

**Alberta WCB
Policies &
Information**

Chapter:

BENEFITS

Subject:

PERMANENT DISABILITY

Authorization:

BoD Resolution 2017/08/32

Date:

December 22, 2017**REFERENCE:**

[Workers' Compensation Act, RSA 2000, Sections 17, 43, 47, 48, 56, 56.1, 59, 60, 60.1, 63, and 89](#)
[Workers' Compensation Regulation, Section 1](#)

POLICY:

When a compensable accident results in *permanent disability*, WCB provides *permanent disability benefits* to the worker for any *measurable permanent clinical impairment* and for any *impairment of earning capacity* attributable to the compensable injury.

This policy is effective January 1, 2018, except when noted otherwise in a specific policy section(s).

INTERPRETATION**1.0 Permanent Disability**

A worker is considered to have a permanent disability when a work injury results in:

- a permanent measurable clinical impairment, or
- an impairment of earning capacity due to permanent compensable work restrictions, or
- both.

**2.0 Measurable Permanent
Clinical Impairment**

A permanent clinical impairment is determined by a physician, and is expressed as a percentage of total impairment. It is considered measurable if it is equal to or greater than 0.4%, based on the approved WCB rating schedule. (See Appendix D, Alberta Permanent Clinical Impairment Guide, for further details.)

For the purpose of this policy, the approved WCB rating schedule is the Alberta Permanent Clinical Impairment Guide dated June 1, 1996 (the Alberta Guides), with amendments up to and including the date of the permanent clinical impairment assessment.

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2.0 Measurable Permanent Clinical Impairment (continued)

If, in WCB's opinion, the Alberta Guides are silent as to the impairment, the physician may rely on the most current edition of the American Medical Association Guides for the Evaluation of Permanent Impairment (the AMA Guides). When a new edition is published, WCB will designate an effective date, as close as practicable to the date of publication, for use of the new edition (see Addendum B).

The most current edition of the AMA Guides applies regardless of the date of accident or whether the evaluation of permanent impairment is the result of a reconsideration or an appeal.

This policy applies to all permanent clinical impairment decisions made on or after July 6, 2001. WCB will not reassess a permanent clinical impairment simply because a different rating guide was used previously.

3.0 Impairment of Earning Capacity

WCB determines an impairment (loss) of earning capacity by assessing the impact permanent compensable work restrictions will have on the worker's ability to earn in any suitable employment (see Application 1, Question 3).

4.0 Permanent Disability Benefits

The method of calculating permanent disability benefits was revised effective January 1, 1995, and depends on whether the date of accident was before January 1, 1995, or on or after January 1, 1995.

*Injuries Occurring on
or after January 1,
1995*

When an accident occurs on or after January 1, 1995, WCB provides the following permanent disability benefits:

- a Non-Economic Loss Payment (NELP), which is a lump sum payment based on the measurable clinical impairment
- an economic loss payment, which is a periodic payment based on the loss of earning capacity caused

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4.0 Permanent Disability Benefits (continued)

*Injuries Occurring on
or after January 1,
1995 (continued)*

by the disability. The economic loss payment is subject to reconsideration under s.17 of the *WCA*. WCB exercises its discretion to reconsider economic loss payment decisions by scheduled and ad hoc reviews of the worker's impairment of earning capacity. Economic loss payments will be adjusted to reflect changes to impairment of earning capacity and will end if the impairment of earning capacity ends.

See Application 3 for accidents occurring on or after January 1, 2018.

See Application 4 for accidents from January 1, 1995, to December 31, 2017, inclusive.

*Injuries Occurring
before January 1, 1995*

When an accident occurred before January 1, 1995, WCB provides the following permanent disability benefits:

- 1) when there is a permanent clinical impairment,
 - a permanent disability award in the form of a pension, to compensate the worker for the permanent clinical impairment and assumed loss of earnings, and
 - consideration of an earnings loss supplement if the actual loss of earning capacity due to compensable permanent work restrictions exceeds the value of the permanent disability award.
- 2) when there are compensable permanent work restrictions with no measurable permanent clinical impairment,
 - consideration of an earnings loss supplement if the compensable permanent work restrictions impair the worker's earning capacity.

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4.0 Permanent Disability Benefits (continued)

*Injuries Occurring from
January 1, 1985 to
December 31, 1994,
inclusive*

When an accident occurred during the period of January 1, 1985 to December 31, 1994, inclusive, the worker may also be eligible for a Permanent Injury Award (PIA).

A PIA is intended to provide compensation for accidents resulting in serious and permanent disfigurement or other permanent injury that, in WCB's opinion, the worker is not already appropriately compensated for, and for which WCB has no other means to compensate the worker. In most cases it is paid as a lump sum.

Please see Part II for additional information on the following subjects:

Application

- 1 – [Determining Impairment of Earning Capacity](#)
- 2 – [Non-Economic Loss Payment - Injuries on or after January 1, 1995](#)
- 3 – [Economic Loss Payment – Dates of Accident on or after January 1, 2018](#)
- 4 – [Economic Loss Payment – Dates of Accident from January 1, 1995, to December 31, 2017, Inclusive](#)
- 5 – [Injuries prior to January 1, 1995](#)
- 6 – [Earnings Loss Supplements](#)
- 7 – [Enhancement Factor](#)
- 8 – [Lump Sum Commutations](#)
- 9 – [Permanent Disability Benefit Advances](#)
- 10 – [Permanent Injury Award - Injuries from January 1, 1985 to December 31, 1994, Inclusive](#)

Addendum

[Addendum A – Maximum Non-Economic Loss Payments](#)

[Addendum B – Effective Date for use of New Editions of the AMA Guides](#)

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Previous versions

- [Policy 0404 Part I - April 2018](#)
- [Policy 0404 Part I - January 2018](#)
- [Policy 0404 Part I - August 2015](#)
- [Policy 0404 Part I - May 2008](#)
- [Policy 0404 Part I - January 2004](#)
- [Policy 0404 Part I - June 2003](#)
- [Policy 0404 Part I - January 2003](#)
- [Policy 0404 Part I - June 2002](#)
- [Policy 0404 Part I - January 2002](#)
- [Policy 0404 Part I - July 2001](#)
- [Policy 0404 Part I - June 2001](#)
- [Policy 0404 Part I - September 1999](#)
- [Policy 0404 Part I \(consolidated manual 1st Issue\) - February 1997](#)