



## **URGENT ATTENTION REQUIRED** **CHANGES TO *Workers Rehabilitation and Compensation Act, 1986* ("the Act")**

As previously advised some changes to the Act are effective from **1 July 2008**. The changes that require an immediate understanding relate to the 'step downs' in weekly payments to injured workers.

The changes referred to below will apply to ***all claims with a date of injury of 1 July 2008 or after***. The changes will also apply to a very limited group of claims where a worker has been incapacitated for 2 years or more. It is likely that very few claims will fall within this second category of claims but, if they do, we will discuss them with you on a case by case basis.

For the first **13 weeks** in which an injured worker ***receives any payment of income maintenance*** a worker will receive income maintenance payments based on 100% of their average weekly earnings.

After 13 weeks there is a reduction in payments to 90%, followed by a further reduction to 80% at 26 weeks.

Further reductions apply at various stages, however, at this time it is critical that the effect of the changes that relate to the 13 and 26 week 'step downs' are clearly understood.

To ensure that workers are correctly paid it is imperative that we are aware when a worker has received income maintenance for 13 weeks and then 26 weeks so that in the 14<sup>th</sup> and 27<sup>th</sup> weeks workers receive weekly payments at the correct (reduced) rate.

A week is counted as a week in which a worker receives income maintenance, regardless of how much income maintenance they receive. For example, compensation for 2 hours of lost time in a week constitutes a week for the purpose of calculating the cumulative entitlement periods.

In light of the relatively short time frames that apply to these 'step downs' it will be necessary to closely monitor all claims for compensation. If a claim is not identified as reaching the 13 week or 26 week stage then workers will be overpaid and these overpayments will not be recoverable.

Any questions regarding these changes please contact:-

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