

WORKERS COMPENSATION – BENEFIT CALCULATION

First Entitlement Period / First 13 Weeks of Compensation	
No Current Work Capacity (NCWC):	95% of PIAWE
Current Work Capacity (CWC) and Return to Work (RTW) has been achieved:	95% of PIAWE less Current Weekly Earnings (CWE)
Current Work Capacity (CWC) and Return To Work (RTW) has NOT been achieved:	95% of PIAWE

Example of NCWC:

(1) If PIAWE is \$900, then:

$$\$900 \times 95\% = \$855$$

\$855 is the workers compensation payment. This amount will be reimbursed to the injury employer by Gallagher Bassett when the medical certificate and request for compensation has been received

Example of CWC & RTW:

(2) If PIAWE is \$900 and CWE is \$300, then:

$$\$900 \times 95\% = \$855$$

$$\$855 - \$300 = \$555$$

$$\$555 + \$300 = \$855$$

\$555 is the workers compensation payment. This amount will be reimbursed to the injury employer by Gallagher Bassett when the medical certificate and request for compensation has been received

\$855 is the total weekly payment the injury employer should pay to the injured worker. The payment includes the workers compensation payment and the current weekly earnings

Second Entitlement Period / Post 13 weeks until 130 Weeks	
No Current Work Capacity (NCWC):	80% of PIAWE
Current Work Capacity (CWC) and Return to Work (RTW) has been achieved:	Whichever is the lesser of: 80% of PIAWE less 80% Current Weekly Earnings (CWE) or \$1810* less 80% CWE
Current Work Capacity (CWC) and Return To Work (RTW) has NOT been achieved:	80% of PIAWE

* Statutory maximum of \$1810 is effective for claims lodged after 5 April 2010 (indexed annually)
Statutory maximum of \$1330 is effective for claims lodged prior to 5 April 2010

Example of NCC:

(1) If PIAWE is \$900, then:

$900 \times 80\% = \$720$

\$720 is the workers compensation payment. This amount will be reimbursed to the injury employer by Gallagher Bassett when the medical certificate and request for compensation has been received

Example of CWC & RTW:

(2) If PIAWE is \$900 and CWE is \$300, then:

$(900 \times 80\%) - (300 \times 80\%)$

$720 - 240 = \$480$

$480 + 300 = \$780$

\$480 is the workers compensation payment. This amount will be reimbursed to the injury employer by Gallagher Bassett when the medical certificate and request for compensation has been received

\$780 is the total weekly payment the injury employer should pay to the injured worker. The payment includes the workers compensation payment and the current weekly earnings

Example of CWC & RTW:
(Statutory Maximum applies)

(3) If PIAWE is \$2500 and CWE is \$1000, then:

$(2500 \times 80\%) - (1000 \times 80\%)$

~~(\$2000)~~ $1760 - 800 = \$960$

$960 + 1000 = \$1960$

\$960 is the workers compensation payment. This amount will be reimbursed to the injury employer by Gallagher Bassett when the medical certificate and request for compensation has been received

\$1960 is the total weekly payment the injury employer should pay to the injured worker. The payment includes the workers compensation payment and the current weekly earnings

After the Second Entitlement Period / 130 Weeks of Compensation	
No Capacity Indefinitely (NCI):	80% of PIAWE

Note: If a worker has a capacity for work, their entitlement to weekly compensation will be reviewed and a termination of entitlement may be issued at the 130th week. Alternatively, the worker's classification should be NCI.

Overtime & Shift Allowance
Irrespective of capacity, overtime and/or shift allowance will be included in the PIAWE calculation for the first 52 weeks of compensation only*

* For claims lodged after 5 April 2010
For claims lodged prior to 5 April 2010 the worker is entitled to overtime and/or shift allowance for 26 weeks

Example of Various Compensation Rates:

PIAWE: \$900

Overtime Allowance: \$200

Shift Allowance: \$100

Incapacity: Worker has been certified totally unfit and remains off work until week 40. The Injured worker returns to work for 25 hours a week and earns \$400 in current weekly earnings

Week 1 – 13	$\$1200 \times 95\% = \mathbf{\$1140}$
Week 14 – 40	$\$1200 \times 80\% = \mathbf{\$960}$
Week 40 - 52	$(\$1200 \times 80\%) - (\$400 \times 80\%) = \mathbf{\$640}$
Week 52 – 130	$(\$900 \times 80\%) - (\$400 \times 80\%) = \mathbf{\$400}$

} Dollar figures are the workers compensation payment rates only

Definitions			
NCWC	No Current Work Capacity. Incapacity definition should be obtained from the current certificate of capacity. "Unfit for all duties"	CWC	Current Work Capacity. Incapacity definition should be obtained from the current certificate of capacity. "Fit for modified" or "Fit for alternative" duties
Statutory Maximum	Effective 1 July each year, the statutory maximum for workers compensation payments is updated. Effective 1 July 2010, the statutory maximum is \$1810. Workers compensation payments cannot be greater than \$1810.	Make Up Pay	The calculations above do not include make up pay. Please refer to your employment agreement or industrial award to determine if employees qualify. If you must pay make up pay to injured workers, payments should be made in line with any such agreement.