

User Guide

Workers Compensation (NSW)

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WORKERS COMPENSATION

WorkCover is a compulsory insurance that covers all Australian employees, providing protection against workplace related injuries or illness. There can be two types of WorkCover claims:

- The employee may not require taking time away from work, but request WorkCover to pay for any medical expenses due to a work-related injury.
- The Employee make require taking time off work.

LOGGING A WORKCOVER CLAIM

Reporting a WorkCover Claim (Employee)

Employees who have suffered a work-related injury or illness, may be entitled to claim workers' compensation. Workers compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the workplace. Employees must make a WorkCover Claim and report it to their employer by following these steps:

1. See their General Practitioner to seek for the correct treatment and to report how they were injured.
2. Have their General Practitioner issue a *Certificate of Capacity*.
3. Report the work-related injury to their employer within **30 days** of becoming aware of the injury.

Lodging a WorkCover Claim (Employer)

Upon receiving a WorkCover Claim from an employee, an employer must lodge a WorkCover claim, by following these steps:

- Notify the incident to their insurance (iCare/EML) by phone as soon as possible
- Lodge a WorkCover Claim either by phone or by filling up a Worker's Injury Claim Form, this form can be downloaded from SIRA (State Insurance Regulatory Authority).
- Send the Certificate of Capacity to the insurer within **10 days** from the date the incident was reported.
- Pay the claim amount to the employee through payroll, once the claim has been approved by the insurer

Accepting/Rejecting a Workcover Claim (Insurer)

Once received a WorkCover Claim the insurer will take the following steps

- Accept or reject the claim within 21 days.
- Pay the claim to the Employer or pay the claim directly to the employee in case of any dispute between the employer and the employee.

REPORT A NOTIFIABLE INCIDENT

Under the Work Health & Safety Legislation, a notifiable incident relates to:

- The death of an employee
- A serious injury or illness
- A potentially dangerous incident

Example of these incidents are available in the SafeWork NSW Incident Notification Fact Sheet. Employer should notify SafeWork NSW by phone on **13 10 50**.

WORKER COMPENSATION

Once the WorkCover Claim is approved, the employee will be paid a Workers Compensation payment either in lieu of wages or in addition to wages (depending on the type of WorkCover Claim made).

The percentage of wages applicable for Workers' Compensation payments varies depending on the length of time the worker is required to be absent from work:

- 0 – 13 Weeks Period → **95%** of the employee's regular salary
- 14 – 130 Weeks Period → **80%** of the employee's regular salary

Important Information



- Workers compensation is paid by the insurer to the employee through the employer unless there is a dispute between the employer and the employee over the accident.
- Certificate of Capacities must be re-issued by General Practitioners every 28 Days for most injuries or every 90 Days for serious accidents.
- WorkCover Claims can be submitted both by phone (13 10 50) or by filling out a Worker's Injury Claim Form. This last one is used more frequently for work harassment or other psychological related issues.

Security Policies



- WorkCover Claim payments can only be set up by users with Payroll Admin Access;
- Access to the Chart of Accounts is also required to complete this task.

Frequently Asked Questions

What happens if an employer does not notify SafeWork NSW of a notifiable incident?

The employer may face penalties up to \$10,000 for Sole Traders and \$50,000 for Companies.

Is the employer required to keep a record of any work-related injury?

By law, every employer must have an injury book where to record any work-related accident or injury.

Does Super apply during worker compensation?

Superannuation applies to all Workers' compensation payments where the employee is not fully absent from work.

Where the WorkCover compensation is paid for absence of work, the relevant Fair Work Award will determine whether the payment attracts superannuation or not. Employers should refer to the section 'Absence of Work' outlined in their Industry Award.

Is Annual and Personal Leave accrued by the employee whilst on Workers Compensation?

Employees on workers compensation in NSW are entitled to accrue Annual Leave. but not Personal Leave.

Can Annual or Personal Leave be taken whilst on Workers Compensation?

Employees on workers compensation in NSW are entitled to take Annual Leave whilst on workers compensation and be paid for both Annual Leave and workers compensation. They are entitled to take Personal Leave as well and being paid the difference between workers compensation and personal leave (5% for the first 13 weeks, 20% between 14 and 130 weeks)

What happens when an employee returns to work on limited duties?

