



This factsheet has been prepared for general information purposes. It is not a legal document. Please refer to the *Workers Compensation Act* and the *Rehabilitation Services and Claims Manual, Volumes I and II* for purposes of interpretation and application of the law.

Updated: October 2016

## PERMANENT DISABILITY AWARDS:

For injuries that occurred on or after June 30, 2002  
Or that first became permanent on or after June 30, 2002

### What is a permanent disability award?

A permanent disability award is money paid by WorkSafeBC (“the Board”) after it is determined that your workplace injury or work related disease is not likely to get significantly better or worse, and you have been left with a continuing disability.

Changes to the *Workers Compensation Act* (“the Act”) on June 30, 2002, created new rules for permanent disability awards. Even if you were injured before June 30, 2002, some of these changes may apply to your claim if the first sign of your permanent disability occurred on or after that date.

### What are the two types of permanent disability awards?

In making an award for a permanent partial disability, the Board ordinarily assesses a worker using the permanent functional impairment (“PFI”) method. The worker’s level of function is measured and compared to established standards in order to calculate a percentage of total disability. This is the method that the Board uses in most cases.

However, the Board will also consider using the loss of earnings (“LOE”) method in “exceptional circumstances” where the worker meets certain criteria and the PFI method would not adequately compensate the worker for his or her loss of earning capacity.

Under either method, it is important to remember that you are being compensated for the impairment of your ability to earn income, and not for loss of enjoyment of life in general.

For more information:  
Website: [www.labour.gov.bc.ca/wab](http://www.labour.gov.bc.ca/wab)



Lower Mainland/Fraser Valley/Kootenays: 1-800-663-4261  
Northern & Central Interior: 1-800-663-6695  
Vancouver Island: 1-800-661-4066

## PERMANENT DISABILITY AWARDS

---

### What will happen when my claim is referred to the Disability Awards Department?

The assessment process usually begins with your assessment by a medical professional, who measures any decreased function resulting from your injury. In some cases, Disability Awards will determine your functional impairment and award without a physical examination, using the medical and other information on file. Your impaired function will be assigned a percentage value, usually based on the tables and rules found in the Board's Permanent Disability Evaluation Schedule ("PDES"), a copy of which may be found online at this link:

<https://www.worksafebc.com/en/law-policy/claims-rehabilitation/compensation-policies/rehab-claims-volumeii>

### How is a PFI award calculated?

The percentage value is then applied to your long term wage rate. This rate is set either after the first ten weeks of your disability or when your condition becomes permanent, whichever comes first. For more information, please read our Factsheet called *Long term Wage Rate*.

For example, if you earn \$3500 net per month when you are injured, and have a 5% PFI from that injury, your permanent disability award is calculated as follows:

Average net earnings (long-term wage rate):	\$3,500 per month
Compensation factor: 90% of average net earnings (\$3,500 x 90% = \$3,150)	\$3,150 per month
Your PFI award: (\$3,150 x 5% = \$157)	\$157 per month

After your PFI award has been calculated, WorkSafeBC will send you a letter setting out the details of your PFI award and your appeal options.

### What if you disagree with the PFI award?

If you disagree with or have questions about your PFI, you should carefully look at the decision letter with your doctor, along with any information you receive with the decision. Sometimes the Board medical examiner may overlook some of your impairments or measure them inaccurately. Also, that the Board sometimes makes errors in applying the tables and rules in PDES.

## PERMANENT DISABILITY AWARDS

---

If you disagree with the award, you can request a review of the decision. It can be helpful to get evidence from your medical health care providers, especially if they can identify measurements of impairment that are significantly different from those of the Board's medical examiner or show that the Board's examiner's observations are incomplete.

### **What if my condition changes while receiving a PFI award?**

WorkSafeBC should reassess your PFI award again if there is evidence that your condition has changed significantly. If your condition has worsened since your last permanent disability examination then you should have your doctor tell WorkSafeBC. If the case manager agrees that there has been a significant change which is permanent, then your claim will be referred to the Disability Awards Department for an examination and a new decision on permanent disability will be made.

