

How to declare wages

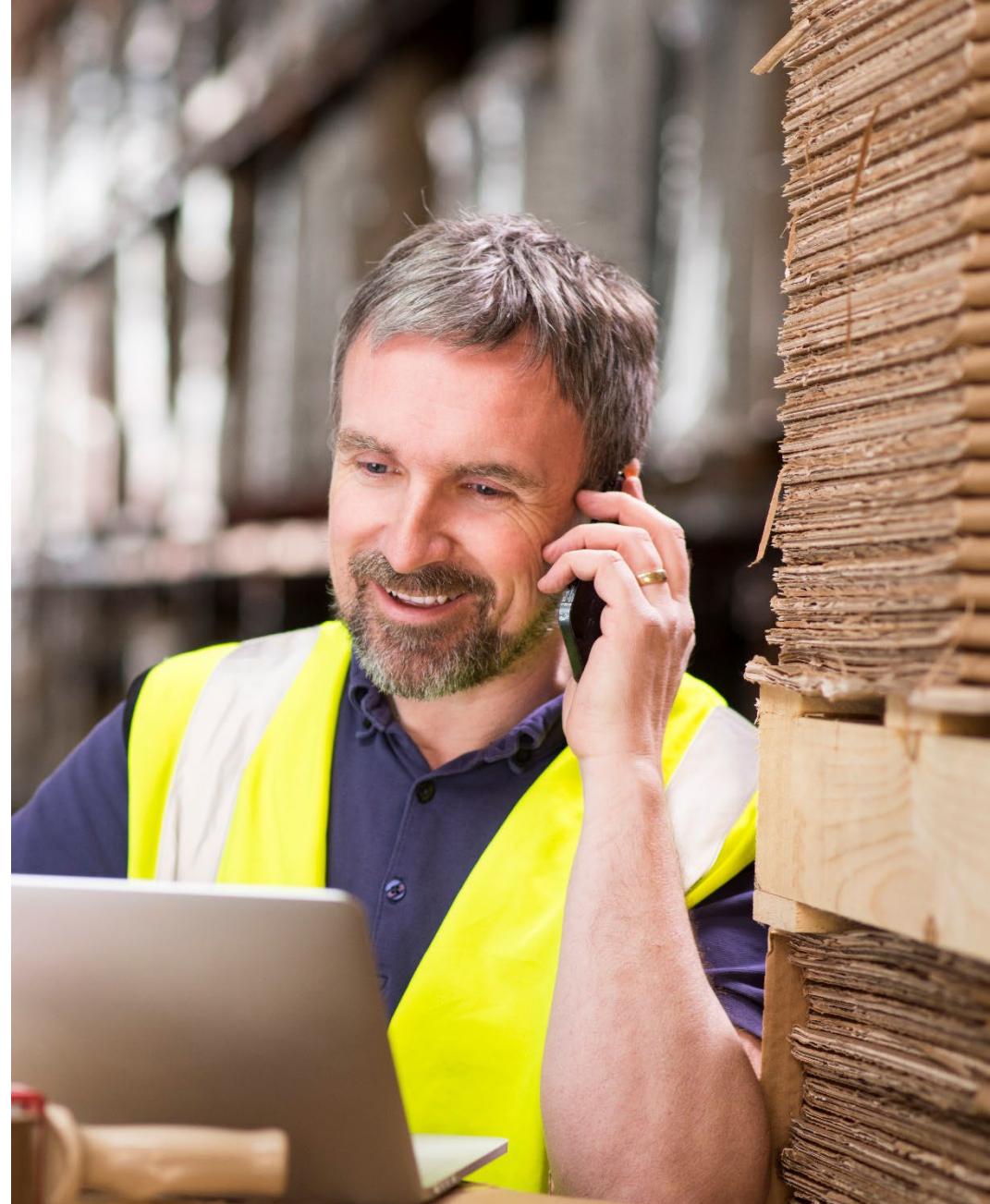
Guidance for employers

JUNE 2021 – GD900 V10

Declaring wages

You need to renew accident insurance policy, which covers your business for the cost of any work-related injuries to your workers, every year. To maintain your cover, you need to declare your wages between 1 July – 31 August each year so we can calculate your premium. This guide is designed to:

- help you correctly declare wages paid to your workers
- outline the tools available to help you declare
- help you understand the relevant parts of the *Workers' Compensation and Rehabilitation Act 2003* (the Act) and the *Workers' Compensation and Rehabilitation Regulation 2014* (the Regulation).



