

WorkCover **ASSIST**

# Premium Information

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June 2014

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Call: 13 18 55 or visit: [www.workcover.com](http://www.workcover.com)

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# Direct debit

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## The convenient way to pay premium instalments

Employers paying by instalment can take advantage of WorkCoverSA's direct debit facility and have their payments debited from a nominated account as instalments. Choose the direct debit payment option and:



**ensure your payment  
is made on time,  
every time**



**avoid fines**



**avoid cheque or  
postage costs**

WorkCoverSA will use your last remuneration estimate to calculate the instalment amount. We will advise you in writing if the amount is to be altered. To take advantage of this convenient service, simply complete a Direct debit request form (found on page 15 of this booklet) and return it to WorkCoverSA by fax (08) 8233 2990 or mail GPO Box 2668, Adelaide SA 5001.

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# 1. Introduction

This booklet is designed to help you understand your obligation as an employer to pay a premium to WorkCoverSA. WorkCoverSA is responsible for administering the *Workers Rehabilitation and Compensation Act 1986* (the Act) and is funded by registered employers (in the form of premiums) to provide insurance that protects South Australian employers and their workers in the event of a work-related injury.

An employer pays a premium to WorkCoverSA, who then manages the funds through investment and is required to ensure sufficient funds are collected to pay for current and future liabilities, administration and other costs.

In the event of a work-related injury, the premium you pay protects you by covering your workers' income, cost of medical treatment and support to help them recover and return to work as soon as possible.

For further information visit the WorkCoverSA website at [www.workcover.com](http://www.workcover.com) or contact WorkCover Assist on 13 18 55.

## 2. Your responsibilities as an employer

Under the Act, all employers must register with WorkCoverSA within 14 days of commencing employment of one or more workers. You can register online at [www.workcover.com](http://www.workcover.com)

Alternatively, you can download an *Application for registration as an employer form* from our website. The form can be completed and forwarded to WorkCoverSA by post, email or fax. The details can be found on the back page of this booklet.

A worker (for workers compensation purposes) is a person by whom work is done under a contract of service (as defined by the Act). Refer to Appendix 1 for more information.

As an employer registered with WorkCoverSA your responsibilities include:

- paying the correct premium to WorkCoverSA by the due date
- providing an estimate of remuneration
- providing a statement of actual remuneration
- advising WorkCoverSA of revised estimates of remuneration
- notifying WorkCoverSA within 30 days of any amendment to your registration details (e.g. change of address, contact person, locations, trading name, main business activity, changes to your group)
- complying with legislation, including the requirement to appoint a rehabilitation and return to work coordinator in the workplace if you employ 30 or more workers (unless you are exempt under the regulations).

There are only two categories where employers are exempt from the requirement to register with WorkCoverSA:

### 1. If the employer is not engaged in a trade or business and:

- employs one or more worker(s) under a contract of service and the worker(s) are not employed for the purposes of a trade or business carried out by the employer; and
- the total remuneration payable by the employer to the workers in the 2014-15 financial year does not exceed \$12,031.

### 2. If the employer is engaged in a trade or business and:

- the total remuneration payable by the employer to the workers in the 2014-15 financial year does not exceed \$12,031.

However, if a worker suffers an injury arising from that employment and the claim has been determined to be a compensable injury and the employer is engaged in a trade or business, the employer is obligated to register from the date of the injury to the end date of the financial year in which the injury occurred.

Contact WorkCover Assist on 13 18 55 for more information on employer registration exemptions.

## 3. Calculating your premium

WorkCoverSA has an industry-based classification system, the South Australian WorkCover Industrial Classification (SAWIC), which assigns an appropriate industry class for each location based on an employer's predominant business activity. Each industry classification has an industry premium rate expressed as a percentage, based on the claims experience of each industry. The industry premium rates are set each year and are published in the *South Australian Government Gazette*.

Factors affecting premium payable include:

- remuneration - the total amount of payments made to or for the benefit of workers
- base premium (BP) - determined by multiplying an employer's remuneration by the relevant industry premium rate. Where an employer has more than one location the calculations for each location are totalled
- claim costs for medium and large employers
- work health safety registration fee (OHS fee).

**Note:** You should advise us of any changes to your registration details within 30 days and in particular, any changes to business activity as this may lead to a premium reassessment.

Premium calculation methods vary depending on the category of employer.

### What are employer categories?

#### Small employer

Small employers are those who pay less than \$20,000 base premium to WorkCoverSA and/or pay less than \$300,000 in annual remuneration to their workers.

#### Medium employers

Medium employers are those who pay above \$20,000 and less than \$500,000 base premium to WorkCoverSA each year and pay \$300,000 or more in annual remuneration to their workers.

## Large employers

Large employers are those who pay \$500,000 or more base premium to WorkCoverSA each year.

## Grouping

Employers will be grouped for the purposes of their premium calculation if they satisfy the criteria of the *Payroll Tax Act 2009*, which includes meeting a remuneration threshold of \$600,000. The sum of the group members' base premiums is used to calculate the sizing factor. This means that all members of the group will have the same sizing factor. An individual employer's claims experience and remuneration information will be used in their own premium calculation.

