

## Client Services Procedure Manual

**Procedure: 23.00**

**Subject: Proportionment**

### 23.01 Proportioning Claims Process

#### 1. Identify

It is important to identify -- as early as possible -- factors other than the work injury which may affect a worker's ability to regain his or her preinjury earning level. WorkplaceNL will usually not proportion benefit entitlement during the temporary earnings loss period, even if a condition other than the work injury is affecting the level of disability. However, early identification will result in effective adjudication and provide the worker with as much advance notice as possible of potential entitlement changes further on in the life of the claim.

#### Indicators of Potential Proportionate Entitlement

- **Medical Information**  
Information suggesting the existence of potential proportionment factors may be indicated in forms or documents placed on the worker's file, particularly physician or hospital reports which provide detailed medical histories or mention other treatments or conditions.
- **Expected Recovery Period Exceeded**  
Indication that a proportionment factor may possibly exist also arises when the usual or expected recovery period following a work injury is exceeded. When this occurs it is necessary for the case manager to investigate whether factors other than the work injury are affecting the level of disability.

#### 2. Investigate

When further investigation of a potential proportionment factor becomes necessary the decision maker must request more details regarding the medical situation. The request(s) may vary depending on the case, but could involve writing the worker and/or treating physician directly, or accessing relevant medical reports or notes of other physicians, results of previous diagnostic procedures, or hospital discharge summaries. Relevant information related to previous disability or lost time from work may also be requested from the employer.

#### 3. Document Investigation and Seek Medical Advice

- When the requested information is received the decision maker will review all of the relevant evidence and refer the summarized findings to a WorkplaceNL medical consultant. The summary may include, but is not limited to, a description of: the compensable injury; nature of impairment(s) under consideration, and a brief list of all medical findings regarding the potential non-compensable impairment. The medical consultant will provide advice as to whether, from a medical perspective, it is appropriate for the proportionment policy to be applied and, if so, to what degree (referencing policy guidelines).

- In some cases, additional medical information may be obtained by the case manager before the medical consultant can provide an opinion to apply the proportionment policy.

#### **4. Make Decision**

- When all evidence and required advice are received it is the responsibility of the decision maker to make the final decision.
- Decision makers may consult on complex cases with their supervisor to provide an opinion before a final decision is made.

#### **5. Communicate Decision**

The decision maker will notify the injured worker as soon as a proportionment decision is made by providing a well-reasoned, written decision which explains the basis for the decision; the expected impact on benefits and when it is expected to take effect.

### **23.02 Impact on Benefits**

#### **Temporary Earnings Loss benefits**

WorkplaceNL will usually not proportion benefit entitlement during the temporary earnings loss period, even if a condition other than the work injury is affecting the level of disability. A possible exception may be an extreme, obvious case where the causative significance of the proportionment factor convincingly outweighs the compensable injury as a source of disability.

Temporary earnings loss benefits are payable while a worker receives necessary medical treatments, labour market re-entry assistance or vocational rehabilitation programs. Costs which may be paid by WorkplaceNL to support labour market re-entry assistance or vocational rehabilitation programming will not be proportioned.

#### **Permanent Functional Impairment benefits**

Proportionment decisions regarding Permanent Functional Impairment benefits shall be made in accordance with Policy EN-01, Permanent Functional Impairment.

#### **Extended Earnings Loss benefits**

Proportionment decisions normally take effect when extended earnings loss benefits begin. In cases where extended earnings loss benefits are being paid when the proportionment factor arises and subsequently a change in the benefit level is identified, the worker shall be given at least one month notice before the new benefit level is put into effect.

#### **Health Care benefits**

Health care benefits paid to cover the cost of health care services provided to injured workers, including reasonable expenses incurred by workers to obtain such services, are not subject to proportionment.

**Employment - related benefits considered as post-injury earnings**

Proportionment decisions will apply to post-injury earnings and the degree of benefit offset will be reduced in accordance with the determined proportionment factor. Examples of post-injury earnings are: Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) disability benefits; income from a registered employment pension plan; etc.

**23.03 Calculating Benefits on a Proportionment Claim**

Benefits on a proportionment claim are calculated as on any claim with the usual offsets, as appropriate. In the case of proportionment claims, the weekly rate is multiplied by the proportioning factor for the compensable injury.

**Calculation Example:**

Rate Calculation with 25% Proportioning Factor applied to CPP/QPP Offset and the Compensation Rate

**Calculation of Weekly Compensation Rate**

Average gross weekly earnings	\$500.00
100% net earnings	\$409.73
100% net earnings	\$409.73
85% of net rate	<u>    x 85%</u>
Weekly compensation rate	= \$348.27

**Calculation of 25% Proportioning Factor Applied to Weekly Compensation Rate**

Weekly compensation rate	\$348.27
25% proportioning factor	<u>    x 25%</u>
25% of weekly compensation rate	= \$87.06

Weekly compensation rate	\$348.27
25% of weekly compensation rate	<u>  - \$87.06</u>
Weekly compensation rate proportioned	= \$261.20

**Calculation of CPP/QPP Offset**

CPP/QPP weekly benefit	\$166.00
75% of CPP/QPP offset	<u>    x 75%</u>
CPP/QPP offset amount	= \$124.50

**Calculation of 25% Proportioning Factor Applied to CPP/QPP Offset**

CPP/QPP offset amount	\$124.50
25% proportioning factor	<u>    x 25%</u>
25% of CPP/QPP offset amount	= \$31.12

CPP/QPP offset amount	124.50
25% of CPP/QPP amount	<u>  - \$31.12</u>
CPP/QPP amount proportioned	= \$93.38

**Calculation of Proportioned Weekly Rate Entitlement**

Weekly compensation rate proportioned	\$261.20
CPP/QPP amount proportioned	<u>- \$93.38</u>
Weekly rate entitlement	\$167.82

**Reference:** Workplace Health, Safety and Compensation Act, Section 43.1  
Policy EN-01, Permanent Functional Impairment  
Policy EN-02 Proportionment

**Amendment History**

Original Effective Date	2001 06 01
Revision #1	2008 11 27
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