

**Vocational Rehabilitation Living Allowance - Program Policy
Background Paper**

Minor Policy Revision to Program Policy 4.2.4R7 *Workers' Travel Expenses for
Vocational Rehabilitation*

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Background

Vocational Rehabilitation services are designed to assist injured workers in returning to the workforce. These services are offered to injured workers who experience difficulty in returning to their pre-injury employment following an accident and have suffered, or are likely to suffer, a permanent impairment as a result of their workplace injury. Rehabilitation services may consist of skills upgrading, on-the-job-training, job search preparation, and a variety of other services. The goal of any vocational rehabilitation plan is always to return the worker to their pre-injury employment but where this is not possible to similar/suitable employment.

Program Policy 4.2.4R7 *Workers' Travel Expenses for Vocational Rehabilitation* outlines the travel expenses that will be covered by the WCB when a worker participating in a vocational rehabilitation program is required to travel. In particular, if it is determined appropriate for a worker to relocate and maintain a second residence for the duration of his/her vocational rehabilitation program, the WCB may provide a living allowance to the worker. The living allowance is intended to cover room and board expenses, including the costs of rent, basic utilities, meals and travel expenses and is reimbursed based on receipts.

Section 112 of the *Workers' Compensation Act* gives the WCB the authority to make any expenditure that, in the WCB's opinion, will aid injured workers in returning to work. In a recent decision at the Court of Appeal¹, the Courts have reconfirmed the following:

- WCB has the authority to establish an amount for a living allowance for vocational rehabilitation; and
- The living allowance must cover all costs of rent, basic utilities, meals and travel associated with maintaining a second residence for the purpose of attending a vocational rehabilitation program.

Program Policy Issue and Rationale for Change

The current VR living allowance maximum of \$750 per month has been in place in program policy since 2002. The issue to be addressed is whether this living allowance maximum is still appropriate in today's economic environment or whether an adjustment in the allowance is required to reflect changes in the cost of room and board rates, meal costs, and travel costs.

VR Living Allowance Usage

To determine if the current VR living allowance maximum of \$750 is still appropriate in today's economic environment in Nova Scotia, we first looked at which workers have required the living allowance and what types of programs they have been attending. To do this, WCB claim data from 2006 to 2011 for workers that required a VR living allowance was examined. In these 6 years, 45 workers received a VR living allowance for maintaining a second residence while participating in a VR program. The majority of these workers participated in retraining programs offered by technical colleges, such as Commercial Safety College (in Truro) & Operating Engineers Ltd. (in Falmouth) in short-term programs lasting from 1-3 months.

¹ Guy v. Nova Scotia Workers' Compensation Appeals Tribunal (2008)

The majority of the retraining programs taken by workers included Heavy Equipment Operator, Crane Operator, Fundamentals of Earth Moving and Tractor Tractor Internships. These programs are offered at technical colleges located in Truro, Windsor, and PEI. In addition, a small minority of workers received longer term retraining (from 1 to 2 years) from various community colleges across the province.

Room and Board

The various technical colleges in the province provide students with room and board options close to their facilities. These room and board options tend to be available only during the regular work week (from Sunday night to Friday at noon) with some offering meals and others providing meal preparation facilities only (i.e. meal costs not included). All of the room and board options include basic utilities costs in their weekly rates. Information obtained from the Commercial Safety College and Operating Engineers Ltd² indicates the following current costs for room and board close to these facilities:

	Average Weekly Rate (5 nights)	Average Monthly Cost
Room and Board	\$135 to \$150	\$540 to \$600
Room Only with meal preparation facility	\$80 to \$125	\$320 to \$500

To get an accurate picture of total room and board costs for “Room Only” accommodations, we also need to determine average current costs for meal preparation. Statistics Canada provides data on the average annual expenditure per household on food for Nova Scotia. To determine what an average Nova Scotian spends on food in a one month period, the Statistics Canada data was broken down by the average number of persons per household in the province - 2.4 persons per household³. The following table shows trending of the average monthly expenditure on food for one person in Nova Scotia (most recent Stats Canada data available is for 2009):

	2005	2006	2007	2008	2009
Avg annual expenditure (\$) per household	6,243	6,210	6,640	6,827	6,682
Avg annual expenditure per person (2.4 per house)	2601	2588	2767	2845	2784
Avg monthly expenditure per person	217	216	231	237	232

* Based on data from Statistics Canada CANSIM Table 2003-0002 Survey of household spending, household spending on food, by province and territory

² Majority of workers with VR living allowance in past 6 years have attended programs at these two technical colleges.

