

# NSW Workers' Compensation Policy Renewal Pack

## Important Information

Thank you for taking the time to carefully read this page before completing your **Workers' Compensation Policy** renewal. You will notice that the Renewal Forms have changed, this is to make it easier for you to complete and to ensure that we are able to process your renewal more efficiently.

There are four simple steps to filling out the renewal form, it is very important that you complete ALL parts of each step.

# 1

### Step 1

#### Part 1 – Employer's Details

If any of the details in this part have changed please provide your new information in the box provided.

#### Part 4 – Grouping of Related Employers

Please answer all questions in this part.

Step 1 completed

# 2

### Step 2

#### Part 2 – Estimated Wages

Please advise the estimated amount that your business will pay out in wages and benefits during the *coming* term of the policy and **sign**. Please include all Apprenticeship wages in the Section provided.

#### Part 2 – Actual Wages

Please advise the amount your business has paid in wages and benefits during the *previous* term of the policy.

Step 2 completed

# 3

### Step 3

#### Part 3 – Business Activity

Please provide a clear description of your business activity and the goods/services you produce/handle/supply.

You will also find enclosed a Business Activity Details form which will help us to categorise your business more accurately. Please also complete and return this form.

If your business activity does not fall into one of the eight groups defined, then tick “other” and provide as much additional information about your business as possible.

Feel free to include any brochures or your website address.

Step 3 completed

# 4

### Step 4

#### Part 5 and 6 – Declaration by Employer or their Authorised Representative

In this section we ask that you verify and **sign** your wages declarations. Without this signature we cannot process your forms and it may AFFECT YOUR PREMIUM.

Step 4 completed

For further help in completing your Renewal Forms please check out the FAQ's over the page or visit our website at [www.allianz.com.au](http://www.allianz.com.au) or contact one of our helpful representatives on 1300 130 664.

## Frequently Asked Questions

Here are some Questions and Answers to help you complete your NSW Workers' Compensation Renewal Form.

**Q: What happens if I don't complete all parts of my renewal form?**

A: There will be a delay in processing your forms. We will then be required to process your renewal with a premium based on the previous year's wages plus a 30% penalty loading.

**Q: Why do I need to complete my business activity every year?**

A: Because we want to ensure that we calculate your premium correctly, taking into account any changes in your business as well as any refinements to WorkCover NSW business classification rules.

**Q: What is meant by 'goods handling'?**

A: 'Goods handling' means handling the product, either manually or mechanically. For example, goods stored in a warehouse and products moved with a forklift.

**Q: Do I need to declare Contractors?**

A: Yes. But you do not need to declare contractors covered under their own Workers' Compensation Insurance. For further information please refer to 'Definition of Wages' Manual available at [www.allianz.com.au](http://www.allianz.com.au)

**Q: If my Apprentices' wages are no longer used to calculate premium, why do I need to declare them?**

A: You will need to declare your apprentices' wages to ensure you are receiving the correct premium. The savings will be shown on your Tax Invoice.

**Q: Can I cancel my policy if I no longer have any employees?**

A: No, because your business is still operating and you may resume employing. It is not possible to cancel your policy for this reason until the end of the policy period. You must inform us of your intention to cancel in writing, before 4pm on the day of expiry.

**Q: Do I really get a Discount if I pay my premium annually?**

A: Yes! If you pay your full premium in a single lump sum, and on time, you will receive a discount.

## And some general Questions and Answers about NSW Workers' Compensation.

**Q: I am a principal contractor. What are my obligations?**

A: From 1st July 2003 principal contractors are required to check that their subcontractors have proper Workers' Compensation Insurance. To protect themselves, principal contractors must have:

- A copy of the subcontractor's current 'Certificate of Currency'
- A written statement from the subcontractor that all applicable premiums have been paid (until this statement is received the principal contractor may withhold payment without penalty)

Otherwise the principal contractor may be liable for premiums owing by contractors in connection with services performed on behalf of the principal.

**Q: What Is ITC?**

A: This is 'Income Tax Credit'. It is the amount of GST you may claim back (Please ask your Accountant for clarification if you have questions about ITC). It is important that you complete this part of your form correctly.

**Q: What are the methods of payment?**

A: From the 30th June 2007, you may pay the following ways: Cheque, B-Pay, Direct Deposit and Direct Debit. For Direct Debit, please complete our Authority form for Renewal Premiums only.

