



WORKERS COMPENSATION DECLARATION OF SALARIES & WAGES

THE INSURED:

THE BUSINESS:

INSURER:

POLICY NO:

	<i>No of Employees</i>	<i>Paid for Period Last Period</i>	<i>Estimate for Next Period</i>
All Employees			
Contractors and/or Sub-Contractors (as defined)			
Working Directors			
Family Members residing with Employer			
TOTAL		\$	\$

***If Cover for Working Directors is not required please do not include wages or names.**

Names and Occupations of Working Directors and Family Members

For GST purposes we require details of your ABN and ITC% (Input Tax Credit Entitlement Percentage)

A B N _____ **ITC %** _____%

Signed for the Insured

Date: _____

A Declaration of actual "wages" paid as defined for the past period of insurance and an estimate for the renewal period. It is based on:-

WAGES

Means all gross wages, salaries, remunerations, bonuses, overtime, allowances and the like, directors fees and all other benefits paid (whether at piece work rates or otherwise, and whether paid in cash or in kind) to in relation to a worker before the deduction of income tax.

You do not have to declare termination payments, retirement pay, retrenchment pay in lieu of notice, superannuation payment(s), pensions, "golden handshakes" or weekly payments of compensation.

WORKING DIRECTORS

Companies (excluding public companies) have the option of covering their working directors under Section 10A of the Act. In relation to such companies, a working director means a director of a company who:

- (a) executes work for or on behalf of a company and:
- (b) whos earnings as a director of the company by whatever means are in substance for personal manual labour or services



WORKERS COMPENSATION DECLARATION OF SALARIES & WAGES

To obtain cover, a working director(s) must be named on the Policy and their total earnings must be declared, including wages, salary and other remuneration (including non-cash benefits). Employer contributions under the Superannuation Guarantee (Administration) Act 1992 should not be included.

Companies must also provide supporting particulars to verify the aggregate amount paid to their working director(s) with the actual wages declaration and in the event of a claim.

Statutory benefits cover is provided for named working directors. Common law cover may not be provided for claims by working directors unless, amongst other things, they can establish they were working under a contract **of** service for the company.

Note: Working directors of public companies cannot "opt in" under Section 10A and are no longer considered to be workers under the Act from 14 November 2005.

OBLIGATION OF PRINCIPALS TO WORKING DIRECTORS

Principals engaging contractors need to be aware that they will be in breach of the Act if they enter into arrangements that are designed to avoid their liability to a worker under the Act.

This situation is known as an "avoidance arrangement" under Section 175AA of the Act.

A principal may be liable to pay compensation and meet obligations related to compensation for engaging in contrived workers compensation avoidance arrangements. A principal's liability may arise in circumstances such as:

1. a principal enters into an avoidance arrangement with an existing or former worker where the worker provides substantially similar services through a company of which the worker is a director. For example, trades people who are former employees but enter into a new arrangement with the principal as a director of their own company but perform substantially the same work and predominantly for that same principal
2. a principal enters into an avoidance arrangement with an individual:-
 - (i) who executes work predominately for that principal through a company of which the individual is a director and:
 - (ii) where prior to the arrangement the principal intimated an unwillingness to engage the individual to obtain substantially similar services as a worker for the principal under the Act.

The work performed by the worker must also be directly in connection with the trade or business of the principal.

If an injury occurs to the working director of a company engaged under an avoidance arrangement:-

- (a) the principal is liable to pay any compensation that the company would have been liable to pay under the Act as if the working director had been the principal's worker when the injury occurred
- (b) the company is relieved of its liabilities under the Act in respect of the payment of compensation to the working director and in respect of establishing a return to work program under Section 155C
- (c) no contractual indemnity may be put in place whereby the principal can subsequently require the company to provide an indemnity in relation to any liability to pay such compensation.

These obligations do not apply to contracts entered into prior to 14 November 2005.

Principals are advised to seek advice on their contractual arrangements with their contractors to ensure they are not in breach of the Act as penalties apply.

FAMILY MEMBERS

Any member of an employer's family living in the employer's house **will not be insured** unless the name of the person, type of employment and the estimated remuneration is shown separately in the Declaration.

CONTRACTORS/SUB CONTRACTORS

Persons engaged by the Employer for the purpose of the Employer's trade or business and whose remuneration is in substance for manual labour or services is deemed to be your Employee under the Act and must be included in the Declaration.

An exception is if the Contractors/ Sub Contractors are a Pty Ltd Company. If so, it is your responsibility to ensure that the Contractors/ Sub Contractors have their own Workers Compensation policy otherwise they must be included in the Declaration.

Irrespective of whether your Contractors/Sub Contractors are Pty Ltd Company or not it is your responsibility to ensure that they have insurance covering their own employees.

Note: no cover is provided for claims made against you under common law

EMPLOYEES LIVING OUTSIDE OF WA

Employees engaged in Western Australia to perform outside of WA or Overseas are covered and must be included in the Declaration providing they have not been continuously resident outside WA for a period of more than 6 months.