

# calculating pre-injury average weekly earnings

**It is recommended the worker (or their representative):**

- 1 Complete this form, then forward one copy (with supporting documentation) to the scheme agent within 3 days of request (or sooner if possible).**
- 2 Provide another completed copy of this form to their employer for the provision of additional information and supporting documentation, who can then forward to the scheme agent as soon as possible.**

If a worker has more than one employer (at the time of injury), separate form/s should be completed by the worker, with their other employer/s, and forwarded to the scheme agent by the worker.

**This form has been developed to ensure all relevant earnings information is provided to the scheme agent where a worker has sustained incapacity as a result of their employment and has an entitlement to weekly payments. The information will assist the scheme agent to calculate the correct benefits payable in accordance with the provisions of the *Workers Compensation Act 1987*.**

If a worker is entitled to weekly compensation because they can't do their pre-injury job as a result of a work related injury or illness, those weekly payments are calculated by reference to the worker's Pre-Injury Average Weekly Earnings (PIAWE).

PIAWE comprises of two main components – ordinary earnings, and overtime and shift allowances.

**The main components of ordinary earnings include:**

- Earnings for the ordinary hours of work (established by a Fair Work instrument or contract of employment) or the actual earnings of the worker;
- Piece rates;
- Commissions;
- The value of non-pecuniary benefits, non-cash amounts (e.g. the use of a motor vehicle, residential accommodation, health insurance or education fees). It could be the fringe benefit tax component, or if not applicable, then an amount that is reasonably attributable to that benefit; and
- Any salary sacrificed amounts.

**The main components of overtime and shift allowances include:**

- Overtime amounts; and
- Shift allowances.

Employer superannuation contributions are not included in the calculation of PIAWE.

**PIAWE is the average of the weekly earnings over the 52 week period immediately prior to the injury, with the following exceptions:**

- If a worker has been employed for less than four weeks, PIAWE is calculated on the basis of the weekly earnings the worker could reasonably have expected to earn in that employment (if not for the injury) for the period of 52 weeks after the injury. In this case, discussion should be had with your scheme agent as to the nature of employment and your workplace in order to determine the information that should be provided.
- If a worker has been employed for 4 weeks or more but less than 52 weeks, PIAWE is calculated over the period of continuous employment in that role.

# calculating pre-injury average weekly earnings

- If a worker was promoted to a new role within the 52 weeks prior to injury, resulting in an increase in their earnings, PIAWE is calculated from the period of continuous employment since the promotion took effect.
- If a worker voluntarily changed their hours of work in the 52 weeks prior to injury, resulting in a reduction in their earnings, PIAWE is calculated over the period of continuous employment since the change in hours occurred.
- If immediately before the injury, the worker was not a full time worker, but at the time of injury was seeking full time employment AND in the previous 78 weeks had been predominantly a full time worker, PIAWE is calculated as the average weekly earnings with all employers over the 78 week period prior to injury.
- If a worker had been promoted (and this is confirmed in writing) to a new permanent position, which had not yet commenced at the time of injury, PIAWE is calculated as the average weekly earnings the worker could reasonably expected to have earned if they had been in that promoted role for the 52 weeks prior to the injury.

The calculation of ordinary earnings over the relevant period takes into account any weeks that the worker was on paid leave but does NOT include any weeks that the worker was on unpaid leave. For casual or seasonal workers, weeks not worked are also excluded.

The calculation of the shift and overtime component does NOT include any weeks that the worker was on unpaid leave and weeks containing paid leave, except annual leave. For casual or seasonal workers, weeks not worked are also excluded.

For workers who had been employed by two or more employers at the time of injury, there are special ways of calculating PIAWE. This is set out in a table in schedule 3 of the *Workers Compensation Act 1987*.

**Note:**

- There is a prescribed maximum weekly payment of compensation which is adjusted from time to time. Please refer to the *NSW Workers Compensation benefits Guide* for the published rates.
- There is a prescribed minimum PIAWE of \$155 per week.
- The PIAWE calculation may be different to the wages declared for the purposes of premium calculation.

Workers can apply for an alteration or review of their weekly payments in accordance with section 42(1) of the *Workers Compensation Act 1987*. They can use this form to support their application.