Employees returning to work will accumulate annual leave and personal leave for the hours that they actually work. They can also take annual leave and personal leave for those hours.



How to create a workers compensation expense account

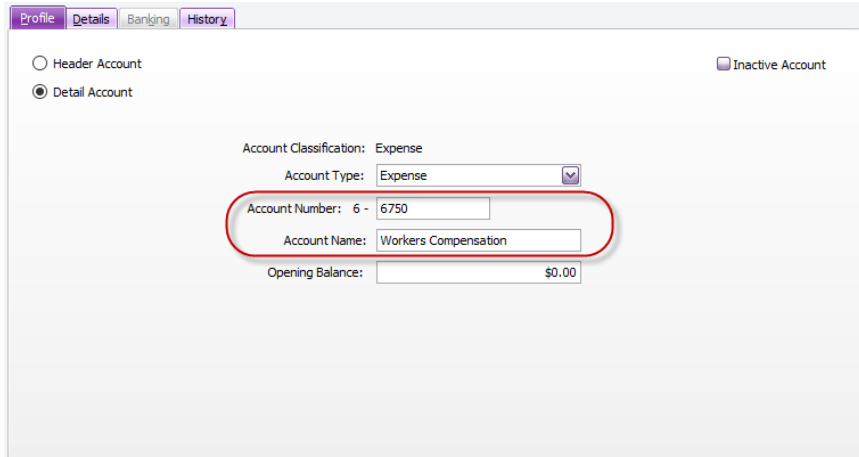
1. Go to Accounts → Accounts List

→ The Accounts List screen opens

2. Select the **[Expense]** Tab

3. Click on **[New]**

→ The Account Information screen opens



4. Select/Enter the following details:

- Header/Detail Account → Select: **Detail Account**
- Account Type → Select: **Expense**
- Account Number → Enter a 4-digit code
- Name → Enter: **Workers Compensation**

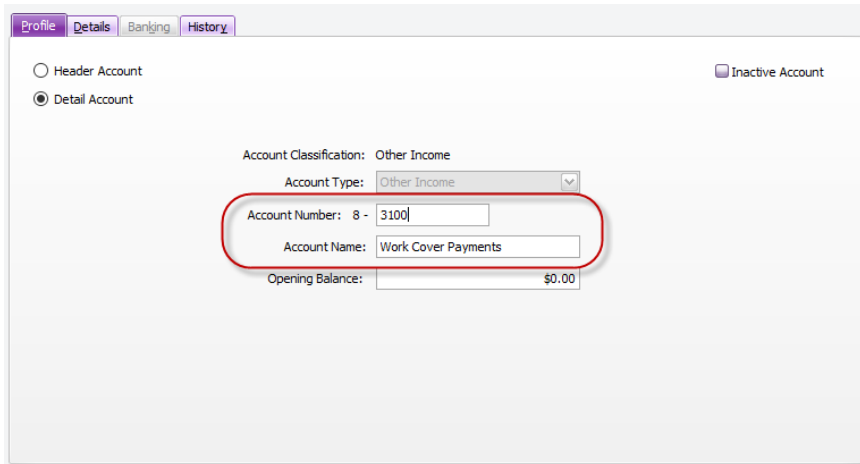
5. Select the **[Details]** Tab

6. From the Tax Code list select: **N-T**

7. Click on **[OK]**

How to create a workcover claim payments income account

1. Go to Accounts → Accounts List
 - The Accounts List screen opens
2. Select the **[Other Income]** Tab
3. Click on **[New]**
 - The Account Information screen opens