## How is my premium calculated?



We have developed an animation to help you understand your WorkCover insurance premium, what it covers you for, and what you can do to minimise the premium you pay.



For experience rated employers, your animation focuses on the specific factors that contribute to your WorkCover premium calculation.

To view these animations, follow the links on our website [www.workcover.com](http://www.workcover.com)

## Base premium (BP)

Base premium is calculated by multiplying the total remuneration of an employer by the relevant industry premium rate. For employers with multiple locations, the base premiums will be added together. This premium calculation method will be used for small employers. WorkCoverSA's statistics show that small employers average one claim in every 14 years. As the Experience Rating System uses claims experience as a financial

incentive to focus on work health and safety and claims management, this approach to premium calculation is not appropriate for small business due to the small frequency of claims.

## Experience Rating System

An Experience Rating System is used to calculate premium for medium and large employers. Their premium will be calculated based on their industry premium rate and the remuneration they pay to their workers, plus their individual claims experience.

The Experience Rating System is designed to reflect the claims experience performance of a business compared to other employers in the same industry. The experience premium is calculated using an employer's claims cost rate (claims divided by their wages) and their industry claims cost rate.

Generally, an employer will pay less in premium if their claims experience is better than their industry's claims experience. If the employer's performance is worse than their industry's claims experience, they will pay more.

A sizing factor determines the relative weight given to an employer's experience premium and base premium in the overall premium calculation. Essentially, the larger the employer, the more their total premium is based on their own claims experience.

Medium and large employers can influence the amount of premium they pay by minimising claims costs. This can be achieved by preventing injuries and supporting injured workers to remain at work in suitable employment or return to work as quickly and safely as possible.

## Claims estimates

A claims estimate refers to the estimated outstanding liability or costs for the life of a claim. A *Claims Estimation Manual* has been developed which details the process for determining the lifetime cost of claims. The *Claims Estimation Manual* is available from our website at [www.workcover.com](http://www.workcover.com)

The claims agent is responsible for determining claims estimates and managing claims. If you have a question about how an estimate was reached or how you may be able to implement strategies to improve a claim outcome and reduce the estimate, please contact your case manager.

## Minimising claims costs

Workers compensation claims costs have the biggest impact on your annual premium. That is why implementing safe workplace practices to prevent injuries from occurring in the first place and assisting workers return to work as soon as possible following an injury are very important factors to help lower your premium costs.

Through our workplace advisory services we can help experience rated and retro-paid loss employers develop an action plan to address any areas for improvement and may

include:

- processes to review safety and injury management measures and outcomes, allocating resources, providing training and communication of roles and responsibilities
- documentation of procedures that have been developed and reviewed with consultation
- any risks have been identified and controlled appropriately
- improving business management systems and structures including reporting of injuries, early intervention and incident investigation.

For further information on how our workplace advisory services can help reduce your premium and workplace injuries, contact WorkCover Assist on 13 18 55 or visit [www.workcover.com](http://www.workcover.com)

### How does experience rating work?

The Experience Rating System compares an employer's own claims experience to that of their industry. This is achieved by comparing an employer's claims cost rate (ECCR) with their industry's claims cost rate (ICCR) and making adjustments to recognise the significant size differences among businesses.

When calculating an employer's premium, cost of claims means the total of the costs of each individual claim, including payments made under the *Provisional Payments Guidelines*, but excluding the costs associated with secondary and unrepresentative injury claims.

Total costs for an individual claim includes payments that have been made and the current most accurate estimation of the outstanding liability for the life of each claim.

Excluded from the costs of an individual claim are:

- costs associated with successfully prosecuted fraudulent claims
- estimated and/or actual recoveries for compulsory third party and common law actions under section 54 of the Act
- the first two weeks of income maintenance
- costs for interpreter services, and
- claims costs in excess of \$200,000 (large claims cap).

### Premium calculation

For each premium period (financial year) an employer's **initial premium** calculation is performed based on their ECCR compared with their ICCR. The ICCR and ECCR are calculated using the claims experience and remuneration for the previous two financial years and the employer's estimated remuneration for the financial year ahead.

At the end of the premium period, a **hindsight premium** is calculated. The actual remuneration paid during the previous financial year as well as the claims experience for the most recent year/s is used in this calculation. This could result in either a refund or additional premium

payable and an adjustment note will be issued.

At the start of each financial year, an experience adjusted premium (EAP) is calculated using an employer's estimated remuneration. In this process, an employer's experience premium (EP) and base premium (BP) are blended and adjusted by a sizing factor (S) to produce an experience adjusted premium. This calculation is represented by the formula:

$$EAP = (BP \times (1 - S)) + (EP \times S)$$

A detailed description of each component is provided in this booklet.

An estimated initial premium may be further reduced by premium that would have been payable for **eligible** apprentices and/or trainees and includes GST and OHS fee. For more information on the apprentice and trainee incentive refer to Appendix 2 in this booklet.