**Q: When can I cancel my policy?**

A: You can cancel your policy at any time if you have **ceased trading** or **sold** your business. For any other reason it is only possible to cancel (or lapse) your policy at the end of the policy period by informing us in writing before 4pm on the day of expiry.

**Q: Can I pay by instalments?**

A: Yes, from the 30th June 2007, if your basic tariff premium is over \$1000 and your policy is for a 12-month period, you may pay quarterly instalments. If your basic tariff premium is over \$5000 and your policy is for a 12-month period, you may pay monthly instalments.

For further help in completing your Renewal Forms please visit our website at [www.allianz.com.au](http://www.allianz.com.au) or contact one of our helpful representatives on 1300 130 664.

Policy number

Period of insurance

From  /  /  To  /  /

**WORKERS COMPENSATION ACT 1987**

# DECLARATION OF ESTIMATED WAGES

This form is to be used to provide an update of details for the renewal of the policy of insurance for the period stated above.

Please complete this form in BLOCK letters and use a black pen. If further space is required, attach a separate page.

**Form Return Date:** This form is to be completed and returned to your Scheme Agent no later than  /  / . If the Return Date is blank, please note that in accordance with the *Workers Compensation Regulation 2003*, this form must be completed and returned to your Scheme Agent within two months of policy commencement. Failure to return the completed form in this timeframe will result in your policy being automatically renewed, with the renewal premium calculated using a 30% penalty loading on last year's estimated wages. If you wish to cancel your policy you are required by legislation to notify your Scheme Agent in writing before the expiration of the current period of insurance.

## 1 EMPLOYER'S DETAILS

Legal name of employer

(Your legal name may be different from your trading name. Give Company name, Sole Trader or Partners' full names. If a trust give the name of the trustee and the trust)

  
  
  


Trading name

  
  
  


ABN

ACN/ARBN

Location of business premises

Street

Suburb

Postcode

Postal address (if different from business premises)  
(PO Box or Street address)

Suburb

Postcode

Contact person

Phone

Work

Mobile

Fax

Email

Are you registered for GST?

Yes  No

If you are registered for GST, can you claim back 100% of the GST from the ATO in your BAS return (ie. your input tax credit entitlement is 100%)?

Yes  No

If No, specify your reduced input tax credit entitlement

%

## 2 ESTIMATED WAGES FOR THE PERIOD OF INSURANCE

If you are engaged in separate and distinct businesses, provide separate details of wages for each business activity in the section below. Note: If the estimated wages for all your workers total \$7500 or less per financial year you are no longer required to hold workers compensation insurance, except where you engage an apprentice and/or a trainee and/or are a member of a Group. For an explanation as to what gross wages specifically comprises refer to note under WAGES in DEFINITIONS.

### A. Direct workers

Description of work performed	Total no. of workers (including apprentices)	Total gross wages (\$) (including apprentices)	Agent use WIC code

### B. Details of apprentices – included above (see note under APPRENTICE INCENTIVE SCHEME in DEFINITIONS)

Description of work performed	Total no. of apprentices	Total gross apprentice wages (\$)	Agent use WIC code

## 2 ESTIMATED WAGES FOR THE PERIOD OF INSURANCE (cont.)

Policy number

### C. Contract workers who are deemed to be your employees

(see note under CONTRACTOR in DEFINITIONS) - record the full contract value in column (3). Do not include any GST payable in this figure. For the purposes of calculating contractor remuneration, enter further details re the breakdown of the full contract value into the \$ value of labour and other components (if known) into the applicable column/s (4), (5), (6) and/or (7). If these amounts are not known, place an 'X' in the column/s indicating the components included in the contract without providing \$ figures. DO NOT reduce the amount to reflect the standard default percentages referred to in the *Wages Definition Manual*. The agent will apply the default percentages as appropriate.

(1) Description of work performed	(2) Total no. of contract workers	(3) Full contract value (\$)	(4) Labour only (\$)	(5) Labour and tools (\$)	(6) Labour and plant (\$)	(7) Labour, plant and materials (\$)	(8) Agent use WIC code
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	

### D. Non-wage based business activities

No. of per capita units	Description - eg. taxi plates, rides, bouts, games, etc.

If you are a taxi operator, you will need to provide the following additional information: a list of plate/s held at the beginning of the period of insurance (including plate number/s), purchase/sale dates of any plate/s that have changed hands in both the previous and current 12 months, indicate if plate/s are metropolitan or country, and the average number of bailee shifts/week per plate. Please provide this information on a separate sheet and attach to this form.