### **When is an LOE assessment done?**

In exceptional cases, the Board will also assess a worker using the loss of earnings ("LOE") method. This should happen when the combined effect of the worker's occupation at the time of the injury and the worker's disability resulting from the injury is so exceptional that the PFI award does not appropriately compensate the worker. For example, where an injury results in amputation of two fingers on the dominant hand of a worker whose occupation requires fine motor skills, the worker is no longer able to perform fine motor skills. Thus he or she cannot continue in the pre-injury occupation. If he or she cannot adapt to a new occupation, he or she may suffer a loss of earnings much larger than the amount of the PFI award. In other cases, a worker may be able to return to his or her pre-injury occupation, but only in a greatly reduced capacity, e.g. part-time hours.

In determining whether or not an LOE assessment should be done, the Board looks at your pre-injury earning capacity (as determined by the long term wage rate) and compares it to your post-injury earning capacity, taking into account the vocational rehabilitation plan and services that have been provided to you. If there is a significant difference and it is significantly greater than the amount covered by the PFI award, then an LOE assessment should be done. Generally speaking, if the average earnings after your injury plus your PFI award entitlement are less than 75% of the pre-injury average gross earnings, you will be assessed for an LOE award. However, this is only a guideline: WorkSafeBC must consider each case individually. In some cases even a 5 to 25% loss of earnings may be considered significant.

### **How will the loss of earnings be assessed?**

If your case is considered "so exceptional," that the Board uses the LOE method, the Disability Awards Department will ask a Vocational Rehabilitation Consultant ("VRC") to write an Employability Assessment. This assessment is a recommendation to the Disability Awards Department setting out your likely long-term

## PERMANENT DISABILITY AWARDS

---

earnings over the next three to five years. This projection will take into account any education or training offered by the Board, whether or not you participated in the training.

The VRC will provide you with a copy of the employability assessment. You have 30 days to write to the Disability Awards Department to explain what you disagree with. The Disability Awards Department will consider the employability assessment and your response.

The Disability Awards Department will reach a decision on what you are able to earn in a “suitable and reasonably available occupation” in the long-term, whether you are entitled to a LOE award, and the amount of your LOE award, if any.

### **If I receive a LOE award, how will it be calculated?**

The calculation is shown in the following example. If you had a net wage rate of \$3,500 per month and your net earnings after the injury are expected to be \$1,500 per month in your new occupation over the long term, your permanent disability award would be calculated as follows:

Pre-injury average net earnings (Long-term wage rate)	\$3,500 per month
Post-injury net actual or potential earnings	\$1,500 per month
Difference in earnings	\$2,000 per month
LOE award (\$2,000 x 90%)	\$1,800 per month

This LOE award replaces any PFI award already assessed.

### **How will the permanent disability award be paid?**

Generally, disability awards are paid at the end of each month and may be deposited directly into your bank account.

WorkSafeBC will pay a lump sum when the total disability is 10 percent or less and the monthly award is not more than \$200. You may also request payment of your award in a lump sum, in certain circumstances. This payment of a lump sum is called a commutation. For more information, see the Factsheet called *Permanent Disability Awards: Lump Sums and Commutations*.

## PERMANENT DISABILITY AWARDS

---

### **How will Canada Pension Plan Disability Benefits affect my permanent disability award?**

If you are receiving Canada Pension Plan (CPP) disability benefits and WorkSafeBC permanent disability benefits for the same injury, WorkSafeBC may deduct up to 50 percent of the money CPP pays to you from your WorkSafeBC permanent disability benefits. For more information, please read the Factsheet called *Canada Pension Plan Benefits and WorkSafeBC Benefits*.

### **When will my permanent disability benefits stop?**

The award will usually be paid until the earlier of your 65 birthday or your death. There are exceptions to this general rule. For more information see our factsheet *Duration of Benefits*.