumstances – Worker) [link to policy](#)

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Does the WSIB have policies about CPP offset?

WSIB policies regarding the offset of CPP benefits are contained in OPM documents:

- 18-01-13, Calculating CPP/QPP Offsets from FEL/LOE Benefits
- 20-03-03, Calculating CPP/QPP Offsets from Survivors' Benefits, and
- 18-01-09, Canada/Quebec Pension Plan (CPP/QPP) Disability Payments*

*contact the adjudicator for information on how CPP benefits are offset

These policies are available on the WSIB website at www.wsib.on.ca

How are CPP benefits offset from WSIB benefits?

WSIB FEL/LOE Benefits

The offset of CPP disability benefits from FEL/LOE benefits begins on the date the worker is notified by the federal government they are entitled to CPP disability benefits (e.g., the date on the notification of entitlement letter). If the date of notification of entitlement to CPP disability benefits occurs after the final FEL/LOE review, the WSIB may only offset the CPP disability benefits from the FEL/LOE benefits in exceptional cases.

Generally, CPP disability benefits paid to a worker for the work-related injury/disease are offset from the FEL/LOE benefits. An amount less than 100% of CPP disability benefits may be offset when the CPP disability benefits are being paid for a combination of work-related and non-work-related injuries/diseases.

The WSIB uses the following formula to calculate the CPP offset:

1. (gross pre-injury earnings – tax deductions) = pre-injury net average earnings (NAE)
2. (pre-injury net average earnings (NAE) – [{gross post-injury deemed earnings* + portion of gross CPP disability benefits exceeding deemed earnings} – tax deductions**])

*may be deemed when there are no actual post-injury earnings

**tax deductions means probable income tax, CPP premiums, and employment insurance premiums payable by the worker (these amounts are used only for calculations and are not paid to the various government agencies)

NOTE

The examples below represent LOE benefits. The same formula is used for FEL benefits, except 90% of wage loss is paid. Examples are for illustration purposes only.

Example A: LOE benefits - no post-injury earnings

Step 1 - Identify variables for formula

pre-injury net average earnings / week	gross post-injury deemed earnings / week	portion of gross CPP exceeding deemed earnings / week
\$675.67 - \$170.43 tax deductions = \$505.24 NAE	\$0	\$211.71 (\$23.61 tax deductions) \$211.71 exceeds deemed earnings

Step 2 - Calculate LOE using the CPP offset formula

85% x (pre-injury NAE – [{gross post-injury deemed earnings + portion of gross CPP disability benefits exceeding deemed earnings} – tax deductions]) = LOE benefits

85 % x (\$505.24 – [{ \$0 deemed + \$211.71 CPP } – \$23.61]) = \$269.57/week LOE

Result: full CPP amount is used in the calculation

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Example B: LOE benefits – post-injury earnings exceed CPP disability benefits

Step 1 - Identify variables for formula

pre-injury net average earnings / week	gross post-injury deemed earnings / week	portion of gross CPP exceeding deemed earnings / week
\$675.67 - \$170.43 tax deductions = \$505.24 NAE	\$360.00 (\$67.81 tax deductions)	\$211.71 \$0 CPP exceeds deemed earnings

Step 2 - Calculate LOE using the CPP offset formula

$85\% \times (\text{pre-injury NAE} - [(\text{gross post-injury deemed earnings} + \text{portion of gross CPP disability benefits exceeding deemed earnings}) - \text{tax deductions}]) = \text{LOE benefits}$

$85\% \times (\$505.24 - [(\$360.00 \text{ deemed} + \$0 \text{ CPP}) - \$67.81]) = \$181.09/\text{week LOE}$

Result: as \$0 CPP exceeds the gross deemed earnings, no CPP amount is added to the deemed earnings

Example C: LOE benefits – post-injury earnings less than CPP disability benefits

Step 1 - Identify variables for formula

pre-injury net average earnings / week	gross post-injury deemed earnings / week	portion of gross CPP exceeding deemed earnings / week
\$435.00 - \$88.45 tax deductions = \$346.55 NAE	\$160.00 (\$15.66 tax deductions) (\$23.61 = \$15.66 + \$7.95 combined tax deduction)	\$211.71 \$51.71 CPP exceeds deemed earnings (\$7.95 tax deductions)

Step 2 - Calculate LOE using the CPP offset formula

$85\% \times (\text{pre-injury NAE} - [(\text{gross post-injury deemed earnings} + \text{portion of gross CPP disability benefits exceeding deemed earnings}) - \text{tax deductions}]) = \text{LOE benefits}$

$85\% \times (\$346.55 - [(\$160.00 \text{ deemed} + \$51.71 \text{ CPP}) - \$23.61]) = \$134.68/\text{week LOE}$

Result: as \$51.71 CPP exceeds the gross deemed earnings, this amount is added to the deemed earnings

WSIB Survivors' monthly benefits paid to spouse/dependents

The offset of CPP monthly survivor benefits paid to the spouse is retroactive to the date of the worker's death.

The WSIB uses the following formula to calculate the CPP offset:

$(\text{worker's gross pre-injury earnings} - \text{tax deductions}^{**}) - (\text{gross CPP survivor spousal benefits} - \text{tax deductions})$

NOTE:

Example is for illustration purposes only.

**tax deductions means probable income tax, CPP premiums, and employment insurance premiums payable by the worker (these amounts are used only for calculations and are not paid to the various government agencies)

Example:

Step 1 - Identify variables for formula

worker's gross pre-injury earnings / month	gross CPP survivor spousal benefits / month
\$2928.00 (\$285.00 tax deductions)	\$595.00 (\$58.00 tax deductions)

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Step 2 – Calculate net average earnings

(worker's gross pre-injury earnings – tax deductions) – (gross CPP survivor spousal benefits – tax deductions)

(\$2928.00 - \$285.00) - (\$595.00 - \$58.00) = \$2106.00*

Result: full CPP amount is used in the calculation

*This figure is used to calculate the WSIB monthly survivors' benefits. Survivors receive a percentage of this figure depending on other factors specific to each case which include the surviving spouse's age, the date of accident and the number and age of children, if any.

Where can I get more information?

CPP

By telephone (toll-free)

1 800 277-9914

1 800 255-4786 (TTY)

On the Internet

www.sdc.gc.ca

By mail

Income Security Programs

65 William Street South, P.O. Box 2020, Chatham, ON, N7M 6B2

Income Security Programs

P.O. Box 5100, Postal Station "D", Scarborough, ON, M1R 5C8

Income Security Programs

70 Cedar Street South, P.O. Box 2013, Timmins, ON, P4N 8C8

WSIB

❖ For information specific to a claim contact the adjudicator directly.

❖ For general information

By telephone

Telephone: (416) 344-1000

Toll free: 1-800-387-5540

Ontario Toll free: 1-800-387-0750

TTY: 1-800-387-0050

On the Internet

www.wsib.on.ca

By mail

Workplace Safety and Insurance Board

200 Front Street West, Toronto, ON, M5V 3J1

Or contact the local WSIB Office in your region.