

IMPORTANT NOTICES

GIO WORKERS COMPENSATION TASMANIA

The information provided in this guide should not be regarded as a substitute for obtaining professional advice on your workers compensation or other insurance requirements. It is important to note that workers compensation legislation is frequently amended.

1. General information

Workers compensation insurance is compulsory throughout Australia where you have Workers. GIO offers business and domestic workers compensation cover in Western Australia, Australian Capital Territory, Tasmania and Northern Territory.

2. Business numbers

Australian Company Number (ACN)

An ACN is issued to any company registered with the Australian Securities and Investments Commission.

Australian Registered Business Number (ARBN)

An ARBN is issued to any business other than companies registered with the Australian Securities and Investment Commission.

Australian Business Number (ABN)

An ABN is issued by the Australian Taxation Office. You must have an ABN to register for GST purposes; however, the issue of an ABN does not automatically mean you are registered to claim GST Input Tax Credits.

GST

If you are a registered business or non-profit organisation you must inform GIO of the extent to which you are entitled to Input Tax Credits on your insurance premium. This advice is required prior to the commencement of each period of insurance or when you have a claim. However, if you do not provide this information it will be assumed that you are registered and that you are entitled to claim 100% of the GST paid on your premium as an Input Tax Credit.

3. Definition of wages

Your premium will be calculated using your estimate of the Wages you will pay during the period of insurance.

Wages is the total gross earnings of your workers before you deduct tax.

Generally it includes salary, overtime, shift and other allowances, bonuses, over-award payments, commissions, payments for public and annual holidays (and loadings), payments to working directors, sick leave payments, the value of board and lodging you provide for the workers and any other money or anything worth money, given to workers under their employment or work contracts, and salary sacrifice amounts for voluntary superannuation contributions or third party remuneration e.g. Directors' fees, school fees that are part of the workers' taxable income.

Following the period of insurance, the premium will be recalculated using a statement by you of the total amount of Wages actually paid during the period of insurance and the recalculation may result in an additional premium amount or a refund to you.

Please visit www.workcover.tas.gov.au for further details on the 'Definition of Wages'.

4. Do not count as wages

- a. Weekly workers compensation payments;
- b. Termination payments;
- c. Ex-gratia payments, entertainment allowance, unless subject to FBT, other fringe benefits (except as noted in the definition of wages above).

5. Who is a worker?

A **Worker** includes apprentices, working directors of the company, family members engaged in the business and in certain cases, contractors.

6. Do not count as a worker

- a. Someone who is a casual employee and employed otherwise than for the purposes of your trade or business;
- b. Outworkers – (outworkers perform services for a principal at premises not under the control or management of the principal);
- c. Fishing boat crew on a profit share.



7. Contractors

Workers compensation insurance is also compulsory for contractors that the legislation deems to be your workers and contractors who are in fact your workers. You must include as wages the full value of the contracts (we will then make an adjustment to calculate the wage component for premium calculation purposes).

Count as a worker all contractors you have unless they are true independent contractors. Independent contractors could include, depending on the terms of their engagement:

- An incorporated company or partnership;
- A sole trader who employs others or sublets the contract;
- A sole trader who is operating an independent business in either his/her own name, business name or firm name where the contracted work is usual to the trade or business (e.g. an electrician contracted to do electrical work) carried on by the contractor.

Generally, contractors engaged in rural work are also deemed to be workers (defined on the proposal form as type C contractors). 'Rural work' includes timber supplying, felling or ringbarking trees, cutting scrub, hauling or loading timber, land clearing, sugar cane cutting, loading and transporting and fence erecting or demolishing.

8. Common law cover

Unlimited subject to achieving the 20% Whole Person Impairment threshold.

9. Terms and conditions

Any cover under the policy is subject to the terms, conditions and exclusions of the policy and the provisions of applicable State, Territory and Commonwealth laws.

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