



## COVID-19 Notice – JobKeeper and Wage Declarations

May 4, 2020

Employers are required to provide a wage declaration to their insurer when effecting or renewing a workers' compensation insurance policy.

A declaration of 'estimated' wages payable to workers is made for the relevant forthcoming period for new or renewed policies (usually annually). A declaration of 'actual' wages must also be provided at the end of a period of insurance.

This notice clarifies the treatment of the Commonwealth Government's JobKeeper subsidy in relation to wage declarations made in the WA workers' compensation scheme.

### General principles

The amount of wages declared should reflect the amount payable to workers for the time or period that work is done. JobKeeper is a top-up or subsidy payment and not a payment for work done.

Wages are not required to be declared for workers stood down and not required to work – even if wages are subsidised by JobKeeper payments that the employer receives.

Wages must be declared if employers continue to engage workers and pay their wages for work done in exchange for their actual labour or service – even if the wages are subsidised by JobKeeper payments that the employer receives.

However, where employers are paying additional amounts to workers because the worker's wages are otherwise less than the JobKeeper 'wage condition' of \$1,500 per fortnight, then only the wages for work done must be declared. Any top up amount as part of JobKeeper payments, should not be declared.

The JobKeeper subsidy is temporary and applies to the period from 30 March 2020 to 27 September 2020, with applications for the subsidy closing 31 May 2020. Refer to:

<https://treasury.gov.au/coronavirus/jobkeeper> (<https://treasury.gov.au/coronavirus/jobkeeper>)

WorkCover WA endorses the position adopted by WorkCover Queensland and has reproduced its table and examples below to illustrate what is declared in various circumstances.

### Estimated wages for 2020/2021

For employers currently impacted by full or partial shutdowns, and changes to workers' hours and duties, it may be difficult to estimate aggregate wages payable to workers over 2020/2021 due to uncertainty about future working arrangements.

Employers should base 2020/21 wage estimates on working arrangements when the 2020/21 wage estimate is provided to the insurer. Insurers may require additional information about an employer's circumstances and may require a further wage declaration to be provided if circumstances change significantly during 2020/21.

Category	Example	Employer obligation to access JobKeeper Payment Scheme	Consequence
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Employee stood down without pay	Employee does not receive pay	Employer pays employee \$1,500 per fortnight (top-up payment)	The \$1,500 top-up payment will <u>not</u> be 'wages'.
Employee currently earning a wage of more than \$1,500 per fortnight	Employee earns \$2,500 per fortnight	Employer pays employee current wage of \$2,500 The employer receives the JobKeeper subsidy of \$1,500	\$2,500 is 'wages' and will be required to be included in wage declarations.
Employee currently earning exactly \$1,500 per fortnight	Employee earns \$1,500 per fortnight	Employer pays employee current wage of \$1,500 The employer receives the JobKeeper subsidy of \$1,500	\$1,500 is 'wages' and will be required to be included in wage declarations.
Employee currently earning a wage of less than \$1,500 per fortnight	Employee earns \$500 per fortnight	Employer pays employee \$1,500 per fortnight INCLUDING: 1. current wage of \$500 per fortnight 2. \$1,000 necessary to top-up the employee to \$1,500 per fortnight (top-up payment)	\$500 is 'wages' and will be required to be included in wage declarations. The \$1,000 top-up payment will <u>not</u> be 'wages'.

## Examples

1. A worker who normally gets paid \$2,000 per fortnight continues to be engaged by his/her employer. The employer receives \$1,500 per fortnight from the government under the JobKeeper Payment Scheme. Does the employer declare the entire \$2,000 total or only \$500?
  - The employer should declare the entire \$2,000 as wages. The subsidy of \$1,500 that the employer receives from the government does not change the fact that the employer continues to pay the worker their normal wage for work done.
2. Business is closed. The worker normally receives \$2,000 per fortnight but is stood down without pay. The employer pays the worker \$1,500 per fortnight and therefore is entitled to the \$1,500 per fortnight payment from the government. The employer isn't paying anything themselves. The worker is not doing any work for this money but receives the \$1,500. Does the \$1,500 get included in the wage declaration?
  - The employer is not required to declare the \$1,500 as wages. This is because the \$1,500 is not remuneration for work done by the worker. It is an amount paid because the worker is an eligible employee and the employer must pay the \$1,500 to become entitled to a JobKeeper payment.

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