**Please state the reasons for the request for alteration of weekly payments (to be completed by worker).**

**Please ensure all sections are completed (place a line through sections which are not applicable). Missing information can result in payment delays and/or underpayments / overpayments to workers. The scheme agent can provide guidance if any questions are unclear.**

If you are unsure about the answer to a question, please indicate so that the scheme agent can investigate it further.

**1. EMPLOYER DETAILS**

Employer name

Claim number (if known)

Has the claim been made against this employer?

Yes

No

**2. WORKER DETAILS**

Worker name

Date of Birth

/ /

Employed since

/ /

Date of injury (if known)

/ /

Has employment been continuous since this time?

Yes

No

Unsure

If no, please provide reason

Occupation

Is the worker an apprentice / undergoing training or instruction to be able to continue to carry out their duties?

Yes

No

If yes, in what year?

Year One

Year Two

Year Three

Year Four

On what date do they progress to the next year?

/ /

If undergoing training or instruction, please provide details of training / instruction.

Does a Fair Work instrument apply to this worker's employment?

(E.g. award, enterprise bargaining agreement, employment contract etc.)

Yes

No

Unsure

If yes, what is the name of the award/EBA /employment contract / industrial instrument, if known?

Please provide a copy of the award/EBA /employment contract / industrial instrument to the scheme agent.





**7. NON-PECUNIARY BENEFITS**

Does the worker receive any non-pecuniary (non cash) benefits? Yes No **If no, continue to section 8.**

Were any of the following non-pecuniary benefits received as part of the worker’s pay? You may provide either the total Fringe Benefits Value or the total monetary value (if applicable), in the **52 weeks prior to the date of injury (or relevant period)**.

Use of a motor vehicle

Date commenced	Number of Weeks	Amount reasonably payable	Fringe Benefit Value (FBV)
/ /		\$	\$

Residential accommodation

Date commenced	Number of Weeks	Amount reasonably payable	Fringe Benefit Value (FBV)
/ /		\$	\$

Health insurance

Date commenced	Number of Weeks	Amount reasonably payable	Fringe Benefit Value (FBV)
/ /		\$	\$

Education fees

Date commenced	Number of Weeks	Amount reasonably payable	Fringe Benefit Value (FBV)
/ /		\$	\$

(\*Enter FBV or amount reasonably payable in total for the number of weeks received)

Will the worker continue to receive this benefit post injury?

Yes No Unsure

Please indicate what will discontinue?

**8. SALARY SACRIFICE**

Is any part of the weekly wage payment directed to another party (also known as salary sacrifice)? Yes No

**If no, continue to section 9.** If yes, please supply details:

Type	Amount reasonably payable	Fringe Benefit Value (FBV)
	\$	\$

(\*Either the value as a Fringe Benefit under the Commonwealth *Fringe Benefits Tax Assessment Act 1986*, or otherwise the amount reasonably payable in respect of a week)

Has this amount already been included in the ordinary gross earnings per week? (Refer to section 5)

Yes No Unsure

**9. OTHER EARNING DETAILS**

Does the worker have other employment? Yes No Unsure

**If no, continue to section 10.**

If yes, how many other employers does the worker have?

For all other employment, please give a “calculating pre-injury average weekly earnings’ (PIAWE) form to each of your other employer/s for completion.

**10. SELF EMPLOYMENT**

Is the worker self employed?            Yes            No

**If no, continue to section 11.**

Is the worker a sole trader?            Yes            No

Is the worker a working director        Yes            No

If yes, please provide a copy of tax return / group certificate / PAYG activity statements (if applicable)

**11. PRIVACY INFORMATION**

“I authorise and consent to the collection, use, disclosure and storage of the information provided in or with this form, for the purposes of investigating, verifying, managing and processing my claim for workers compensation.

I understand that this information will be used by icare and its agents to fulfill their functions under the workers compensation legislation in relation to my claim for compensation.”

**12. DECLARATION**

I have read the information provided in this form.

I declare that the information I have supplied in this form and any attachments to this form is true and correct and that no information has been suppressed or omitted from this form to the best of my knowledge.

