

Client Services Policy Manual

Policy Number:	EL-03
Subject:	Integration of CPP Disability Benefits and WorkplaceNL Benefits
Chapter:	Earnings Loss

Policy Statement

The Act provides for offsetting Canada Pension Plan Disability benefits against earnings, for the purpose of calculating loss of earnings capacity, where the disability benefits are related to the compensable injury. The principal reason for this provision is to remove the disincentive towards rehabilitation created when the worker is able to receive greater income through compensation and disability benefits than he/she could earn from full time employment.

General

Offset of Canada Pension Disability benefits will:

- be applied against a worker's gross actual earnings and not the prescribed maximum for workers earning in excess of \$45,500.00.
 - not apply so as to reduce a worker's earnings-loss benefits below the prescribed minimum.
 - not apply where a worker is deemed to be capable of earning in a suitable occupation. The deemed earnings, of course, would be greater than C.P.P. benefits and the worker would not be entitled to the latter if he/she were employed.
 - not apply where a worker is sixty-five years of age or older at the time of the injury.
 - be limited to disability benefits relative to the compensable injury and does not apply to disability benefits for a disability not caused by the compensable injury, and does not apply to benefits for dependents.
 - not apply to permanent totally impaired workers, (i.e. 100% P.F.I.)
- * This policy does not affect entitlement prior to the effective date of 1986 05 01.

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Reference: *Workers' Compensation Act, R.S.N. 1990, c. W-11, Sections 19 and 81*

Amendment History

<i>Original Effective Date</i>	1987 06 24
<i>Revision #1</i>	1997 03 26