### Sizing factor (S)

A sizing factor determines the relative weight given to an employer's experience premium and base premium. The factor ensures that medium employers receive sufficient credibility for their experience, minimises extreme fluctuations in their EAP and recognises the significant size differences among businesses.

S is represented by the formula:

$$S = 0.07 + \frac{0.80 \times BP}{BP + 500,000}$$

From 1 July 2014, a new maximum premium cap based on two times the sizing factor applies to the EAP to ensure there is not a risk and reward imbalance between employers of different sizes.

The maximum premium cap for an employer is calculated as follows:

$$EAP_{max}^* = (1 + 2 \times S) \times BP$$

\* subject to an absolute maximum premium payable of 2.5 x BP (150%)

Example: employer with a base premium of \$20,000

$$\begin{aligned} \text{Maximum Risk } EAP_{max}^* &= (1 + 2 \times S) \times BP \\ \text{High claims costs} &= (1 + 2 \times 0.1) \times BP \\ &= (1.2) \times \$20,000 \\ &= \mathbf{\$24,000} \text{ (a 20\% increase} \\ &\quad \text{in premium)} \end{aligned}$$

$$\begin{aligned} \text{Maximum Reward } EAP &= (BP \times (1 - S)) + (EP \times S) \\ \$0 \text{ claims costs} &= \$20,000 \times (1 - 0.1) + (0 \times 0.1) \\ &= \$20,000 \times 0.9 \\ &= \mathbf{\$18,000} \text{ (a 10\% reduction} \\ &\quad \text{in premium)} \end{aligned}$$

The following provides an indication of the maximum risk and reward as an employer's base premium (size) increases.



### Experience premium (EP)

Experience premium is calculated by multiplying an employer's base premium (BP) by the ratio of the employer's claims cost rate (ECCR) to the claims cost rate of their industry (ICCR).

#### 1. (a) Calculating the initial experience premium (EP)

For an **initial** premium calculation the following formula applies:

$$EP = BP \times \frac{\text{Initial ECCR}}{\text{ICCR}_1}$$

If an ECCR is higher than the ICCR their experience premium will be higher than their base premium.

ICCR<sub>1</sub> is the initial industry claims cost rate as published in the *South Australian Government Gazette*.

If an employer has more than one registered location, an average ICCR is calculated by adding the totals of the remuneration at each location multiplied by its own ICCR and dividing it by the employer's total remuneration.

#### (b) Calculating the hindsight experience premium (EP)

For the **hindsight** premium calculation the following formula applies:

$$EP = BP \times \frac{\text{Hindsight ECCR}}{\text{ICCR}_2}$$

ICCR<sub>2</sub> is the hindsight industry claims cost rate as published in the *Gazette*.

#### 2. (a) Calculating an initial employer's claims cost rate

An employer's claims cost rate (ECCR) is calculated by comparing the employer's cost of claims to their remuneration over the same period. For the **initial** calculation the formula is:

$$\text{Initial ECCR} = \frac{C_1 + C_2}{R_1 + R_2} \times \frac{100}{1}$$

For 2014-15 initial premium calculations:

- C<sub>1</sub> + C<sub>2</sub> are the cost of claims with a date of injury in the periods 1 July 2013 to 30 June 2014 and 1 July 2012 to 30 June 2013 respectively.
- R<sub>1</sub> + R<sub>2</sub> are the employer's remuneration for the periods 1 July 2013 to 30 June 2014 and 1 July 2012 to 30 June 2013 respectively.

Refer diagram 1 on page 9.

For employers with more than one location the data for each location is added together to calculate the employer claims cost rate.

#### (b) Calculating a hindsight employer's claims cost rate

For the **hindsight** premium calculation the formula is:

$$\text{Hindsight ECCR} = \frac{C_0 + C_1 + C_2}{R_0 + R_1 + R_2} \times \frac{100}{1}$$

For 2014-15 hindsight premium calculations:

