

## Client Services Policy Manual

Policy Number: **EN-01**  
Subject: **Permanent Functional Impairment Benefit**  
Chapter: **Entitlement**

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### Policy Statement

A worker with a permanent impairment due to a work-related injury or illness may be entitled to a Permanent Functional Impairment (PFI) lump-sum benefit.

A PFI lump-sum benefit:

- Is a payment that recognizes non-economic loss (i.e., the permanent impairment resulting from a workplace injury or illness);
- Is not paid to a worker to compensate for wage loss;
- Is based on measurable permanent loss of bodily function;
- Is only for a work-related impairment (i.e., does not compensate for non-work-related pre-existing conditions); and
- Does not apply to fatal injury claims.

### Determining Entitlement

WorkplaceNL uses an adopted rating schedule known as the **Permanent Functional Impairment Rating Schedule** to determine the degree of permanent impairment and entitlement to a PFI lump-sum benefit.

In addition, WorkplaceNL may use the American Medical Association (AMA) Guides as a reference to determine permanent impairment where the **Permanent Functional Impairment Rating Schedule**:

- Does not address a certain type of permanent impairment; or
- Is not precise enough to fully evaluate the extent of a permanent impairment.

The following guidelines are applied for assessing pain with permanent impairment:

- The permanent impairment percentages given in the AMA Guides include allowances for the pain that may occur with the permanent impairment;
- The existence of pain does not enhance the permanent impairment percentages recommended; and
- No lump-sum benefit is given specifically for pain and suffering.

Permanent mental health impairment resulting from traumatic mental stress injuries that are accepted as compensable under Policy EN-18 Traumatic Mental Stress may be considered for a PFI lump-sum benefit.

PFI lump-sum benefits may be proportioned when other causes contribute to the overall PFI rating. In such instances, the assessor shall first determine the overall PFI rating and

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then determine the impairment rating for the non-compensable condition. The rating for the non-compensable condition is subtracted from the total PFI rating resulting in the PFI rating for the work injury. For example, if the overall PFI rating for a worker with a back impairment is 25 per cent, and the worker has a non-work-related spinal fusion that by itself would be rated 10 per cent, the proportioned PFI rating for the work injury will be 15 per cent.

### PFI Referrals

A referral for a PFI assessment is considered when the degree of permanent impairment after the work-injury or illness has reached a point where it is not expected to improve. This point is called maximum medical recovery (i.e., a medical plateau of the compensable work-injury or illness). A referral may also occur when the worker is being considered for extended earnings loss entitlement, or at another time that may be considered appropriate in a specific case.

### PFI Assessments

PFI assessments shall be performed and rated by a medical consultant appointed by WorkplaceNL.

Referrals for a PFI reassessment shall only occur where:

- There is reasonable medical documentation submitted that supports a deterioration in function specifically related to the compensable condition since the time of the most recent assessment, and
- The last PFI assessment was completed more than 12 months ago (except in the case of occupational cancer).

Decisions regarding the existence of deterioration may require consultation with a WorkplaceNL medical consultant.

If after six months from the date of injury it is determined that the worker's condition is irreversible or regressive (e.g., an amputation), WorkplaceNL may assess and rate the worker's permanent impairment resulting from the injury. The PFI rating may be reassessed as necessary.

In the case of terminal occupational disease, the PFI rating shall be 100 per cent and provided as soon as the compensable disease is confirmed. Non-terminal occupational diseases will be rated based on measurable permanent impairment of function.

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When rating a PFI, any Permanent Partial Disability (PPD) rating for the same part of body must be considered. With respect to a PPD rating for a low back injury, a new value must be assigned to the PPD rating since the range for rating permanent disability for the low back prior to 1984 was 0-30 per cent, and for post-1984, it is 0-50 per cent. For example, a 15 per cent PPD is equivalent to a 25 per cent PFI.

The combination of PPD and PFI ratings for all injuries cannot exceed 100 per cent. Therefore, when a worker sustains permanent impairment involving multiple body regions, either on the same claim or in combination with previous claims, the combined values chart in the AMA Guides is applied to determine the overall PFI rating. This chart is applied even if the individual ratings were determined using the Permanent Functional Impairment Rating Schedule or using the AMA Guides.

### **PFI for Occupational Cancer**

For compensable occupational cancer, the PFI rating shall be 100 per cent and provided immediately where medical evidence indicates that the prognosis is terminal.

Terminal is typically used to refer to an illness or disease that:

- Cannot be cured or adequately treated; and,
- Is reasonably expected to result in death within a short period of time.

Consultation with a medical consultant may be required to determine if the compensable occupational cancer is terminal.

Non-terminal occupational cancers will be rated based on measurable permanent impairment of function following maximum medical recovery.

### **PFI Benefit Unpaid at Death**

Where a PFI was rated but the lump-sum benefit was not paid to the worker prior to the worker's death, WorkplaceNL will pay the PFI lump-sum benefit to those dependents of the worker who WorkplaceNL considers to be appropriate recipients.

Where a PFI was not rated prior to the worker's death and there is evidence, on the balance of probabilities, to show that the worker reached maximum medical recovery prior to their death, WorkplaceNL may estimate a PFI rating and pay the PFI lump-sum benefit to the worker's appropriate dependents where the claim for compensation was made within the time limits provided under section 61 of the Workplace Health, Safety and

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Compensation Act, 2022 (the Act). Where the claim was not made within the time limits, the PFI lump-sum award may be considered under section 62 of the Act.

### Merits and Justice

Where the individual circumstances of a case are such that the provisions of this policy cannot be applied or to do so would result in an unfair or unintended result, WorkplaceNL will decide the case based on its individual merits and justice as outlined by Policy EN-22 Merits and Justice. Such a decision will be considered for that specific case only and will not be precedent-setting.

### Reference:

Workplace Health, Safety and Compensation Act, 2022 Sections 20, 50, 51, 61, 62, 79, 82 and 104-107

Workplace Health, Safety and Compensation Administrative Regulations, Sections 21 and 28

Workplace Health, Safety and Compensation Regulations, 2023, Section 11

WorkplaceNL Permanent Functional Impairment Rating Schedule

American Medical Association (AMA) Guides to the Evaluation of Permanent Impairment Policies:

EN-18 Traumatic Mental Stress

EN-22 Merits and Justice

### Amendment History

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