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WorkCover Indexation Increases from 1 July 2018.

(This information is provided by Janis Veldwyk)

As most employers are aware the indexation of weekly payment and the employer excess (threshold) occur on 1 July each year.

This year together with the indexation there have been amendments to the Workplace Injury Rehabilitation and Compensation Act 2013 which relate to retirement age (age up to which an employee is entitled to receive weekly compensation payments).

Weekly payments are usually based on the average of the ordinary earnings from the last 52 weeks. These are referred to as pre-injury average weekly earnings or PIAWE.

Periods of unpaid leave and weeks when the employee didn't work are not included in the calculation.

Pre-injury average weekly earnings can include:

- base rate of pay
- overtime and shift allowances for the first 52 weeks of weekly payments
- piece rates
- commissions
- the value of some non-financial benefits e.g. use of a motor vehicle, residential accommodation, education fees and health insurance
- the value of any part of your salary that the employee salary sacrifices.

Some entitlements like annual leave or long service leave may also impact the weekly payments.

Impact of a worker's capacity for work on weekly payments

Weekly payments are also influenced by the employee's current work capacity. This will say whether they can return to suitable employment, even if it's not the exact job that they were doing before the injury.

Weekly payments will be impacted by whether the employee has capacity to do some work or if they can't work at all.

No current work capacity

Number of weeks	Payments
First 13 weeks	95% of pre-injury average weekly earnings to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week).
14 weeks to 130 weeks	80% of the pre-injury average weekly earnings, to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week).
After 130 weeks**	80% of the pre-injury average weekly earnings to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week), if the employee still can't work and this isn't likely to change. Payments may continue until retirement age unless there is a change in the employee's capacity.

Some current work capacity

Number of weeks	Payments
First 13 weeks	<p>If the employee has returned to work – 95% of the pre-injury average weekly earnings to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week), minus what the employee is currently earning by working.</p> <p>If the employee has not yet returned to work – 95% of your pre-injury average weekly earnings, to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week).</p>
14 weeks to 130 weeks	<p>If the employee has returned to work – 80% of the pre-injury average weekly earnings, to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week), minus 80% of what the employee is currently earning by working.</p> <p>If the employee has not returned to work – 80% of your pre-injury average weekly earnings, to a maximum of twice the Victorian average weekly earnings (currently \$2200* a week).</p>
After 130 weeks Weekly payments can continue if: <ol style="list-style-type: none"> the employee has returned to work and is working at least 15 hours a week and earning \$199** or more a week; and because of their injury, the employee is likely to remain physically or mentally incapable of working beyond this level, in any job. 	80% of the employee's pre-injury average weekly earnings, to a maximum of twice the Victorian average weekly earnings (currently \$2310* a week), minus 80% of what they are currently earning by working.

Effect of the changes

* The maximum applies to those claims made on or after 5 April 2010. The figure is correct at 1 July 2018 - indexed annually.

** Correct as at 1 July 2018 - indexed annually.

The employer excess for claims for medical and like services has also been indexed to the first \$707.00.

This information is provided by WorkSafe Victoria.

In order to ascertain whether employees are entitled to Accident Pay (Make up pay) please refer to your relevant EBA or Award.

Janis Veldwyk can be contacted on 0411 075 895 or jveldwyk@cdassociates.com.au if you require any further information regarding WorkCover.

Clare Dewan
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