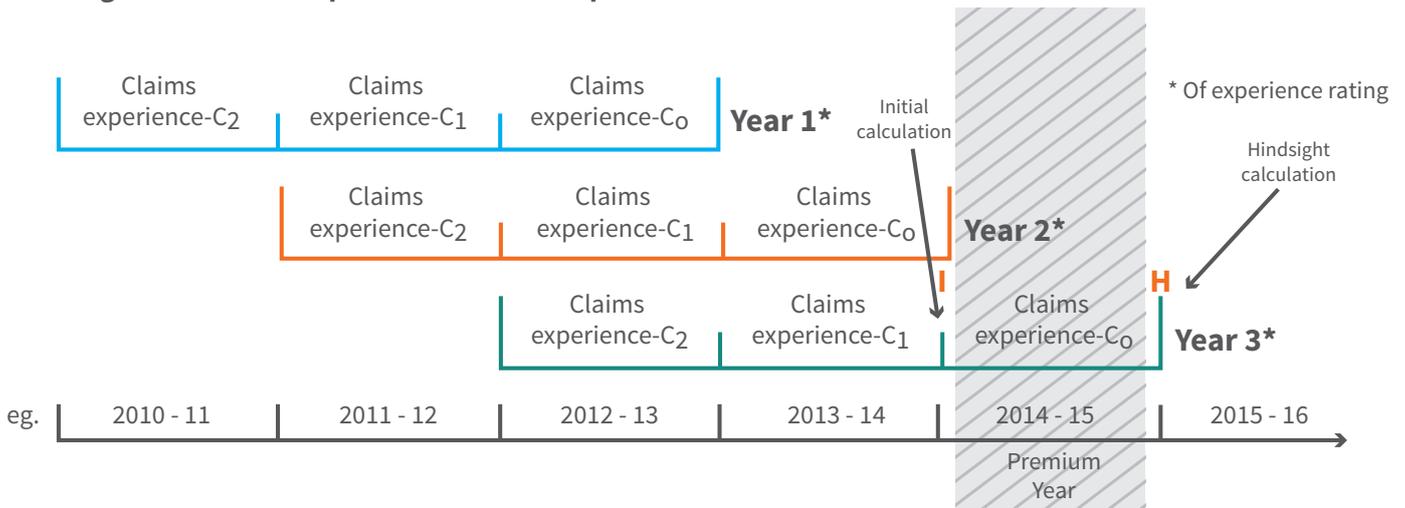
C<sub>0</sub> + C<sub>1</sub> + C<sub>2</sub> are the cost of claims with a date of injury in the periods 1 July 2014 to 30 June 2015, 1 July 2013 to 30 June 2014 and 1 July 2012 to 30 June 2013 respectively.

R<sub>0</sub> + R<sub>1</sub> + R<sub>2</sub> are the employer's total remuneration for the periods 1 July 2014 to 30 June 2015, 1 July 2013 to 30 June 2014 and 1 July 2012 to 30 June 2013 respectively.

The hindsight premium calculation for 2014-15 will be completed in August 2015 and will include cost of claims with a date of injury between 1 July 2012 and 30 June 2015 and actual remuneration for the same period.

Variations between initial and hindsight premium payable (adjusted premium) may occur as a result of changes to the employer's remuneration between the estimate and actual amount paid, and improvements or deteriorations in the employer's claims cost rate compared to their industry's claims cost rate, from the initial to hindsight calculations.

**Diagram 1 - Claims experience included in premium calculation**



### Transitional arrangements

As the Experience Rating System is now in its third year, transitional arrangements remain in place to protect employers from any significant changes in premium costs until 2016. This means that an employer's premium rate will not change (up or down) by more than 25 per cent from one year to the next for the period from 1 July 2012 until 30 June 2016.

### Transfer of business

If a business changes hands, the claims and remuneration history from the old employer will be transferred to the new employer.

For newly registered employers from 1 July 2014, where there is no transfer of business, an employer will be excluded from participation in experience rating until the completion of the first full premium period.

### What are my review rights on a decision made by WorkCoverSA?

If you consider that a decision made by us in relation to your premium calculation is unreasonable, you have the right to apply for an independent review of that decision under section 72M of the Act. Such decisions may include:

- your classification to a particular class of industry (SAWIC)
- the assessing (or fixing) of a premium
- the imposition of penalty interest or a fine
- an experience rating adjustment - i.e. you believe that WorkCoverSA has acted unreasonably in the calculation of your experience premium
- the imposition or variation of a condition that may lead to the remission or imposition of a supplementary payment or fee, and
- an estimate of remuneration that is to be used for the calculation of premium.

An application for an independent review that relates to an individual employer must be made within two months of the employer being notified of the decision. If the decision relates to a class of employer, an application for an independent review must be made within four months of the employer being given notice of the decision.

Before applying for a review, you should first contact WorkCover Assist on 13 18 55 to discuss the matter.

To apply for an independent review download a *Section 72M - Application for review (Employer)* form from our website at [www.workcover.com](http://www.workcover.com) or phone WorkCover Assist on 13 18 55.

## 4. Making payments

### When do I have to make my payment?

Payment options and due dates for payment will be detailed on your tax invoice or adjustment note.

### Payment of initial premium

Employers with an initial premium less than or equal to \$2,000 are required to pay their premium in full by the due date specified on the tax invoice.

Employers with an initial premium in excess of \$2,000 may pay their premium in equal monthly instalments on the seventh day of each month from September to June. Instalment amounts will be detailed on the tax invoice. We recommend payment via direct debit to ensure your instalments are paid on time.

### Payment of hindsight premium

All hindsight premium payments are required in full by the due date specified on the adjustment notice.

### What are my payment options?

#### Direct debit (instalments payers only)

The direct debit option is a low cost and convenient payment method, allowing you to have your payment debited in instalments on the seventh day of each month from September to June from a nominated bank account. To set up a direct debit, complete the application form on page 15 of this book.

#### Credit card payment

Amounts less than \$20 000 can be paid by credit card (Visa and MasterCard only), either online at [www.workcover.com/payments](http://www.workcover.com/payments) or by phoning WorkCover Assist on 13 18 55.