## 3 BUSINESS ACTIVITY

Please provide a clear description of your business activity and the goods/services you produce/handle/supply

## 4 GROUPING OF RELATED EMPLOYERS

### A - Grouping details

Are you a member of a Group that pays combined wages in excess of \$600,000 in New South Wales? (see note under GROUPING OF RELATED EMPLOYERS in DEFINITIONS)  Yes  No

If No, proceed to Section 5 CERTIFICATE OF CURRENCY OPTION

If Yes, have you registered with WorkCover as a member of a Group?  Yes  No

If Yes, what is your Group Number?

If you are a member of a Group and have not registered, contact WorkCover on 13 10 50

### B - Group changes including business acquisitions

Have any related employers left or joined the Group during the relevant period of insurance?  Yes  No

Have you purchased or taken over another company or part thereof within the last period of insurance?  Yes  No

If Yes to either of the above, provide details below. If insufficient space please attach a separate sheet.

Name of organisation that left/joined/was purchased	
ABN	
Scheme Agent	
Policy Number	
Policy Renewal Date	
Date left/joined/purchased (circle applicable category)	

## 5 CERTIFICATE OF CURRENCY OPTION

Do you require a Certificate of Currency to be issued based on the information you have provided in this Declaration of Estimated Wages?  Yes  No

### E. Asbestos

(see note under ASBESTOS in DEFINITIONS)

Do you anticipate any of your workers in the course of their employment will handle or become exposed to products containing asbestos?  Yes  No

If you answered Yes, provide details of the activity/activities in which the worker/s will be exposed to asbestos containing products. If insufficient space please attach a separate sheet.

If Yes, estimate the above worker's total gross wages for the relevant period of exposure to asbestos.

\$

These wages must also be included in A and/or C above. In which industry are they employed?

## 6 DECLARATION BY EMPLOYER OR THEIR AUTHORISED REPRESENTATIVE

I, \_\_\_\_\_ PRINT NAME

- declare that the information provided in this renewal and any attachments is true, correct and complete
- declare that no information has been suppressed or omitted from this renewal
- agree to supply a correct declaration of actual wages paid at the expiry of the period of insurance to allow an accurate calculation of premium. I understand the declaration of actual wages may result in further premium payable or a refund of premium paid
- acknowledge that the terms and conditions of the policy are as prescribed by Form 3 of Schedule 1 of the *Workers Compensation Regulation 2003*
- acknowledge that the Premium Forms Definitions supplement has been provided to me
- consent to the information provided in this form, and any further information provided, be used for the purpose of evaluating and administering the employer's workers compensation policy, and any related purpose
- am authorised by the employer to complete this form and sign this declaration on behalf of the employer.

Penalties may apply for providing false, misleading or incomplete information.

Signature of person authorised to act on behalf of employer

Date

/   /

Position

## DEFINITIONS

To assist employers to complete this form a PREMIUM FORMS DEFINITIONS supplement is available separately. The DEFINITIONS supplement is common to the Insurance Proposal, Declaration of Estimated Wages, Declaration of Actual Wages and Request for Certificate of Currency and Statement of Wages forms. Please contact your Scheme Agent for the DEFINITIONS supplement if it has not been provided with this form. Employers are required to acknowledge that they have obtained the DEFINITIONS supplement when completing this form.

## DISCLAIMER

This form provides information and may refer to some of your obligations under the various workers compensation and occupational health and safety legislation that WorkCover NSW administers. To ensure you comply with your legal obligations you must refer to the appropriate Acts and regulations at [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)

# Business Activity Details

Only complete the parts relevant to your organisation.

## Agriculture

### Farming, Forestry and Fishing

Please provide a description of your business activity.  
If you are involved in more than one activity, e.g. beef farming and sheep farming, please advise percentage of wages paid to each activity.

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Are you only growing crops to feed your own stock?

Yes  No

## Community Services

### Education

Which type of educational services are you providing?  
e.g. primary, secondary, tertiary, tutors, driving school, etc.

\_\_\_\_\_  
\_\_\_\_\_

### Preschool and Childcare Services

Which services do you provide?  
e.g. childcare, day care services, preschool, etc.

\_\_\_\_\_  
\_\_\_\_\_

### Health (including Aged & Community Care)

Which services do you provide?  
e.g. GP/specialist, aged accommodation, ambulance, optometry, pathology, etc.

\_\_\_\_\_  
\_\_\_\_\_

Residential  Non-residential

### Cultural Services

Which type of services are you providing, please specify?  
e.g. library, museum, theatre production, etc.

