

Accident Benefit Calculations for Self-Employed Individuals

Effective Date	BILL 59, as amended November 1, 1996	BILL 164 January 1, 1994 to October 31, 1996	OMPP prior to January 1, 1994
Maximum benefit	\$400/Week (unless endorsed)	\$1,000/Week (unless endorsed)	\$600/Week (unless endorsed)
Eligibility	Employed or self employed. Employed for at least 26 weeks during the 52 weeks before. Receiving EI benefits. ≥16 or excused from school. Contracted to start employment within one year (if accident occurs before April 15, 2004).	Employed or self employed. Employed at some point during the 156 weeks before and was ≥16 or excused from school. Contracted to start employment within one year (written evidence). On strike or locked out. Received weekly caregiver benefits. On pregnancy leave or parental leave.	Employed or self employed. On temporary lay-off. Contracted to start employment within one year (written evidence).
Income from Self-Employment	Profit from business for income tax purposes without taking into account: expenses eligible for capital cost allowance or an allowance on eligible capital property; capital gains or losses; losses deductible under S(111) of the Income Tax Act (Canada). Quick estimate would be: Income from self-employment shown on the T2124 Statement of Business Activities (income statement) of a personal income tax return. Person's income before an accident that occurs after April 14, 2004, determined without reference to any income not reported for tax purposes.	Profit from business for income tax purposes without taking into account: expenses eligible for capital cost allowance or an allowance on eligible capital property; capital gains or losses; losses deductible under S(111) of the Income Tax Act (Canada). Quick estimate would be: Income from self-employment shown on the T2124 Statement of Business Activities (income statement) which is one of the last schedules in a personal income tax return.	Business expenses which cease as a result of the accident shall be deducted from a person's income from self-employment before calculating his or her gross weekly income. Quick estimate would be: Revenue less non-continuing expenses.
Time period on which self-employed benefits are calculated	Insured may designate either the 52 weeks prior to the loss or the last fiscal year completed before the accident if the business completed a fiscal year.	Insured may designate either the 52 weeks or 156 weeks prior to the loss. If the insured person commenced the self-employment in the 52 weeks prior to the loss, then the period of self-employment may be extrapolated to determine annual income.	Income shall be deemed to be the greatest of the average gross weekly income for the four weeks preceding the accident and the 52 weeks preceding the accident and \$232.00
Net weekly income	Gross annual income less: Employment Insurance Premiums, Canada Pension Plan Contributions, Federal and Provincial income taxes; divided by 52 weeks.	Gross annual income less: Employment Insurance Premiums, Canada Pension Plan Contributions, Federal and Provincial income taxes; divided by 52 weeks. <small>Or table method may be used by insurer for <u>all</u> claims. Tables provided by the Ontario Insurance Commission</small>	Not applicable as all calculations are based on gross weekly income.
Weekly Benefit	80% of Net Weekly Income	90% of Net Weekly Income	80% of Gross Weekly Income
Subsequent Losses	Adjusted to add 80% of losses incurred as a result of accident, however, effective October 1, 2003, adjusted benefit cannot exceed Policy Maximum.	Insurer to add 90% of losses incurred as a result of accident	No provision for losses.
Subsequent Income	Adjusted to deduct 80% of the net income from working subsequent to the accident; however, the subsequent income may be reduced by expenses necessary to prevent a loss of revenue or to replace the person's active participation in the business.	Insurer may deduct 90% of the net income from working subsequent to the accident; however, the subsequent income may be reduced by expenses necessary to prevent a loss of revenue or to replace the person's active participation in the business.	Insurer may deduct 80% of any income received or available from any occupation or employment subsequent to the accident.

This summary is designed to provide a brief comparison of legislation in effect since 1990. It is provided with the understanding that the author is not engaged in rendering legal or other professional advice. The analysis contained herein represents the opinions of the authors and should in no way be construed as being either an official or unofficial policy of any governmental body. In determining accident benefits, the actual legislation should be referred to.

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