#### BPAY

Phone or visit the website of your participating financial institution to make a payment, as set out in your tax invoice, from your nominated cheque or savings account. Please quote Biller Code 9951 and the eight-digit employer registration number as the reference number found on your tax invoice. Please note that payments can take 24 – 48 hours to reach us from your financial institution.

### Electronic funds transfer (EFT)

Contact your financial institution to make a payment by EFT. Please note that transfers can take 24 – 48 hours to reach us from your financial institution. You will need to enter the following information when processing an EFT:

Bank:	Westpac Banking Corporation
Branch:	King William Street, Adelaide
BSB:	035-502
Account No:	360049
Account name:	WorkCover Levy
Lodgement reference:	The eight-digit employer registration number on your tax invoice.

### Payment in person by cheque

Annual payers may present their initial payment together with their tax invoice at WorkCoverSA, 400 King William Street Adelaide, during business hours, or send a cheque payable to WorkCoverSA, GPO Box 1170, Adelaide 5001.

### What happens if I don't pay my premium?

Under the Act, WorkCoverSA may impose a fine where an employer fails to pay their instalment or the full amount of the premium required. The Act also provides that penalty interest at the prescribed rate is payable on an amount in arrears unless WorkCoverSA determines otherwise. View WorkCoverSA's fine policy on our website, [www.workcover.com](http://www.workcover.com) for further information.

Should an employer consistently fail to pay their instalments on time, WorkCoverSA may vary their payment frequency from instalments to a single lump sum.

### What do I do if I am unable to make a payment?

If you are experiencing difficulty in making a premium payment by the due date, please phone WorkCover Assist as soon as possible on 13 18 55 to discuss the matter. We will consider the circumstances and available options.

## 5. Completing your remuneration return and reconciliation statement

### How do I complete my 2014-15 remuneration return?

You are required to provide us with a remuneration return, which sets out an estimate of the total remuneration you expect to pay your workers for each location during the 2014-15 financial year. It is important that you provide an accurate estimate of remuneration so that the correct premium is calculated.

It's not just wages or salary that you need to include in your remuneration return. To calculate the remuneration expected to be paid to your workers, refer to the *Guide to remuneration* available on the WorkCoverSA website [www.workcover.com](http://www.workcover.com)

Remuneration paid to **eligible** apprentices and trainees is excluded from the calculation of an employer's premium. For more information on the apprentice and trainee incentive, refer to Appendix 2 in this booklet.

You must advise us and submit a revised estimate of remuneration within 30 days, if during the financial year, you become aware that the actual remuneration paid or is payable exceeds or is likely to exceed your estimate of remuneration by more than 20 per cent.

To advise us of a change to a remuneration estimate phone WorkCover Assist on 13 18 55, or download a *Revised estimate of remuneration* form from our website at [www.workcover.com](http://www.workcover.com)

### How do I lodge my 2014-15 remuneration return?

We encourage you to lodge your remuneration return electronically via our website at [www.workcover.com/reconcile](http://www.workcover.com/reconcile)

If you don't have online access, you can submit your remuneration return by phone, post, fax or in person. This must be completed by 31 July 2014.

### What happens if I don't lodge my 2014-15 remuneration return?

If your remuneration return for each location is not lodged with us by 31 July 2014, an estimate of remuneration will be specified, including a 15 per cent loading. Your premium will be calculated based on that specified estimate and a tax invoice will be issued for payment.

### Newly registered employers

Newly registered employers are required to provide us with an estimate of total remuneration that they expect to pay their workers during the financial year on their *Application for registration as an employer*. We will then calculate the initial premium payable and issue a tax invoice specifying when that amount needs to be paid.

### How do I complete my 2013-14 reconciliation statement?

You are also required to complete a reconciliation statement, which sets out the actual amount of remuneration paid to your workers during 2013-14.

As with the remuneration return, it is not just wages or salaries that need to be included in the annual reconciliation statement. Refer to the *Guide to Remuneration* at [www.workcover.com](http://www.workcover.com) for more information.

It's important to remember that remuneration paid to **eligible** apprentices and trainees is excluded from the calculation of premium payable. For more information on the apprentice and trainee incentive, refer to Appendix 2.

### How do I lodge my 2013-14 reconciliation statement?

The reconciliation statement for each location must be provided to us by 31 July 2014. We encourage you to lodge your reconciliation statement electronically via our website at [www.workcover.com/reconcile](http://www.workcover.com/reconcile)

If you don't have online access, you can submit your reconciliation statement by phone, post, fax or in person.

The reconciliation statement may result in additional premium payable and we will provide an adjustment note for payment. Any additional payment as a result of reconciliation must be paid in full by 7 September 2014. Alternatively, a refund may apply and you will be notified accordingly.

### What happens if I don't lodge my 2013-14 reconciliation statement?

If the reconciliation statement for each location is not lodged with us by 31 July 2014, we will specify an amount, including a 15 per cent loading. That amount will be used to calculate the hindsight premium payable and an adjustment note will be issued for payment.

### **How do I re-reconcile the current year and other un-reconciled years?**

We provide you the option to re-reconcile the current year and other unreconciled years online. The completed reconciliation statement for 2013-14 can also be printed from this online service.