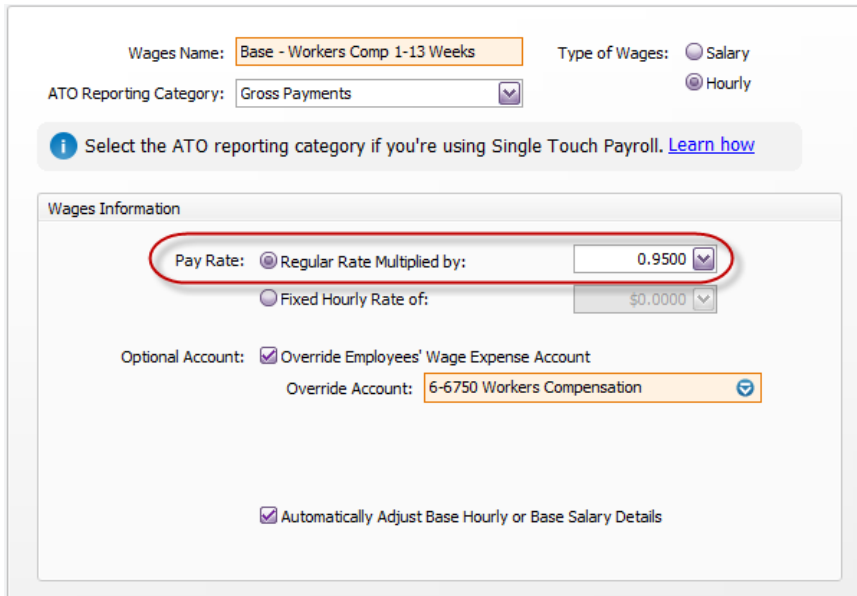


4. Select/Enter the following details:
 - Header/Detail Account → Select: **Detail Account**
 - Account Type → Select: **Other Income**
 - Account Number → Enter a 4-digit code
 - Name → Enter: **Work Cover Payments**
5. Select the **[Details]** Tab
6. From the Tax Code list select: **N-T**
7. Click on **[OK]**

How to create a workers compensation payroll category

1. Go to Payroll → Payroll Categories
2. Select the **[Wages]** Tab
3. Click on **[New]**

→ *The Wages Information screen opens*



Wages Name: Type of Wages: Salary Hourly

ATO Reporting Category:

i Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)

Wages Information

Pay Rate: Regular Rate Multiplied by: Fixed Hourly Rate of:

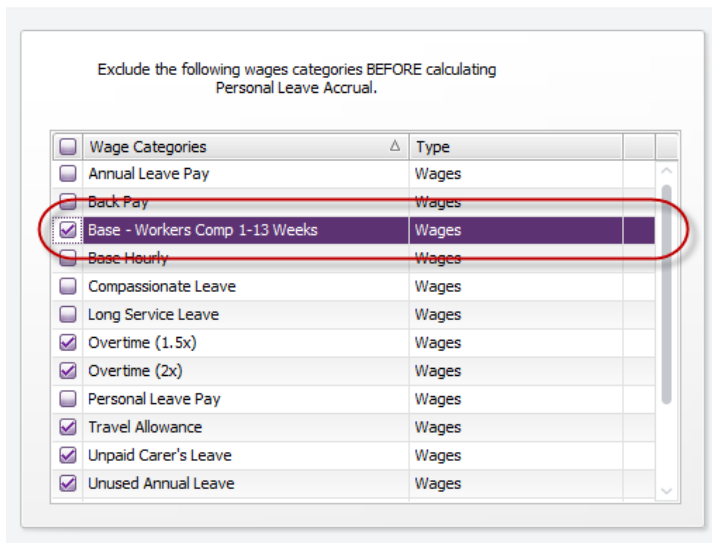
Optional Account: Override Employees' Wage Expense Account
 Override Account:

Automatically Adjust Base Hourly or Base Salary Details

4. Select/Enter the following details:
 - Wages Name → Enter: **Workers Compensation 1- 13 Weeks**
 - ATO Reporting Category → Select: **Gross Payments**
 - Type of Wages → Select: **Hourly**
 - Pay Rate → Select: **Regular Rate Multiplied by 0.95**
5. Select the option: **Override Employee's Wages Expense Account**
6. From Override Account select: **6-XXXX Workers Compensation**
7. Select the option: **Automatically Adjust Base Hourly or Base Salary Details**
8. Click on **[Employees]**
9. Select the employee entitled to receive workers compensation
10. Click on **[OK]** → **[OK]**
11. Select the **[Entitlements]** Tab
12. Open the Personal Leave Accruals Payroll Category

13. Click on **[Exempt]**

➔ The Entitlements Exemption screen opens



14. Select: **Workers Compensation 1- 13 weeks** from the list and click on **[OK]**

15. Click on **[OK]**

IMPORTANT NOTE

If your employee is required to be on workers compensation for more than 13 weeks, a second Payroll Category must be created and set up with a multiple rate of **0.80**.

