

POLICY NUMBER: POL-55

**Chapter:
CLAIMS**

**Subject:
BENEFIT ASSIGNMENT**

**Effective Date:
November 18, 1999**

**Last Update:
December 16, 2024**

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:

Assignment of Worker Benefits

1. When a worker is approved for compensation benefits, the Workers Compensation Board (WCB) usually pays the worker directly. However, in some situations, the WCB may assign the worker's benefits to another person or entity.
 2. The WCB will notify the worker prior to assigning benefits.
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Maintenance Enforcement Orders

3. The WCB will assign benefits to the Maintenance Enforcement Program when requested in writing, based on the amount stated in the enforcement order.

Employment Insurance (EI) Sickness Benefits

4. If a worker receives EI Sickness benefits while waiting for a claim decision, or while a decision is under appeal, the WCB will deduct the net EI amount from any wage loss benefits. When the worker receives a Notice of Debt from the Government of Canada, WCB will assign the deducted amount directly to the Government of Canada.

Social Assistance Benefits

5. If a worker receives Social Assistance benefits while waiting for a claim decision, or while a decision is under appeal, the WCB will withhold the amount received from any wage loss benefits. Once WCB receives proof of the debt owing to the provincial social assistance agency, WCB will assign the amount withheld directly to the department responsible for the Social Assistance program.

Canada Revenue Agency Garnishment

6. Upon receipt of a *Demand on Third Party* (garnishment) from the Canada Revenue Agency (CRA), the WCB is required to assign the specified amount to the CRA.

Other Benefit Assignments

7. The WCB may assign a worker's benefits to another person in the following situations:

In the Case of Minors or Mental Incompetence

8. If the worker is a minor or mentally incompetent, the WCB may make the payments to the person best qualified to administer the payment.

Confined Workers

9. 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, the WCB may:

- Withhold or suspend compensation benefits.
- Reassign the benefits to the person best qualified to administer the payment.

Benefits Not Assigned

10. The WCB will not assign the worker's benefits in the following situations:

Payment to a Worker's Employer

11. If the employer continues to pay the worker during the recovery from an injury, it is the worker's responsibility to reimburse the employer if the claim is accepted. The WCB will not reimburse the employer directly.

Payment of Worker's Debt

12. The WCB will not pay a worker's benefit to a creditor unless there is a court order which is not under active appeal.

HISTORY:

December 16, 2024 – Non-substantive changes made as a result of 60 month review.

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.

June 24, 2009 - Amended to identify when the worker must reimburse Human Resources and

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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