³ **Source:** Statistics Canada, 2006 Census of Population, Statistics Canada catalogue no. 97-554-XCB2006036 (Nova Scotia / Nouvelle-Écosse, Code12)

Applying the most recent data available for average monthly expenditure on food per person in NS (\$232 per month) to the current average monthly cost for “Room Only” options available gives the following full picture of Room and Board average monthly costs close to technical colleges in the province:

	Average Weekly Rate (5 nights)	Average Monthly Cost	Average Food Expenditure	Total Room and Board Monthly Cost
Room and Board	\$135 to \$150	\$540 to \$600	N/A	\$540 to \$600
Room Only with meal preparation facility	\$80 to \$125	\$320 to \$500	\$230	\$550 to \$730

Therefore, in summary, current costs for Room and Board accommodation (no weekends included) in the province range from \$540 to \$730. These costs include three of the four categories which must be covered by the VR living allowance – rent, basic utilities and meals.

In conducting this economic review of accommodation options in the province, we did consider costs of other options such as rental properties (on a monthly basis). Average rent for a bachelor apartment in NS, according to the Canadian Mortgage and Housing Corporation, is \$647⁴ per month, without meal costs included. While the cost associated with a rental property is a more expensive option, the worker’s ability to access the space would not be limited to week days, as is the case with the room and board options, potentially reducing the frequency and cost associated with weekend travel. After analyzing all of the options, it was felt that a appropriate approach would be to consider the costs associated with the room and board type accommodations in determining the living allowance due to their availability in close proximity to the technical colleges and any potential cost increase related to use of a rental accommodation would be potentially balanced in the associated travel savings.

Travel

The VR living allowance must also cover costs associated with travel, including travel from the worker’s second residence back to the worker’s primary residence. An analysis of the 45 workers that required a VR living allowance in the past 6 years shows that workers travelled an average distance of 235km to the retraining program. Based on the room and board options available, the VR living allowance maximum must cover travel costs back and forth to the worker’s home every weekend.

The following data was used to determine current average travel costs associated with maintaining a second residence for the purposes of participating in a VR program:

- WCB’s current mileage rate applicable to travel for VR purposes of 40.92 cents per kilometre; As outlined in Policy 4.2.4R7, reimbursement for mileage related to VR program and services is determined by calculating the difference between the distance a worker travelled to his/her regular pre-injury workplace and the distance he/she is required to travel to access his/her vocational rehabilitation program or service.
- Average distance travelled to the retraining program of 235km; and

⁴ Based on most recent CMHC data available, October 2011

- Requirement to travel back and forth every weekend (travel average of 235km 8 times per month) due to room and board options and personal commitments.

Recognizing that significant variance exists in the distance workers travelled pre-injury, it was determined that usage of the average distance travelled, without application of the mileage in excess rule discussed above, would ensure that a variety of situations (i.e. workers who did not travel pre-injury) are captured and reflected in the determination of the maximum living allowance.

As a result, the current average monthly cost for travel associated with maintaining a second residence for the purpose of participating in a VR program is:

Average travel distance x WCB mileage rate x travel every weekend (8 times)
= 235km x 40.92 cents/km x 8
= \$770

Summary

Current average monthly costs for rent, basic utilities, meals and travel:

Total Room and Board \$540 to \$730 per month
Average Travel \$770

Total	\$1,310 to \$1,500
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Based on the above data and analysis, the WCB is proposing an increase to the vocational rehabilitation (VR) living allowance maximum included in Policy 4.2.4R7 from \$750 per month to \$1,500 per month to cover current costs of rent, basic utilities, meals and travel. In accordance with policy, workers are reimbursed up to the monthly maximum based on receipts. It is believed that the approach used in determining the appropriate maximum has contemplated and considered a variety of potential situations and the proposed allowance is reasonable.

Proposed Program Policy Revision

A minor policy revision is proposed for Program Policy 4.2.4R7 *Workers' Travel Expenses for Vocational Rehabilitation*. The WCB is proposing to increase the VR living allowance maximum included in Policy Statement 3 of the policy from \$750 to \$1,500 per month, to reflect current costs for room, board and travel in Nova Scotia. Please see Appendix A for full wording of the proposed revisions to Policy 4.2.4R7.

Providing Your Comments

The WCB would like to hear stakeholders' views on the proposed minor policy change to the Vocational Rehabilitation living allowance. The Board of Directors will consider the input received from stakeholders before making a final decision.