MAKE WORKERS COMPENSATION EXEMPT OF SUPERANNUATION

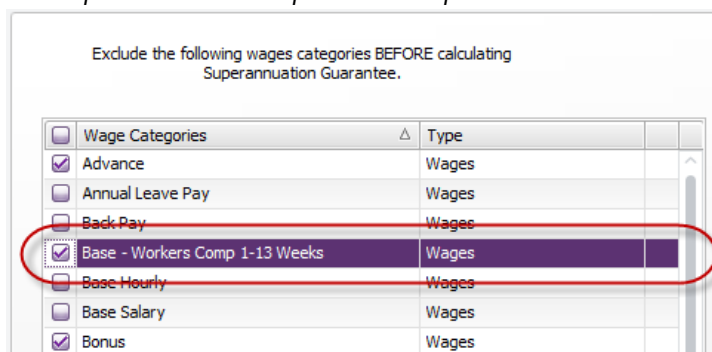
If your specific industry Fair Work Award does not pay superannuation during workers' compensation:

16. Select the **[Superannuation]** Tab

17. Open the Superannuation Guarantee Payroll Category

18. Click on **[Exempt]**

➔ The Superannuation Exemption screen opens

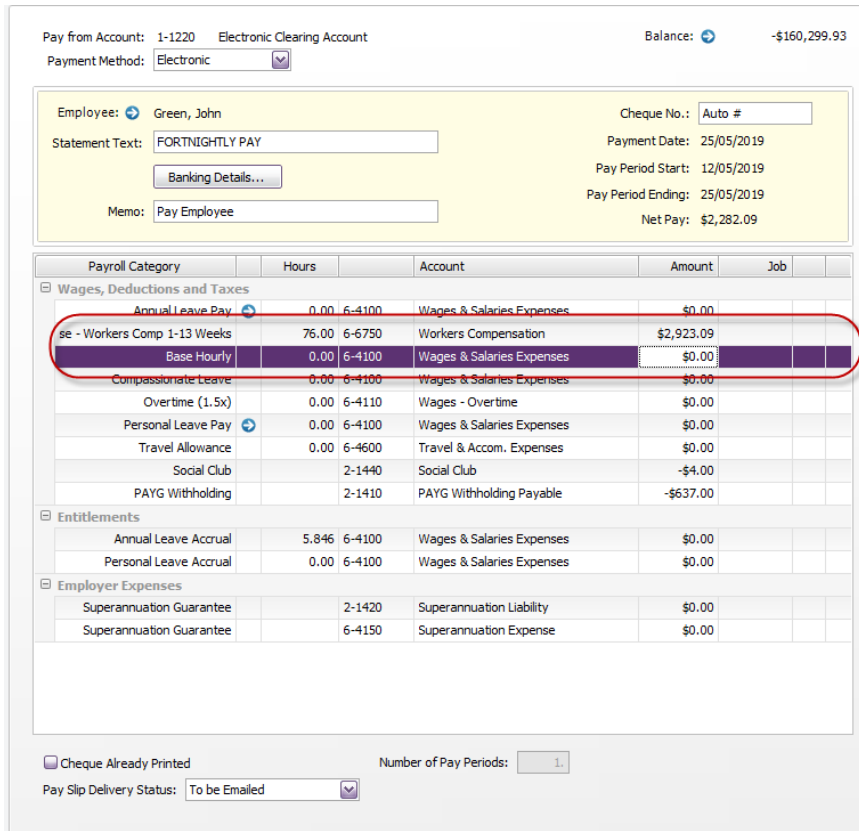


19. Select: **Workers Compensation 1- 13 weeks** from the list and click on **[OK]**

20. Click on **[OK]**

How to pay workers compensation

1. Go to Payroll → Process Payroll
 - The Process Payroll screen opens
2. Set the Payment and Pay Period Dates and click on [Next >]
3. Open the employee pay
 - The Pay Employee screen opens



