

Permanent Impairment Compensation

The *Workers Compensation and Injury Management Act 2023 (the WCIMA23)* sets out the process and timeframes for accessing permanent impairment compensation via a settlement agreement. The *WCIMA23* includes a permanent impairment compensation table which sets out the amounts payable for each item.

Key Points

Act ref: Part 2 Division 7, s. 150

- The *WCIMA23* sets out the process for agreement (s. 105) or determination (s. 106) of the degree of permanent impairment for the purpose of accessing permanent impairment compensation.
- A notification process (PI Notice) and timeframes apply to how a worker and employer reach agreement on the worker's degree of impairment. If the process fails to reach agreement an arbitrator can determine the matter.
- The PI Notice is registered with the settlement agreement (not as a separate election or registration process).
- Permanent impairment compensation is payable when the employer's liability to compensate the worker for the injury is commuted by a registered settlement agreement.
- The Director will scrutinise the amount paid for any permanent impairment compensation as part of the settlement agreement. This is to ensure the amount in the settlement agreement corresponds with the legislated method for calculating permanent impairment compensation: the percentage degree of permanent impairment multiplied by the percentage of the lump sum limit that applies to the relevant impairment item.
- A capped maximum amount applies to how much permanent impairment compensation is payable (s. 157).

Questions & Answers

Q. Who pays for the permanent impairment assessment?

A. One APIA assessment is paid as a compensable miscellaneous expense of the worker. The cost of an APIA assessment that an employer/insurer arranges is borne by the employer/insurer as a claim expense.