

Four steps for a smooth workers' compensation policy renewal

WorkCover Queensland's workers' compensation policy renewal season starts 1 July. There are plenty of helpful tips and advice available to make calculating your clients' premiums easy and transparent.

Did you know it is compulsory for Queensland businesses to hold an accident insurance policy to cover against claim costs if a worker suffers a work-related injury?

While your clients' workers may never make a workers' compensation claim, providing accurate and timely wage information to WorkCover will give them peace of mind knowing you have secured adequate premium coverage.

WorkCover Queensland's Head of Premium and Investments, Robbie McLean, said it is important for accountants and their clients to understand who needs to be covered for workers' compensation and to ensure adequate coverage is in place.

"Employers who are underinsured (because wages have not been accurately declared) or uninsured (employing without a policy) are breaking the law and potentially exposing themselves to significant financial penalties.

"If these employers are subject to a workplace injury claim they could be facing significant commercial risk from claim costs of hundreds of thousands of dollars depending on the severity of the worker's injuries," Robbie said.

"Accountants have an opportunity to add value for their clients by ensuring they are aware of their legal obligations and demonstrating a duty of care to their workers."

Here's four simple tips from WorkCover to help you accurately calculate premium and ensure your workers are covered.

Step 1 – Determine who you need to cover

WorkCover's accident insurance policy covers any worker your clients employ and insures them against the cost of any claims for work-related injuries.

The *Workers' Compensation and Rehabilitation Act 2003* (the Act) states that only an individual can be a worker. That means a person who works under a 'contract of service' is a worker. A large part of the workforce works under a contract of service — it is a standard employer and employee relationship.

If you are unsure whether the people your clients engage are considered 'workers', WorkCover offers a range of online tools, including the ATO decision tool and worker determination tests, to help get the answers you need. To find out more, simply search for 'who should I cover?' at [worksafe.qld.gov.au](https://www.worksafe.qld.gov.au) for more information.

Step 2 – Determine what payments to workers are included

When calculating premium, WorkCover needs the actual wages your clients paid during the last financial year and the estimated wages they expect to pay in the next financial year.

You also need to declare the following payments made to your clients' workers as wages:

- Total of all PAYG gross salary and wage payments
- All superannuation payments, including super salary sacrifice

- Any fringe benefits or other entitlements having a monetary value
- Total of all individual contractors deemed workers (excluding GST).

Step 3 – Determine what payments to workers are excluded

These payments are not assessable and must be excluded from your wages declaration:

- All payments to, or in respect of, Directors / Trustees / Partners, as these people are not covered by the employer's policy.
- Any allowances or expenses reimbursed for work related expenses
- Lump sum termination payments
- Excess period payments
- Compensation payments reimbursed by WorkCover

If you need help with declaring payments to workers, simply search for 'wages definition manual' at worksafe.qld.gov.au for more information.

Step 4 – Declaring wages

Businesses can start declaring actual wages for 2018–2019 and provisional wages for 2019–2020 from **1 July until 31 August 2019**.

Our easy 'step-by-step' online renewal option can help you declare the correct wages for your clients. It also offers a range of flexible premium payment options.

You can renew your clients' policies by calling WorkCover on 1300 362 128 to declare wages. If you prefer to retain hard copy records of your premium calculations, simply search for 'wages declaration working sheet' at worksafe.qld.gov.au for details.

Premium discounts available

Employers who renew by 31 August and pay their premium in full by 16 September 2019 can benefit from a 5% early payment discount (for premium over \$200).

WorkCover offers a range of flexible interest free payment plans to make it easier to pay premium through instalments.

Wages paid to apprentices during the course of their apprenticeship will not be included in premium calculation — this means businesses employing apprentices will receive a premium discount. To take advantage of this discount, simply renew online or call us on 1300 362 128.

Quick and easy online services and helpful advice

You can apply for a policy on behalf of your clients, learn how premium is calculated or view the last five years of your clients' claim history at any time via our quick and easy to use online services.

For information on renewing accident insurance policies, declaring wages and definition of a worker, visit the *Insurance* section on worksafe.qld.gov.au for details.

Or call us on 1300 362 128 and talk to us about taking out or renewing your policy —we're here to help.
