



# Income Replacement Benefit

## Income replacement benefit

The income replacement benefit is part of the care and recovery benefits that are available to any British Columbian injured in a crash and too injured to work. We're here to support you with income assistance until you can resume working. Our goal is to support you in being able to work and be self-sufficient again.

90%

### of net income in wage loss

Based on maximum \$119,000 gross income

**Please see:** [Your Guide to Enhanced Accident Benefits](#) for more information.

The income replacement benefit covers income that you lost because of injuries you sustained in the crash which leave you unable to continue working. If eligible, you are entitled to 90% of your net income in wage loss replacement based on a maximum of \$119,000 in annual gross income. If you earn more than this, talk to your broker about options available to you. It will be paid out in regular, non-taxable payments.

### Enhanced Care



You'll get income replacement and care benefits **for as long as medically needed**, no matter who is responsible.

## Receiving your income replacement benefit

The income replacement benefit is available to British Columbians injured in a crash in Canada or the U.S. The benefit is paid after any other wage loss benefits — e.g., employer group benefits, Employment Insurance (EI). You'll need to apply for those benefits first and then the amount you receive from those sources will be subtracted from your ICBC income replacement benefit payment.

To receive the income replacement benefit, you'll need to talk to your ICBC recovery specialist and provide details of your past employment, including income verification so they can calculate the amount of income replacement you're entitled to. Your inability to work will need to be confirmed by a health care practitioner.

## Duration of income replacement benefits

The income replacement benefit available under Enhanced Accident Benefits is intended as a temporary measure to provide you with a replacement of your wages while you focus on your recovery. Your income replacement benefit will be paid to you every two weeks until you are able to return to work or become eligible for a retirement income benefit. (Note: Eligibility for the income replacement benefit is different if you're severely injured.)

## Benefit calculation scenario

Here's an example that shows how the income replacement benefits through Enhanced Accident Benefits would work both with and without other income replacement policies:

Jessie is a self-employed marketing consultant who earns a gross annual income of \$75,000. Jessie is 42 years old with two young children. On the way home, Jessie's vehicle is rearended by a distracted driver. Jessie suffers soft tissue injuries to the lower back and a mild concussion. Due to the crash, Jessie is unable to work and will probably be off work for about two months to recover.

## Income replacement benefit calculation

### Benefit calculation with basic income replacement benefit only

Actual gross employment income:  
**\$75,000**

EAB maximum yearly insurable income:  
**\$119,000**

Insured gross income:  
**\$75,000**

\*Deductions (tax, CPP, EI):  
**\$15,000**

Net income:  
**\$60,000**

Benefit calculation based on 90% of net:  
 $\$60,000 \times 90\% =$   
**\$54,000**

**Bi-weekly benefit:**  
 $\$54,000 / 52 \text{ weeks} \times 2 =$   
**\$2,077 bi-weekly**

## With an employer group benefit plan

Here's an example if Jessie had purchased disability coverage through a private plan. In this scenario, Jessie has disability coverage at 70% of their net income with no cap on insured gross income.

**Note:** The 70% coverage is used for example purposes only. Disability or group benefit plans may vary.

### Benefit calculation including other disability benefits

Actual gross employment income:  
**\$75,000**

EAB maximum yearly insurable income:  
**\$119,000**

Insured gross income:  
**\$75,000**

Deductions (tax, CPP, EI):  
**\$15,000**

Net income:  
**\$60,000**

Benefit calculation based on 90% of net:  
 **$\$60,000 \times 90\% = \$54,000$**

Deduct private benefits based on 70% of net:  
 **$\$54,000 - 42,000 = \$12,000$**

**Bi-weekly benefit:**  
 $\$12,000 / 52 \text{ weeks} \times 2 =$   
**\$461 bi-weekly**

**Note:** This benefit amount is in addition to the amount received from the private benefit plan. Once the private benefit plan is exhausted, Jessie will be entitled to a \$2,077 bi-weekly payment.

**Note for the charts:** The amount deducted for tax, CPP, and EI is for illustrative purpose only

The information in this publication is intended to provide general information only and is not intended to provide coverage, legal or professional advice. We have used plain language to help you understand basic and optional policies. Information in this document is subject to change without notice. You must review and adhere to the more detailed wording and requirements of current applicable statutes, regulations and your insurance policy, even if they contradict the wording and requirements set out in this publication.

