

Client Services Policy Manual

Policy Number: **EN-10**
Subject: **Interest on Delayed Compensation Payments**
Chapter: **Entitlement**

Policy Statement

Interest will be awarded to injured workers (or their dependents) where payment of compensation for loss of earning capacity has been unduly delayed because of circumstances over which WorkplaceNL has control. This will include cases where there is a reversal of the decision through internal, external or judicial review, except that interest is not payable where a decision is based on new information not previously available to WorkplaceNL. Where WorkplaceNL has the information necessary to make a decision to pay benefits, WorkplaceNL will normally be expected to issue payment within 30 days of receipt of the last of the information needed to determine whether or not benefits are payable.

Benefits Subject to Interest

Interest is paid on the following wage replacement benefits only: Temporary/Rehabilitation/Extended Earnings Loss benefits and Dependent Spousal Monthly Allowances paid to dependent spouses.

Interest is not paid on Permanent Functional Impairment benefits; Lump Sum benefits paid to dependents in the event of a worker's death; Dependent Child Monthly Allowances; Permanent Partial Disability benefits; or, Pension Replacement benefits.

Interest Period

Interest will be calculated from the 30th day following the date WorkplaceNL should have approved benefits, up to the day that the compensation in question is approved.

Interest Calculations Funding

Simple interest will apply and the interest rate will be in accordance with the provisions of the *Judgement Interest Act*. The cost of interest awarded under this policy will be a charge against WorkplaceNL's investment income, itemized as an expense and will not be charged against the employer's claims cost experience.

* This policy will have effect from January 1, 1993. Interest will not be awarded for any delay or benefit period occurring prior to January 1, 1993.

Reference: *Workers' Compensation Act, R.S.N. 1990, c. W-11, Sections 19, 43 and 59*
Judgement Interest Act

Amendment History

<i>Original Effective Date</i>	1991 01 01
<i>Revision #1</i>	2000 05 31