To make a change to your reconciliation statement, visit [www.workcover.com/reconcile](http://www.workcover.com/reconcile)

### **How do I know how much I have to pay?**

Small employers (who are not members of a group), who lodge their reconciliation statement and remuneration return online will have a tax invoice and adjustment note available to be printed immediately. Payment is required in full by 7 September 2014.

Small employers (who are not members of a group) who don't lodge their remuneration return and reconciliation statement online will receive a tax invoice and adjustment note in the mail. Payment is required in full by 7 September 2014.

Medium and large employers, and small employers who are members of a group, will receive an initial premium calculation pack for 2014-15 by mid-August 2014. This pack will contain a tax invoice, premium calculation summary and a premium claims summary report, which provides details of how the initial premium was calculated. The tax invoice will provide details of the premium payable and when payment(s) are due.

Medium and large employers, and small employers who are members of a group, will receive a hindsight premium calculation pack by mid-August 2014. This pack will include an adjustment note, a premium calculation notice and premium claims summary report which provides details of how the hindsight premium was calculated. Any payment required as a result of the reconciliation will be due as advised on the adjustment note.

## 6. Updating your registration details

### How do I obtain my certificate of registration?

A certificate of registration is available as evidence that you have registered as required under the *Workers Rehabilitation and Compensation Act 1986* and contains the employer's name, trading name and WorkCoverSA employer number. The certificate of registration can be obtained via WorkCoverSA's online services at [www.workcover.com](http://www.workcover.com) or by phoning WorkCover Assist on 13 18 55.

WorkCoverSA does not issue a certificate of currency.

### Why is it important to keep my registration details updated?

Periodic audits of employer records are conducted to verify accuracy regarding registration, classification, actual and estimated remuneration and premium payments. An audit may be carried out at an employer's premises, their accounting firm's premises or by an employer sending their records to us.

It is important that your records are maintained accurately and are readily available. Penalties apply to incorrectly declared remuneration, omissions and underpayment of premium should this be identified during an audit. To avoid penalties, errors or omissions should be voluntarily disclosed as soon as an employer becomes aware of them.

For further information contact WorkCover Assist on 13 18 55 or email [info@workcover.com](mailto:info@workcover.com)

### How do I update my registration details?

The following is a list of the changes you can make to your registration details through the online secure site [www.workcover.com](http://www.workcover.com) (a password is required to make these changes):

- add new locations or cancel existing locations
- amend location details (address, contact details)
- provide notice of ceasing to be an employer required to be registered (business sold)
- amend certain registration details (trading name, phone numbers, postal address, added/changed directors or partners)
- change your password
- produce and print a certificate of registration
- notify a change to your business activity
- notify a change from a sole trader/partnership to a Pty Ltd company.

You can phone WorkCover Assist on 13 18 55 to update your registration details if online access is not available.

Note: If you are an employer registered with WorkCoverSA and you cease to employ workers, you need to contact WorkCoverSA within 14 days to cancel your registration.

### How do I obtain a password for online services?

We will provide you with a username and password upon registering with us. A new password is issued during June of each year to enable you to complete your remuneration return and reconciliation statement online.

If you do not know your username or password for online services, you will need to phone WorkCover Assist on 13 18 55 or email [info@workcover.com](mailto:info@workcover.com)

### How can I change my claims agent?

All registered employers will have the opportunity to change their claims agent once a year. Employers who wish to change their claims agent must return their nomination form to WorkCoverSA by 14 November 2014 for their nomination to be accepted for the 2015 calendar year. Employers who are members of a group under the *Payroll Tax Act 2009* will be allocated the same claims agent.

A nomination form can be downloaded from the WorkCoverSA website [www.workcover.com](http://www.workcover.com) from 15 October 2014.

## 7. Other services

### **What other services are available to employers?**

For more information on premium or employer obligations, contact WorkCover Assist on 13 18 55 or email [info@workcover.com](mailto:info@workcover.com)

### **SafeWork SA library**

The SafeWork SA Library is a public access library specialising in resources on occupational health and safety, workers compensation, rehabilitation and return to work. Books, journals, videos, databases and CD-ROM information are available from the library, which is located on the ground floor of the State Administration Centre, 200 Victoria Square, Adelaide. Special arrangements can be made to organise access to resources for employers in regional areas.

### **SafeWork SA bookshop**

Various products are available free or for purchase from the SafeWork SA bookshop or for download via [www.safework.sa.gov.au](http://www.safework.sa.gov.au)

# Direct debit request form

Please return this form to

WorkCoverSA  
GPO Box 2668, Adelaide SA 5001  
or fax to (08) 8233 2990

Please use BLOCK LETTERS

## Customer details

I / we \_\_\_\_\_

(family or company / business name)

\_\_\_\_\_

(given names or ACN / ABN)

Authorises WorkCoverSA (the User) (User ID number 029281) to arrange for funds to be debited from my / our account at the financial institution identified below and as prescribed below. This authorisation is to remain in force in accordance with the terms described in the service agreement.

