

WorkCover Premiums – Proposed Changes for Victorian 2014/2015 Financial Year

WorkSafe have just flagged significant changes to the timing of the upcoming 2014/15 premium cycle calendar as well as changes to the period in which claims will impact employer's 2014/15 premium.

ReWork is a subsidiary of Adroit Insurance Group specialising in workers compensation. Our services include assisting employers with all their workplace injury, claims and WorkCover premium matters including these proposed 2014/15 changes.

2014/15 Policy Period and Premium

The yearly premium process has been moved forward and as such the following changes and employer obligations have been impacted:

- Unlike prior years no 2014/15 indicative premium information will be issued to employers
- 2014/15 Premium Renewal Notices and associated invoices will be issued in early July 2014. Previously these Notices were issued between July and September each year.
- To allow the 2014/15 Premium Renewal to be issued early Remuneration to be used in the calculation of the 2014/2015 premium will be based on a preliminary figure generated by WorkSafe (and advised through your WorkCover Agent) based on the 2013/14 remuneration estimate figure plus an inflationary component.
- Employers will not have as much time as previous years and will be requested to provide estimated remuneration for 2014/2015 and certified remuneration for 2013/2014 online during July 2014.
- Employers will only receive adjusted 2014/15 premium notices if and when they provide adjusted 2014/15 estimated remuneration.
- 2013/14 remuneration certification due dates for large employers (over \$200K in remuneration) will be October 31st, 2014, whilst small employers (less than \$200K in remuneration) will be March 31st, 2015.

2014/15 Premium Discount Options

Unlike prior years all employers, including minimum premium payers, will be eligible for a discount

Only one of the following 2 discount options will be allowed to employers paying the full 2014/15 premium upfront in full.

1. Only proposed at this stage but employers paying on or before August 1st, 2014 might receive a 5% discount
 2. Employers paying on or before October 1st, 2014 will receive the normal 3% discount
- Normal monthly and quarterly instalment payment options will remain in place for employers choosing not to pay upfront and to not therefore receive a discount.
 - Monthly instalment due dates where 2014/15 employer premium is over \$50k - October 1st 2014 to July 1st 2015 (10 payments).
 - Quarterly instalment due dates where 2014/15 employer premium is between \$1k and \$50k - October 1st 2014, December 1st 2014, March 1st 2015 and June 1st 2015.

Employers with Premium Impacting WorkCover Claims - The proposed Experience Period

- The 2014/15 employer premiums will be impacted by claims lodged or upgraded from minor claims in the period January 1st, 2011 to June 30th, 2013 (2 years and 6 months)
- To illustrate the change it is noted that the 2013/2014 premiums were impacted by claims lodged or upgraded from minor claims in the period January 1st, 2010 to December 31st, 2012 (3 years)
- This change means that any claim lodged or upgraded from a minor claim in the period July 1st, 2013 to December 31st, 2013 will not impact employers 2014/15 premium as was expected. Employers with large, complex and expensive claims in this period will most likely benefit from this change.
- Claims Costs used to calculate employers 2014/15 premium will be taken as at March 31st, 2014 much earlier than the July 6th, 2013 date used in the calculation of the 2013/14 premium.
- Given that no 2014/15 indicative premium information will be issued to employers (previously issued in May each year), similarly no interim claims statements underpinning the indicative premium, will be issued by mail to employers. This claims statement would normally list the likely premium impacting claims and claims costs.
- ReWork can assist you to access your claims statement information at any time of the year. This claims data is important in understanding the likely quantum of your premium in future years and being able to budget for likely increases as a result of claims.

(Correct as of March 28th, 2014 and subject to change)

Urgent Reminder – 2013/14 Estimated Remuneration Check

As we are now less than 3 months from the end of the 2013/14 financial year (and policy period) it is an excellent time and the last chance for all employers to review their current remuneration estimate. Section 25 of the *Accident Compensation (WorkCover Insurance) Act 1993* allows for an employer to be penalised should their actual certified remuneration at the end of the financial year be greater than their estimate by 20% or more.

Updating your 2013/14 estimated remuneration can be done by writing to your Adroit Broker, ReWork or your WorkCover Agent / Insurer in writing (via email, facsimile or letter) by quoting your employer number, and the new remuneration estimate, plus your signature if it is a letter or facsimile.

For assistance with any of these changes or any other workers compensation matters, please contact your Adroit Insurance Group Broker or ReWork direct on ph. 1300 471 234 / fax. 03 9602 2155 / or email. info@rework.com.au

Kind regards

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