



TAC lump sum compensation due to permanent impairment

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If you have been injured in a transport accident in Victoria, you may be entitled to an impairment benefit [claim with the Transport Accident Commission \(TAC\)](#).

An impairment benefit claim is a lump sum payment made to an individual who has sustained a permanent and stable injury as a result of a transport accident. Should the individual succeed, they will receive compensation in the form of a lump sum.

Under the TAC guidelines, an impairment is deemed to be:

“a permanent physical condition, or a permanent psychological condition caused by your transport accident injuries”.

It's important to note that receiving an impairment benefit does not affect your entitlement to other TAC benefits, such as:

- [medical and like expenses](#);
- [weekly payments for loss of wages](#); or
- [common law compensation due to the negligence of another road user](#).

Who is eligible for a TAC impairment benefit?

If you've sustained a permanent injury as a result of a road accident, once your injury is considered stable (meaning it is not expected to improve or deteriorate significantly), you may be entitled to claim an impairment benefit.

Your degree of permanent impairment must be assessed by an Independent Medical Examiner (IME) to be 11% or higher to be eligible for lump sum compensation.

Can I combine multiple injuries to reach the 11% threshold?

If you have sustained multiple injuries in a transport accident, each injury will be individually assessed by an IME.

The assessments will measure the level of permanent impairment for each injury. These individual ratings are then combined using a standard formula to calculate your overall Whole Person Impairment (WPI) percentage. This final percentage determines your eligibility for a lump sum impairment benefit from the TAC.

Your **combined** injuries (physical and/or psychological) must be 11% or more for your impairment benefit claim to be successful.

What happens at an Independent Medical Examination?

Once you lodge an impairment benefit claim, the TAC will organise for you to have your impairment assessed by an IME. An IME is a doctor who is specially trained in assessing impairments.

IMEs ensure that specific guidelines prescribed by law are used when assessing an injury (physical and/or psychological) for an impairment benefit claim.

If you have sustained multiple injuries due to your transport accident, you will likely be assessed by a number of doctors who specialise in the injury type.

Once assessed, the independent medical examiner will determine whether your impairment is either:

- **Stable:** where the injury is not likely to improve or deteriorate over time regardless of treatment;
- **Not stable:** because further assessment is required after treatment, usually due to your prognosis being unknown; or
- **Substantially stable:** where the injury may improve or deteriorate, and therefore, further assessment is required.

You can read more about IMEs in our earlier blog, [“Independent Medical Examinations \(IME\) – WorkCover and TAC claims”](#).

What happens after the IME?

Once the assessments are done, each doctor sends their report directly to the TAC. These reports include a Whole Person Impairment (WPI) rating (percentage) for each injury.

TAC will review all medical reports and apply a standard formula to combine the impairment ratings into a single percentage. This combined WPI rating determines whether you're eligible (remember, it must be 11% or more) and how much lump sum compensation you are entitled to.

TAC will then send you (or your lawyer) a formal letter with their impairment benefit offer. The letter will include:

- your combined impairment percentage;
- the amount of compensation payable;
- instructions on how to accept the offer.

How much compensation is paid for a TAC impairment benefit?

The amount of compensation offered is determined by the percentage impairment using a table. Below are the rates as of July 2024. The figures are adjusted annually.

- 11% to 19% impairment: \$7,620 plus \$1,730 for each percentage point above 10%
- 20% to 49% Impairment: \$25,420 plus \$2,540 for each percentage point above 19%
- 50% to 59% impairment: \$102,140 plus \$2,960 for each percentage point above 49%
- 60% to 79% impairment: \$132,190 plus \$3,410 for each percentage point above 59%
- 80% to 89% impairment: \$203,400 plus \$6,750 for each percentage point above 79%
- 90% to 99% impairment: \$277,990 plus \$13,570 for each percentage point above 89%
- 100% impairment: \$427,160

If you do not have a lawyer when you receive an impairment benefit offer, it's important to seek legal advice before accepting that offer.

Often, the sum being offered may seem substantial. However, sometimes, claimants have not considered all the injuries they have (both physical and psychological). There may be permanent injuries that only reach an impairment rating of, say, 2% or 3% on their own, but these can be added to the total impairment rating. This, in turn, increases the overall compensation offer.

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Impairment benefit in relation to minors

If you were below the age of 18 when you were involved in a transport accident, you may be entitled to an impairment benefit claim. The TAC may assess a minor's claim once it has been 18 months since the date of the accident.

If the minor's impairment is assessed to be 11% or more, they may be able to receive weekly benefits from the TAC, the first payment starting 18 months after the accident until the minor turns 18 years of age. This payment will be paid to the parents or guardian for the benefit of the minor.

Should the condition of the impairment change, the benefit can be reassessed.

Who is not eligible for an impairment benefit claim?

As already indicated, if your percentage impairment is 10% or lower, you are ineligible for a TAC impairment benefit.

Further, if you are convicted of any of the following, you will not be eligible for an impairment benefit claim:

- Culpable driving as per the Crimes Act (1958);
- Failed to stop or remain stopped at a breath test station;
- Refusing to undertake a blood or breath test;
- Refusing to accompany an officer to a police station;
- Driving while under the influence of alcohol or drugs;
- Driving after consuming alcohol over the legal limit;
- Hindering or obstructing a doctor from undertaking a blood sample from others involved in the accident.

There may be other circumstances that could limit your eligibility for an impairment benefit. If, at any point during the claims process, there is doubt about your eligibility, you should seek legal advice.

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Can I receive part of my lump sum early?

The TAC may consider paying you an interim payment if you are likely to have an impairment benefit of 11% or more and your injuries are stable or substantially stable.

Are there time limits for claiming a TAC impairment benefit?

Individuals have six years from the date of the accident or the date of injury to put forward an impairment benefit claim.

If the impairment benefit claim is being made on behalf of a minor, you have six years starting from the date they turn 18 years of age.

Can I appeal an adverse decision about my TAC impairment claim?

Should you disagree with the decision made by the TAC, there are options available to you to appeal that decision.

TAC informal review

You can ask the TAC to review the decision using their internal dispute resolution mechanisms. You have 28 days from the date of the original decision to ask for a review.

Request a review by the Victorian Civil and Administrative Tribunal (VCAT). You can request a review of a TAC decision to VCAT. You have 12 months from the date of the adverse decision to request a review by VCAT.

Appeals of a TAC decision can be complex and complicated and legal advice is highly recommended before going down this road.

You can learn more about appealing an adverse decision in our earlier blog, [“Can I appeal a TAC decision I don’t agree with?”](#)

Get help from a TAC lawyer

If you have been injured as a result of a transport accident, make sure that Guardian Injury Law is your first point of contact to ensure that your decision is one that will benefit you. We'll make sure you receive **all** the compensation you deserve, not just what's offered to you in the first instance.

We offer a first free interview and 'no win no fee', so it costs you nothing to find out where you stand.

Contacting Guardian Injury Law

[1300 700 761](tel:1300700761)

enquiries@guardianinjurylaw.com.au

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