\_\_\_\_\_  
\_\_\_\_\_

## Construction

### Building Construction

What do you build?

Please complete below part in regards to building type and time spent.

<input type="checkbox"/> Residential 1 to 3 storeys	_____ %
<input type="checkbox"/> Residential 3+ storeys	_____ %
<input type="checkbox"/> Commercial	_____ %

Construction continued

### Non-Building Construction

Please specify if you are involved in non-building construction  
e.g. cable laying, swimming pools, roads, dams, etc.

\_\_\_\_\_  
\_\_\_\_\_

### Trade Services

Which trade do you provide?  
e.g. electrical contracting, plumbing services, etc.

\_\_\_\_\_  
\_\_\_\_\_

### Concreting

Please advise type of concreting undertaken.  
e.g. kerbs, gutters, footpaths, housing foundations, drilling or cutting, formwork, etc.

\_\_\_\_\_  
\_\_\_\_\_

### Machinery and Equipment Hire

Which type(s) of machinery and/or equipment do you hire out?

\_\_\_\_\_  
\_\_\_\_\_

Do you hire the goods with or without operators?

With operators  Without operators

Which industries do you hire to?

\_\_\_\_\_  
\_\_\_\_\_

## Entertainment

### Hospitality

Please tick appropriate boxes to describe your business.

Hotel Motel

drinking mainly  accommodation mainly

Food services

dine in mainly  takeaway mainly

Clubs

licensed  not licensed

Other e.g. catering services

\_\_\_\_\_  
\_\_\_\_\_

### Sport and Recreation

Which type of services are you providing, please specify?  
e.g. sports grounds facilities, coaching, sporting clubs, etc.

\_\_\_\_\_  
\_\_\_\_\_

# Business Activity Details continued

Policy Number \_\_\_\_\_

Only complete the parts relevant to your organisation.

## Financial and Business Services

### Accountants, etc

Which services are you providing?

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### Consultants

Which consulting services do you provide?  
e.g. IT consultant, etc.

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**Property Services** Please tick appropriate box  
Strata Schemes

<input type="checkbox"/> commercial	<input type="checkbox"/> residential?
Property Operators/Developers	
<input type="checkbox"/> commercial	<input type="checkbox"/> residential?
Real Estate Agent	<input type="checkbox"/>
Other e.g. body corporate	<input type="checkbox"/>

### Finance and Insurance

Which types of services do you provide?

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## Manufacturing (including Assembly)

What product(s) are you manufacturing?

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What materials are the product(s) made from?

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How are the products made? e.g. blow moulded, etc.

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What are your products used for?

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## Retail

Please advise what type(s) of goods are being retailed?

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## Wholesale

Which product(s) do you sell?

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Do you handle the goods?

Yes  No

## Transport and Storage

### Road Transport

What type of vehicle do you use?  
e.g. tipper truck, prime mover, bus, etc.

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Average round trip?

less than 500km  more than 500km

Do you or your employees load and/or unload?

Yes  No

What do you transport? e.g. goods, sand, cement, etc.

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### Taxis

Please advise plate type.

T Plate  TC Plate  HC Plate

Water Transport

Air Transport

### Storage

What type of goods are you storing? e.g. grain, furniture, etc.

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Is this a self storage operation?

Yes  No

Do you and/or your employees assist your customers with the storage of the goods?

Yes  No

## Other Please give a detailed description

Which business are you in?

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What products do you make?

---



---

Which services do you provide?

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Policy number

Period of insurance

From  /  /  To  /  /

**WORKERS COMPENSATION ACT 1987**

# DECLARATION OF ACTUAL WAGES

This form is to be used to declare the actual wages paid during the period of insurance stated above.

Please complete this form in BLOCK letters and use a black pen. If further space is required, attach a separate page.

**Form Return Date:** This form is to be completed and returned to your Scheme Agent no later than  /  / . If the Return Date is blank, please note that in accordance with the *Workers Compensation Regulation 2003*, this form must be completed and returned to your Scheme Agent within two months, following the end of the insurance period. If you wish to cancel your policy you are required by legislation to notify your Scheme Agent in writing before the expiration of the current period of insurance.