## Bank details (details of the bank account to be debited)

Name of financial institution \_\_\_\_\_

Branch location \_\_\_\_\_

Account name \_\_\_\_\_

BSB number

Account number

## Payment details

This payment is for WorkCoverSA premium/fee

Employer number

I request that you debit my / our account in accordance with our agreement and subject to the conditions overleaf.

Payment initiated by: **WorkCoverSA**

Refer to the tax invoice

## Customer authorisation (all signatories may be required to sign on joint accounts)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

# Direct debit service agreement

## On receipt of your completed direct debit request form:

- On the 7th of each month from September to June, WorkCoverSA will initiate and process the instalment amount via direct debit.
- If the 7th of each month is a non-business day, then WorkCoverSA will process the debit on the first business day after the 7th.
- The agreed amount will be automatically processed unless you advise WorkCoverSA of changes to the estimated remuneration at least five business days prior to the specified date.
- Based on your latest remuneration return, WorkCoverSA will recalculate the appropriate instalment amount and advise you in writing if the amount is to be altered. If you disagree with the new amount you will need to contact WorkCoverSA.

## Conditions:

1. Direct debit is not available on the full range of accounts. If in doubt, check with your financial institution.
2. WorkCoverSA will only process premium fee payments in accordance with your direct debit request form.
3. On receipt of your direct debit request form, WorkCoverSA will confirm the agreement (and any subsequent amendments) in writing.
4. WorkCoverSA will provide you with at least **14 days notice** where WorkCoverSA proposes to vary the details in this arrangement.
5. You will need to provide **at least five days notice** where you need to vary details in this arrangement. If you wish to defer or vary the terms of this agreement, contact WorkCoverSA.
6. A direct debit remains in force until it is cancelled. If you wish to cancel your direct debit or stop an individual payment, you must contact WorkCoverSA and give **at least five business days notice**.
7. Direct all queries, requests for cancellation of a direct debit or requests to stop individual payment to WorkCoverSA.
8. It is your responsibility to have sufficient funds available in your account on the requested or due date to permit the payment to be processed in accordance with your direct debit request form.
9. If a debit item is returned unpaid by your financial institution you may be liable for any fees charged by that financial institution.
10. If you change your account and want to continue using direct debit, you will need to complete a new direct debit request form. You can obtain a new direct debit request form by contacting WorkCoverSA.
11. WorkCoverSA is very careful to protect the privacy of any personal information supplied. Some information may be given to financial institutions involved in the event of a direct debit dispute, or to verify that we have received a direct debit request form from you.

## Late payments:

Payments not received by WorkCoverSA by the 7th of each month from September to June may be subject to a late payment fine being imposed.

## Disputing a direct debit item:

If you wish to dispute any direct debit item, please contact WorkCoverSA with relevant details.

- On receipt of your dispute, WorkCoverSA will contact you and attempt to resolve the issue within 24 hours.
- If the issue cannot be resolved within 24 hours, WorkCoverSA will negotiate a refund with you.
- Once your dispute has been investigated, we will contact you with the outcome and confirm it in writing. It may be necessary for you to pay any outstanding premium fee where a refund has previously been initiated as a result of your dispute.

# Appendix 1: Definition of a worker

## Who is a worker?

A worker (for workers compensation purposes) is a person by whom work is done under a contract of service (as defined by the *Workers Rehabilitation and Compensation Act 1986*).

Contract of service normally represents a relationship formed between an employer and employee. For workers compensation purposes, it has a much broader application that deems otherwise independent contractors and other persons to be workers when they meet particular criteria. This occurs across certain classes of work including:

- building work
- cleaning work
- driving a taxi-cab or similar motor vehicle
- driving or riding a vehicle (other than a commercial motor vehicle)
- performing as an entertainer
- performing work as an outworker where that work is governed by an award or industrial agreement that applies to 'outworkers'
- work of a minister, priest or other member of a religious order except a minister, priest, pastor, ordained minister, deaconess or lay priest of designated religious orders
- thoroughbred riding work performed by a licensed jockey.

## Important notes

1. Whether a person is employed ongoing, or for a short period, e.g. for as little as one hour on a given day or on a casual basis, an obligation exists for the employer to include remuneration paid to any such worker(s) in their calculation of premium payable.
2. Where a principal contracts with another person (the contractor) for the performance by the contractor of work undertaken by the principal, and the contractor is not registered as an employer under the Act, the principal is deemed to be the employer of worker(s) employed by the contractor.

A principal should ensure that a contractor employing a worker(s) is, at all times when performing work for the principal, registered as an employer with WorkCoverSA.

## Employees of body corporate (working director)

### Working director

Well-established common law principles, independent of the WorkCoverSA legislation, provide for a director of a company undertaking services to the company other than purely services of a director, to usually be an employee and for a contract of service to exist between the company and the director. In addition, the company normally pays the director in the form of a salary or wages. These payments are typically declared as such to the Australian Taxation Office. There is no distinction between a 'part-time' and 'full-time' working director under WorkCoverSA for either coverage or premium purposes.

### Working directors consulting to own firm

It is unlikely that company directors consulting to their own firm earning consultant fees would not be considered a worker. In most cases, this arrangement would be a 'contract of service'.