If you would like to comment on the proposed policy change, please provide your feedback by April 30, 2012 to:

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This paper is also available on our web site at www.wcb.ns.ca on the home page under News.

APPENDIX A – DRAFT PROGRAM POLICY CHANGE

(deletions are ~~strikethroughs~~, additions are **bold and underlined**)

Policy 4.2.4R78 - Workers' Travel Expenses for Vocational Rehabilitation

Effective Date: TBD

Topic: Workers' Travel Expenses for Vocational Rehabilitation

Date Issued: TBD

Section: Vocational Rehabilitation

Date Approved by Board of Directors: TBD

Subsection: Vocational Rehabilitation Program Expenses

POLICY STATEMENT

1. General

Where participation in a vocational rehabilitation program or service requires a worker to travel, the Workers' Compensation Board may reimburse the worker for travel expenses in accordance with the provisions of this policy.

All travel must be pre-authorized by the Case Manager.

Travel reimbursement for a worker will be based on the costs associated with the most economical and appropriate means of transportation available.

2. Travel

Where participation in a vocational rehabilitation program or service requires a worker to travel, the Workers' Compensation Board may reimburse the worker for mileage in excess of the worker's travel distance to his/her regular pre-injury workplace.

A reimbursement for mileage will be determined by calculating the difference between the distance a worker travelled to his/her regular pre-injury workplace and the distance he/she is required to travel to access his/her vocational rehabilitation program or service.

A worker may use his/her own vehicle for transportation purposes to access vocational rehabilitation programs and services, if it is the most economical and reasonable means of transportation and has been pre-authorized by the Board. Authorized vehicle use will be reimbursed at the rate of 40.92 c/km.

Where an alternate mode of transport is considered to be more appropriate and economically viable, it will be supported by the Workers' Compensation Board. The worker will be reimbursed in accordance with the method described above except in circumstances where it is more economically practical to pay actual costs based on receipts.

Future travel rates will be adjusted, on a go-forward basis, following notification from the Director of Human Resources that the rates for Workers' Compensation Board employees have increased; and

Rates will not be retroactive; and

Future rates will be effective on the "Effective Date" specified in the revised policy.

3. Living Allowance

A Case Manager may authorize a living allowance if it is determined appropriate, in the discretion of the Board, for a worker to relocate and maintain a second residence for the duration of his/her vocational rehabilitation program. Specifically, if the worker must maintain a home while being trained and residing in another location, room and board expenses to a maximum of ~~\$750~~\$1,500/month (reimbursement based on receipts) may be reimbursed by the Workers' Compensation Board. The living allowance is considered to include the costs of rent, basic utilities, meals and travel expenses.

4. Other Travel Expenses

When a Case Manager pre-authorizes use of a personal vehicle, the Workers' Compensation Board will reimburse actual parking, toll bridge and toll highway expenses (based on receipts) incurred during implementation of a Vocational Rehabilitation Plan.

5. Meal Allowance

A meal allowance may be provided to workers who must be away from their home over a meal period in order to attend pre-authorized worker meetings, assessments or physical rehabilitation programs. Coverage of meals must be pre-authorized by the Case Manager. If pre-authorized a per diem amount of \$38.00 (including gratuities) may be paid, comprised of:

Breakfast	\$6.00
Lunch	\$12.00
Dinner	<u>\$20.00</u>
Total	\$38.00

Future meal allowance rates will be adjusted, on a go-forward basis, following notification from the Director of Human Resources that the rates for Workers' Compensation Board employees have increased; and

Rates will not be retroactive; and

Future rates will be effective on the "Effective Date" specified in the revised policy.

6. Accommodations – Public and Private

When necessary, workers may be provided with overnight accommodations, pre-authorized by the Board. Where possible, costs will be charged directly to the Board, otherwise reimbursements will be based on receipts. In cases where a worker chooses to use private overnight accommodations, the Workers' Compensation Board will reimburse the worker at a rate of \$40.00 per night.

Future private overnight accommodation rates will be adjusted, on a go-forward basis, following

notification from the Director of Human Resources that the rates for Workers' Compensation Board employees have increased; and

Rates will not be retroactive; and

Future rates will be effective on the "Effective Date" specified in the revised policy.

7. Employment Incentives Program

A worker participating in the Employment Incentives Program is not eligible for travel reimbursement.

APPLICATION

This Policy applies to travel on or after ~~October 27, 2014~~ **TBD**. This policy replaces predecessor policy 4.2.4R67.

REFERENCES

[Workers' Compensation Act](#) (Chapter 10, Acts of 1994-95), Section 112