Payroll Category	Hours	Account	Amount	Job
Wages, Deductions and Taxes				
Annual Leave Pay	0.00	6-4100	Wages & Salaries Expenses	\$0.00
Base - Workers Comp 1-13 Weeks	76.00	6-6750	Workers Compensation	\$2,923.09
Base Hourly	0.00	6-4100	Wages & Salaries Expenses	\$0.00
Compassionate Leave	0.00	6-4100	Wages & Salaries Expenses	\$0.00
Overtime (1.5x)	0.00	6-4110	Wages - Overtime	\$0.00
Personal Leave Pay	0.00	6-4100	Wages & Salaries Expenses	\$0.00
Travel Allowance	0.00	6-4600	Travel & Accom. Expenses	\$0.00
Social Club		2-1440	Social Club	-\$4.00
PAYG Withholding		2-1410	PAYG Withholding Payable	-\$637.00
Entitlements				
Annual Leave Accrual	5.846	6-4100	Wages & Salaries Expenses	\$0.00
Personal Leave Accrual	0.00	6-4100	Wages & Salaries Expenses	\$0.00
Employer Expenses				
Superannuation Guarantee		2-1420	Superannuation Liability	\$0.00
Superannuation Guarantee		6-4150	Superannuation Expense	\$0.00

4. In the **Workers Compensation X- X Weeks** Hours column, enter the number of hours the employee is paid on workers compensation
 - Both Base Hourly and Personal Leave Accruals' hours reduce accordingly
 - Note:** ensure the Base Hourly amount also changes to **\$0.00**.
5. Click on [OK]
6. Complete the Payroll Process

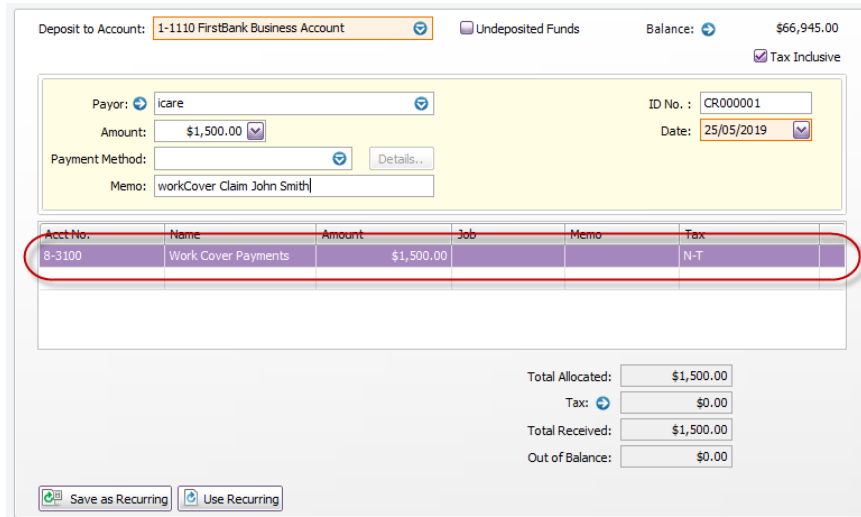
IMPORTANT NOTE

If the employee is on workers compensation for an extended period of time, the above amendments can be applied directly to the Employee Standard Pay.

How to record the workcover claim payment

1. Go to Banking → Bank Feeds
2. Find the WorkCover Claim payment and click on **[New]** → **[Receive Money]**

→ *The Receive Money screen opens*



Deposit to Account: 1-1110 FirstBank Business Account Undeposited Funds Balance: \$66,945.00 Tax Inclusive

Payor: icare ID No.: CR000001
 Amount: \$1,500.00 Date: 25/05/2019
 Payment Method: Details...
 Memo: workCover Claim John Smith

Acct No.	Name	Amount	Job	Memo	Tax
8-3100	Work Cover Payments	\$1,500.00			N-T

Total Allocated: \$1,500.00
 Tax: \$0.00
 Total Received: \$1,500.00
 Out of Balance: \$0.00

Save as Recurring Use Recurring

3. Select/Enter the following details
 - Payor → Select: **icare** or **EML**
 - Memo → Enter: **WorkCover Payment** [Employee Name]
 - Account → Select: **8-XXXX Work Cover Payments**
4. Click on **[Record]**