### Non-working director

A non-working director is a director who:

- only attends directors' meetings but may be available for consultations on an 'ad hoc' basis, as might normally be expected as part of a director's function, and
- does not receive payment from the company in the form of a salary or wages.

### Important: workers and directors

Each situation needs to be examined on a case-by-case basis.

For further information contact WorkCover Assist on 13 18 55.

# Appendix 2: Apprentices and trainees

## How does the apprentice and trainee incentive amount work?

The remuneration paid to eligible apprentices and trainees (where the trainee contract is entered into prior to 23 May 2013 or with a Group Training Organisation) multiplied by the industry premium rate for the location that the apprentice/trainee is employed is deducted from the calculation of their employers' premium payable to assist skills creation in South Australia by encouraging employers to take on trainees and apprentices.

In terms of the apprentice and trainee incentive an apprentice or trainee is defined as

- an apprentice who is or will be trained under an approved training contract in an occupation declared to be a 'trade' under section 6 of the *Training and Skills Development Act 2008* (or former Act); or
- a trainee who is or will be trained under an approved training contract (entered into prior to 23 May 2013 or with a Group Training Organisation) in an occupation which is a declared 'vocation' under section 6 of the *Training and Skills Development Act 2008* (or former Act).

The apprentice and trainee incentive is available to all employers including self-insured employers registered with WorkCoverSA who employ an eligible person.

An employer is still required to complete a reconciliation statement. The reconciliation statement allows an employer to provide details about the apprentice(s) or trainee(s) they employ for the purpose of obtaining the apprentice and trainee incentive. An employer is required to provide an estimate of remuneration set out in a remuneration return by 31 July 2014 for each location.

**Note:** The exclusion of remuneration paid to apprentices and trainees does not impact upon an employer's obligation to register with WorkCoverSA as an employer and pay an annual premium to WorkCoverSA. The premium payable is not less than the minimum premium for a particular financial year. Where an employer only employs an apprentice or a trainee and no other workers, the premium payable is the minimum premium for a financial year.

## What documentation is required?

Payments of remuneration made on or after 1 July 2008 are excluded in the calculation of total remuneration paid by an employer, as long as an employer:

1. lodges, after the end of a financial year, a reconciliation statement which details separately remuneration paid to apprentices or trainees during a relevant financial year, and
2. maintains information in writing, in respect of that financial year, verifying

there exists a training contract entered into under the *Training and Skills Development Act 2008* (or former Act), between the employer, and

- the apprentice who is or will be trained under an approved training contract in an occupation declared to be a 'trade' under section 6 of the *Training and Skills Development Act 2008* (or former Act); or
- the trainee who is or will be trained under an approved training contract (entered into prior to 23 May 2013 or with a Group Training Organisation) in an occupation which is a declared 'vocation' under section 6 of the *Training and Skills Development Act 2008* (or former Act).

## Does the remuneration declared for the apprentice and trainee incentive amount include the employer superannuation contributions paid for eligible apprentices and trainees?

Yes. The employer superannuation contribution paid for apprentices/trainees is to be excluded from the declared remuneration, but only for those apprentices/trainees engaged under an approved training contract (where the trainee contract is entered into prior to 23 May 2013 or with a Group Training Organisation) under the *Training and Skills Development Act 2008* (or former Act).

Remuneration is defined as payments made to or for the benefit of a worker (including an apprentice or trainee). Payments made to or for the benefit of a worker are not just wages or salary. Benefits to workers include items such as superannuation contributions being any payment including a premium or lump sum paid to a superannuation fund or retirement annuity plan for the benefit of a worker, and includes employer contributions under the relevant Superannuation Guarantee legislation.

## Is a contract of training the same as a training contract?

Yes. The *Training and Skills Development Act 2008* replaced the *Training and Skills Development Act 2003* from 1 September 2008. Under this Act, 'contract of training' has replaced 'training contract' but has the same meaning.

## Further information

For further assistance regarding the apprentice and trainee incentive amount, please contact WorkCover Assist on 13 18 55 or email [info@workcover.com](mailto:info@workcover.com)



The following free information support services are available:

If you are deaf or have a hearing or speech impairment you can call WorkCoverSA through the National Relay Service (NRS):

- **TTY users** can phone 13 36 77 then ask for 13 18 55.
- **Speak & Listen (speech-to-speech) users** can phone 1300 555 727 then ask for 13 18 55.
- **Internet relay users** can connect to NRS on [www.relayservice.com.au](http://www.relayservice.com.au) then ask for 13 18 55.

For languages other than English call the Interpreting and Translating Centre 1800 280 203 and ask for an interpreter to call WorkCoverSA on 13 18 55. For Braille, audio or e-text call 13 18 55.

The information in this publication is compiled by WorkCover Corporation of South Australia. The data and facts referred to are correct at the time of publishing and provided as general information only. It is not intended that any opinion as to the meaning of legislation referred to is to be relied upon by readers. You should seek independent or legal advice as to any specific issues that are relevant to you, your workplace or organisation.

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