I understand that the making of a false or misleading statement concerning a claim is punishable by law and that I may be prosecuted

Name:

Relationship to the injured worker (if not the injured worker):

Signature

Telephone:

Email

Date

/        /

Who completed the information?

Worker/Workers' representative only

Employer only

Both worker and employer

All relevant sections completed

All leave records attached

Copy of award/EBA / employment contract / industrial instrument supplied

Additional PIAWE forms completed for secondary employment/s

Copy of payslips / payroll records, including a list of all allowances received (if applicable)

Tax return / PAYG / group certificate provided (if applicable)

OFFICE USE ONLY

1. If the worker is an apprentice or required to undergo training/instruction/examination to continue working or less than 21 years of age, ensure PIAWE is recalculated when the worker would be scheduled to receive their annual pay increase. Refer to Schedule 3, *Workers Compensation Act 1987*.
2. The period of continuous employment immediately before the injury occurs is referred to as the relevant period. If the relevant period is:
  - Equal to 4 weeks or more, refer to s44D, *Workers Compensation Act 1987*.
  - If the relevant period is less than 4 weeks, refer to s44C(2), *Workers Compensation Act 1987*.
  - If the worker was not a full time worker and was seeking full time employment at the time of injury and had predominantly been working full time, refer to s44C(3).
  - If a worker has been advised they will be promoted or appointed to a new position that attracts a higher ordinary earnings, but this promotion has not yet occurred, refer to Schedule 3 item 9, *Workers Compensation Act 1987*.

Annualised EBA increases – are not considered a promotion, therefore the need to calculate the relevant period from the time of the EBA increase should not be undertaken. Wages are however averaged over the whole relevant period.

Permanent changes to working hours – the relevant period commences from the time the ordinary hours were changed (consider appointment to a different position, or return to work part time after maternity leave).

For a reduction in working hours/nature of work performed, any alterations must be voluntary. Refer to s44D, *Workers Compensation Act 1987*.

3. When calculating ordinary earnings, all paid leave is included when calculating the relevant period. Refer to s44C(1)(a), *Workers Compensation Act 1987*.

When calculating shift and overtime, paid annual leave is the only paid leave included when calculating the relevant period. Refer to s44C(6), *Workers Compensation Act 1987*.

If any type of “excluded” leave is taken in a given week, that whole week (and those earnings) should be excluded from the relevant period. Refer to s44C(1), *Workers Compensation Act 1987*.

Leave taken at half pay for periods during the relevant period is excluded from the relevant period.

4. Ordinary hours of work are either the hours agreed or outlined in a Fair Work instrument, or in any other case the worker’s average weekly hours during the relevant period, refer to s44H, *Workers Compensation Act 1987*.
5. Some allowances are excluded from the PIAWE calculation, unless they form part of the workers’ base rate of pay or are considered a shift allowance or overtime amount, refer to s44G(1) and s44C(1)(b), *Workers Compensation Act 1987*.

Shift allowances associated with the timing of shifts may be called different things e.g. shift loadings, weekend penalty rates, shift penalty rates.

6. Fringe Benefits Tax is payable on the non-pecuniary benefit, except for some residential accommodation or if the worker is working for a non-profit organisation.

If the worker retains the benefit post injury, the fringe benefit value or monetary value (if applicable) is included in the PIAWE calculation and then deducted as “D” from the weekly payment algorithm. If the benefit is not retained post injury, the fringe benefit value or monetary value (if applicable) is included in the PIAWE calculation, but “D” would be zero in the weekly payment algorithm.

7. Salary sacrificed amounts the employer is required to apply or deal with on behalf of the worker in accordance with the worker’s instructions, s44F(2) applies and the non-pecuniary benefit is the monetary value of the amount sacrificed from the worker’s remuneration, expressed as a weekly sum (providing it is not a base rate of pay exclusion).
8. Self employment – care should be taken when considering wage details. Examine the worker’s tax return/group certificate/PAYG activity statements when considering this information. Sole traders are not covered for workers compensation.
9. For all other employment a separate PIAWE form must be completed. Refer to Schedule 3, *Workers Compensation Act 1987*.
10. Any future pay increases identified in section 6 will need to be confirmed and current ordinary earnings compared with the indexed PIAWE on 1 April and 1 October each year.