## 1 EMPLOYER'S DETAILS

Legal name of employer

(Your legal name may be different from your trading name. Give Company name, Sole Trader or Partners' full names. If a trust give the name of the trustee and the trust)

Trading name

ABN

ACN/ARBN

Location of business premises

Street

Suburb

Postcode

Postal address (if different from business premises)

(PO Box or Street address)

Suburb

Postcode

Contact person

Phone

Work

Mobile

Fax

Email

## 2 ACTUAL WAGES FOR THE PERIOD OF INSURANCE

If you are engaged in separate and distinct businesses, provide separate details of wages for each business activity in the section below. If no wages have been paid for the period, please indicate this by inserting the words "Nil Wages". Note: If the actual wages for all your workers total \$7500 or less per financial year, you are no longer required to hold workers compensation insurance, except where you engage an apprentice and/or a trainee, and/or are a member of a Group. For an explanation as to what gross wages specifically comprises refer to note under WAGES in DEFINITIONS.

### A. Direct workers

Description of work performed	Total no. of workers (including apprentices)	Total gross wages (\$) (including apprentices)	Agent use WIC code

### B. Details of apprentices – included above (see note under APPRENTICE INCENTIVE SCHEME in DEFINITIONS)

Description of work performed	Total no. of apprentices	Total gross apprentice wages (\$)	Agent use WIC code



## 2 ACTUAL WAGES FOR THE PERIOD OF INSURANCE (cont.)

Policy number

### C. Contract workers who are deemed to be your employees

(see note under CONTRACTOR in DEFINITIONS) - record the full contract value in column (3). Do not include any GST payable in this figure. For the purposes of calculating contractor remuneration, enter further details re the breakdown of the full contract value into the \$ value of labour and other components (if known) into the applicable column/s (4), (5), (6) and/or (7). If these amounts are not known, place an 'X' in the column/s indicating the components included in the contract without providing \$ figures. DO NOT reduce the amount to reflect the standard default percentages referred to in the *Wages Definition Manual*. The agent will apply the default percentages as appropriate.

(1) Description of work performed	(2) Total no. of contract workers	(3) Full contract value (\$)	(4) Labour only (\$)	(5) Labour and tools (\$)	(6) Labour and plant (\$)	(7) Labour, plant and materials (\$)	(8) Agent use WIC code
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	

### D. Non-wage based business activities

No. of per capita units	Description - eg. taxi plates, rides, bouts, games, etc.

If you are a taxi operator, you will need to provide the following additional information: a list of plate/s held at the beginning of the period of insurance (including plate number/s), purchase/sale dates of any plate/s that have changed hands in both the previous and current 12 months, indicate if plate/s are metropolitan or country, and the average number of bailee shifts/week per plate. Please provide this information on a separate sheet and attach to this form.

## 3 BUSINESS ACTIVITY

Please provide a clear description of your business activity and the goods/services you produce/handle/supply

## 4 GROUPING OF RELATED EMPLOYERS

### A - Grouping details

Are you a member of a Group that pays combined wages in excess of \$600,000 in New South Wales?  Yes  No  
(see note under GROUPING OF RELATED EMPLOYERS in DEFINITIONS)

If No, complete the declaration (section 5).

If Yes, have you registered with WorkCover as a member of a Group?  Yes  No

If Yes, what is your Group Number?

If you are a member of a Group and have not registered, contact WorkCover on 13 10 50

### B - Group changes including business acquisitions

Have any related employers left or joined the Group during the relevant period of insurance?  Yes  No

Have you purchased or taken over another company or part thereof within the last period of insurance?  Yes  No

If Yes to either of the above, provide details below. If insufficient space please attach a separate sheet.

Name of organisation that left/joined/was purchased	
ABN	
Scheme Agent	
Policy Number	
Policy Renewal Date	
Date left/joined/purchased (circle applicable category)	

### E. Asbestos

(see note under ASBESTOS in DEFINITIONS)

Do you anticipate any of your workers in the course of their employment will handle or become exposed to products containing asbestos?  Yes  No

If you answered Yes, provide details of the activity/activities in which the worker/s was exposed to asbestos containing products. If insufficient space please attach a separate sheet.

If Yes, estimate the above worker's total gross wages for the relevant period of exposure to asbestos.

 \$

These wages must also be included in A and/or C above. In which industry are they employed?

## 5 DECLARATION BY EMPLOYER OR THEIR AUTHORISED REPRESENTATIVE

I, \_\_\_\_\_ PRINT NAME

- declare that the wages declaration which states the total wages paid to workers, details of apprentice wages, a description of the business activities and the number of workers employed for the period of insurance outlined above is made in accordance with the records required to be kept under the *Workers Compensation Act 1987*
- acknowledge that the Premium Forms Definitions supplement has been provided to me
- consent to the information provided in this form, and any further information provided, be used for the purpose of evaluating and administering the employer's workers compensation policy, and any related purpose
- am authorised by the employer to complete this form and sign this declaration on behalf of the employer.

