

Section	Policy
40	43.10.30

Section Title: Benefits Administration - Vocational Rehabilitation  
Subject: Functional Impairment Awards  
Effective Date: October 31, 1984

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## GENERAL INFORMATION

*The Workers Compensation Act* (the Act) provides for circumstances where the established method for awarding an impairment rating does not provide an adequate level of compensation to reflect the earnings loss resulting from the impairment.

Up to and including December 31, 1991, the Act provides that the WCB shall compensate a claimant for a physical loss determined to be a permanent partial disability caused by an injury arising out of a compensable claim, hereafter referred to as an impairment. However, if the claimant has a loss in earning capacity (as the result of an impairment) which is significantly greater than any rated impairment, the WCB may, under certain circumstances, increase the amount of compensation originally allowed for the physical loss by means of Special Additional Compensation under Section 40(2) of the Act (up to and including December 31, 1991).

### A. POLICY

1. Functional impairment awards are intended to provide for the injured worker whose physical loss caused by an injury arising out of a compensable claim is so minimal it does not appear on the permanent impairment rating schedule, yet the injury has caused a loss in earning capacity that is proportionately greater than the physical loss.
2. A claimant may be eligible for a functional impairment award when the following conditions are met:
  - (a) A compensable injury has precluded a claimant's ability to perform the pre-injury job function.
  - (b) There is no rateable permanent impairment.
  - (c) There will be a loss of earnings as a result of an alternate job placement or unemployability.
  - (d) After a fair and honest effort by the claimant with respect to rehabilitation, the wage loss is likely to continue indefinitely.
  - (e) When the recipient of a functional impairment award appears to meet the criteria for Special Additional Compensation as provided for in section 40(2) of the Act, an augmentation of the compensation paid under section 40(1) will generally be considered under the provisions for Special Additional Compensation.

3. Any functional impairment award provided will be equivalent to ¼ of 1% of a permanent partial impairment rating.
4. This policy applies only to those functional impairment awards arising from accidents occurring prior to January 1, 1992.

**B. REFERENCES**

*The Workers Compensation Act*, sections 40(1), 40(2) and 60(2)(d) [up to and including December 31, 1991]

WCB Policy 44.60.30, *Special Additional Compensation*

**History:**

1. Policy originated by Board Order 159/84, effective October 31, 1984.
2. Policy re-written as Policy 43.10.30 and approved for inclusion in the Policy Manual on June 19, 1991, by Board Order 9/91.
3. Clarification of policy ratified by Board Order 28/91 on December 11, 1991.
4. Policy 43.10.30 confirmed as accurately reflecting the intent of Board Order 159/84 by Board Order 41/93 on November 25, 1993. Board Order 159/84 rescinded.
5. Administrative Guidelines have been deleted – February 2003.
6. Minor formatting, grammar, and wording changes were made to the policy, June 27, 2012.