**Penalties may apply for providing false, misleading or incomplete information.**

Signature of person authorised to act on behalf of employer

Date

 /  / 

Position

## DEFINITIONS

To assist employers to complete this form a PREMIUM FORMS DEFINITIONS supplement is available separately. The DEFINITIONS supplement is common to the Insurance Proposal, Declaration of Estimated Wages, Declaration of Actual Wages and Request for Certificate of Currency and Statement of Wages forms. Please contact your Scheme Agent for the DEFINITIONS supplement if it has not been provided with this form. Employers are required to acknowledge that they have obtained the DEFINITIONS supplement when completing this form.

## DISCLAIMER

This form provides information and may refer to some of your obligations under the various workers compensation and occupational health and safety legislation that WorkCover NSW administers. To ensure you comply with your legal obligations you must refer to the appropriate Acts and regulations at [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)



## WORKERS COMPENSATION ACT 1987

# PREMIUM FORMS DEFINITIONS

This DEFINITIONS supplement is common to the Insurance Proposal, Declaration of Estimated Wages, Declaration of Actual Wages and Request for Certificate of Currency and Statement of Wages forms.

The DEFINITIONS supplement is provided by the Scheme Agent to assist employers complete the forms. Employers are required to acknowledge that they have obtained the DEFINITIONS supplement when completing the forms.

### RECORDS

Section 174 of the *Workers Compensation Amendment Act 1987* (the Act) requires an employer to keep correct records of all wages paid to their workers as well as the trade or occupation of each worker. Section 174(2) of the Act stipulates that the employer is to retain these records in good order and condition for at least 5 years after the last entry is made in the record.

### INPUT TAX CREDIT ENTITLEMENT

If you are registered for GST and you are entitled to claim back all the GST on your premium from the ATO in your business activity statement (BAS) return, you have a 100% input tax credit entitlement. Some employers such as banks or financial service providers are input taxed and only able to claim back a portion of the GST from the ATO. Those entities have a 'reduced input tax credit entitlement' and are required to note this percentage on the form. In the event of non-notification of a lower input tax credit entitlement, the premium will be based on a 100% entitlement.

### WAGES

Gross wages includes total gross earnings (before tax deductions) and some payments that are not generally thought of as wages.

It includes, but is not limited to:

- salary/wages
- overtime, shift and other allowances
- over-award payments
- bonuses, commissions
- payments to working directors (including directors' fees)
- payments to certain contractors
- payments to pieceworkers
- payments for sick leave, public holidays and the associated leave loadings
- value of any substitutes for wages
- grossed-up value of fringe benefits (allowances subject to fringe benefits tax are counted at the grossed-up value, that is the value of the benefit multiplied by the relevant Australian Tax Office benefit formula)\*
- trust distributions to workers where the distribution is in lieu of wages for work done for the trust.
- employer superannuation contributions (including the superannuation guarantee levy)
- long service payments (including lump sum payments instead of long service leave)
- termination payments (lump sum payments in respect of annual leave, long service leave, sick leave and related leave loadings).

It does not include:

- directors' fees paid to non-working directors
- compensation under the *Workers Compensation Act 1987*
- any GST component in a payment to a worker.

\* Non-profit organisations, public benevolent institutions (PBIs) and charities should continue to declare worker benefits that aren't subject to fringe benefits tax at the net value. Once the worker benefits exceed the Australian Tax Office fringe benefit threshold, the employer must declare the benefit at the grossed-up value.

For further information refer to the *WorkCover Wages Definition Manual*, available as a Publication from WorkCover's website.

### WORKER

A 'worker' is any person who has entered into, or who works under, a contract of service or apprenticeship with an employer (whether by way of manual labour, clerical work or otherwise, and whether the contract is expressed or implied, and whether the contract is verbal or in writing).

An injured worker is only eligible to claim workers compensation in NSW when they have a 'State of Connection' that is NSW. A worker's 'State of Connection' is determined using the following tests.

- test A – the State in which the worker usually works in that employment
- test B – if no State is identified by test A, the State in which the worker is usually based for the purposes of that employment
- test C – if no State is identified by test A or B, the State in which the employer's principal place of business in Australia is located.

If it is determined that NSW is a worker's 'State of Connection' their wages must be declared for NSW premium calculation purposes and they must be covered under their employer's NSW workers compensation policy, unless their employer's NSW workers combined wages are \$7500 or less per financial year, in which case the employer is not required to hold a policy. The exception is those employers who engage an apprentice/trainee and/or are a member of a Group, in which case a workers compensation policy is required regardless of the estimated wages total.

### APPRENTICE INCENTIVE SCHEME

The *Growing Our Skills Base: Apprentice Incentive Scheme* provides a premium reduction for employers of apprentices.

For new or renewed policies commencing on or after 31 December 2006, the wages you pay to an apprentice will be used to calculate your premium reduction.

To be eligible you must have entered into a NSW Department of Education and Training (NSW DET) approved 'Training Contract' with the apprentice in a designated trade vocation and the apprentice identified in the training contract. [Note the reduction is available only to these apprentices and not to NSW DET recognised traineeships].

From 31 December 2006, when renewing or obtaining a new workers compensation policy, you are required to declare the amount of wages you pay your apprentice(s) and the industry in which they work separately from wages to other workers. This will allow your Scheme Agent to calculate your premium reduction.

You will need to retain your apprentice wages records, as well as your Apprentice Training Contract and letter from the Department of Education and Training advising that the application for the training contract has been approved. These documents will need to be produced in the event of a wage audit.

For further information contact: your workers compensation Scheme Agent, the WorkCover Information Centre on 13 10 50 or visit [www.workcover.nsw.gov.au](http://www.workcover.nsw.gov.au) [Enter "Apprentice" under the Search facility for Fact Sheets and FAQs on the Apprentice Incentive Scheme].

### CONTRACTOR

Some people working as contractors are also treated as workers for workers compensation purposes, depending on the individual circumstances. This means that if there is a workplace injury the contractor may be entitled to receive workers compensation. The law refers to these contractors as 'deemed workers'. For this reason, their employer (or principal) must declare any payments made as wages and cover them for workers compensation if the total estimated wages for all that employer's NSW workers combined is greater than \$7500 per financial year (unless employing an apprentice and/or a trainee and/or are a member of a Group in which case the \$7500 exemption does not apply). For further information see [www.workcover.nsw.gov.au/WorkersCompensation/InsurancePolicies/PrincipalContractors](http://www.workcover.nsw.gov.au/WorkersCompensation/InsurancePolicies/PrincipalContractors)

Under workers compensation law, a principal contractor is anyone who enters into a contract with another person (subcontractor) to carry out work. A principal may be liable to pay workers compensation to workers employed by subcontractors if a subcontractor was required to have a policy and does not have one and there is a workplace injury. Further, a principal contractor may be liable for their subcontractor's unpaid premiums if they fail to check that their subcontractors are properly insured (this law only applies when a subcontractor is engaged to carry out work relating to the business of the principal).

Principal contractors should check that their subcontractors have signed a statement that there are no outstanding liabilities and that all workers compensation premiums applicable for that work have been paid. If the subcontractor is required to have a policy they should also have a Certificate of Currency in which they:

- are classified in the correct industry
- have declared an appropriate amount of wages for their insurance cover.

### WORKER STATUS SERVICE & PRIVATE RULINGS

WorkCover NSW provides assistance to employers through the Worker Status Service to help them determine whether a person is a worker or contractor for premium calculation purposes.

Employers can contact the Worker Status Service to discuss their particular situation or use the tools provided. These tools include a self-assessment tool, which is a simple, anonymous tool that can provide clarity on whether a person is a worker or contractor. This tool also may help an employer decide whether they wish to lodge an application for a private ruling. The self-assessment tool is a guide only and not a binding ruling.

A private ruling is a binding notice from WorkCover that states whether a person is a worker or contractor. A private ruling is only relevant for the circumstances described by the employer in their application and does not impact upon a person's ability to lodge a workers compensation claim, nor can it be used in any claims proceedings.

The Worker Status Service can be contacted on 13 10 50 or email [privaterulings@workcover.nsw.gov.au](mailto:privaterulings@workcover.nsw.gov.au)

The worker status self-assessment tool, fact sheets and the private ruling application form are also available at [www.workcover.nsw.gov.au/workerstatus](http://www.workcover.nsw.gov.au/workerstatus)

### NON-WAGE BASED BUSINESS ACTIVITIES

To calculate the premium for taxi operators further details are required than those requested in the forms. These details are to include the following: a list of plate/s held at the beginning of the relevant period of insurance (including plate number/s), purchase/sale dates of any plate/s that have changed hands in both the 12 months prior to and during the relevant period of insurance, an indication if plate/s are metropolitan or country, the anticipated number of drivers and the average number of bailee shifts/week per plate. If you are unsure as to what constitutes the relevant period of insurance, please contact your Scheme Agent. Taxi operators are to provide these additional details on a separate sheet, which should be attached to the other form/s being submitted.

### ASBESTOS

Asbestos is the generic term for a number of fibrous silicate minerals including chrysotile (white asbestos), amosite (brown asbestos), crocidolite (blue asbestos), tremolite, actinolite and anthophyllite. The manufacture and use of products containing chrysotile was prohibited nationally from 31 December 2003 and all other forms of asbestos were banned in the mid-1980s. As a result, the use of all forms of asbestos is no longer permitted except for the purpose of sampling or analysis, maintenance, removal, disposal, encapsulation or enclosure. The prohibition of products containing chrysotile did not extend to the removal of asbestos products *in situ* at the time the prohibition took effect. These *in situ* asbestos-containing materials must be appropriately managed to ensure that the risks of exposure to airborne asbestos fibres are eliminated or controlled.

It is important that employers indicate whether any of their workers in the course of their employment are exposed to or handle any asbestos containing products. It is a legal requirement for the controller of premises to identify all asbestos containing materials within a workplace, and these materials must be recorded in an asbestos register.

A Dust Diseases Levy rate will be applied to calculate the premium of those employers whose business activities involve exposure to asbestos.

### BUSINESS ACTIVITY

Provide a full description of your business activities and include any brochures or website addresses that may clarify the definition of these business activities. Based on this description your Scheme Agent will assign a WorkCover Industry Classification (WIC) to enable calculation of your premium.

Refer to the *Insurance Premiums Order* for further clarification, available from [www.workcover.nsw.gov.au/WorkersCompensation/Premiums/IndustrialClassification](http://www.workcover.nsw.gov.au/WorkersCompensation/Premiums/IndustrialClassification)

### RELATED CORPORATION FOR BUSINESS ACTIVITY PURPOSES

A corporation is related to another corporation (whether or not that other corporation is an employer) if:

- the employer and other corporation are related to each other by reason of the *Corporations Act 2001* (Commonwealth)
- the directors of the employer act under the instructions of the directors of the other corporation
- the directors of the other corporation act under the instructions of the directors of the employer
- the directors of the employer and the other corporation act under the instructions of another person
- the directors of the employer exercise 50% or more of the voting power of the other corporation
- another person exercises 50% or more of the voting power of both corporations.

If a corporation carries on clerical, administrative or managerial services only and predominantly supplies those services to a related corporation, then that corporation is classified on the same basis as the related corporation. Clerical, administrative or managerial services include accounting, drafting, designing, marketing, sales, legal and training.

### GROUPING OF RELATED EMPLOYERS

Provisions for grouping for workers compensation purposes are set out in Divisions 2A & 2B of Part 7 of the *Workers Compensation Act 1987*. These provisions determine who is a related entity.

All related employers that pay combined wages over \$600,000 in NSW must be grouped for premium assessment purposes.

However, charitable and not-for-profit organisations may apply to WorkCover for exemption to grouping status for those related employers who are not in direct competition with the private sector.

All employers within a Group must have separate policies and must insure with the same Scheme Agent, with a common renewal date for all policies.

Note: Grouping provisions commenced from 30 June 2006.

For further information contact 13 10 50 or visit [www.workcover.nsw.gov.au/WorkersCompensation/Premiums/Groupings](http://www.workcover.nsw.gov.au/WorkersCompensation/Premiums/Groupings)

### INSURANCE POLICY WORDING

The wording of the employer's insurance policy is prescribed by Form 3 of Schedule 1 of the *Workers Compensation Regulation 2003*.

This may be accessed through a link from WorkCover's website to the NSW legislation website:

<http://www.workcover.nsw.gov.au/LawAndPolicy/Regulations/default.htm>  
Alternatively you may contact your Scheme Agent for a copy of the policy wording.

### DISCLAIMER

This DEFINITIONS supplement provides information and may refer to some of your obligations under the various workers compensation and occupational health and safety legislation that WorkCover NSW administers. To ensure you comply with your legal obligations you must refer to the appropriate Acts and regulations at [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)