What are ‘wages’?

This is how the Act defines ‘wages’:

- Total amount paid, or provided by, an employer to, or on account of, a worker as **wages, salary or other earnings** by way of money or entitlements having monetary value, but **does not include**:
 - **allowances** payable in relation to any travel, car, removal, meal, education, living in the country or away from home, entertainment, clothing, tools and vehicle expenses
 - **lump sum payments on termination** of a worker’s services for superannuation, accrued holidays, long service leave or any other purpose
 - **claims excess** paid to a worker.



Four key steps

Now that you know what 'wages' are, we can work through the following steps in order to declare.

1

Is the person
a 'worker'
under the
Act?

2

Which
payments do
I declare as
wages?

3

Which
payments do I
not declare as
wages?

4

How do I
declare?



Stages			
1	2	3	4
Is the person a worker?	Payments to declare	Payments not to declare	How to declare

Step 1: Is the person a worker?

- The Act explains that a worker is ‘a person who works under a contract and, in relation to the work, is an employee for the purpose of assessment for PAYG withholding under the *Taxation Administration Act 1953* (Cwlth), schedule 1, part 2-5’.
- Only an individual can be a worker.
- Relevant sections of the Act are:
 - Section 11 – Who is a ‘worker’
 - Schedule 2, Part 1 – Certain persons who are workers
 - Schedule 2, Part 2 – Certain persons who are not workers

Take a look at our [guidance](#) to help you determine whether someone is considered a ‘worker’ for the purpose of workers’ compensation insurance.

Stages			
1	2	3	4
Is the person a worker?	Payments to declare	Payments not to declare	How to declare

Step 2: Which payments do I declare as wages?

The following payments made to your workers need to be declared as wages during policy renewal:

- total of all PAYG gross salary and wage payments
- all superannuation payments including super salary sacrifice
- any fringe benefits or other entitlements having a monetary value
- total of all payments to individual contractors deemed workers (excluding GST).

Stages			
1	2	3	4
Is the person a worker?	Payments to declare	Payments not to declare	How to declare

Step 3: Which payments do I not declare as wages?

The following payments should not be declared as wages:

- any allowances or expenses reimbursed for work-related expenses
- lump sum termination payments
- excess period payments
- compensation payments reimbursed by WorkCover
- all payments to, or in respect of, directors, trustees or partners.

Read our detailed [wages definition manual](#) for more information on what to declare and what not to declare.

Stages			
1	2	3	4
Is the person a worker?	Payments to declare	Payments not to declare	How to declare

Step 4: How do I declare?

In early July each year, we will contact you to declare your actual wages for previous year and provisional wages for the year ahead.

For a faster and easier way to renew and pay your premium, use our WorkCover Connect secure online service to declare.

You can also renew your policy by calling us on 1300 362 128.

If you employ apprentices, you will also be prompted to declare your apprentice wages. We will deduct these wages from your premium calculation, which will result in a cheaper premium for you.

Once you have declared your wages, you can take advantage of our flexible premium payment options, including interest-free monthly payment plans to spread your payment over more time.

What if my estimated wages change during the year?

If your provisional, estimated wages for the year ahead change during that year, you must let us know to avoid being under-insured.

Appropriately estimating your wages for the coming year also means you can avoid:

- bill shock – an appropriate estimate of wages means less ‘catch-up’ the following year when you report your actual wages are higher and you need to pay more premium.
- penalties and liability for any claims costs if you are found to be under-insured.

Key dates

1 July	From this date, you can declare your wages and pay your premium
31 August	Wage declarations due
16 September	Declare your wages by 31 August and pay your full premium by 16 September to receive a 5% discount on your premium (discounted premium cannot go below \$200)
30 September	Full premium payment and payment plan requests due



More information

- visit worksafe.qld.gov.au
- call your Relationship Manager
- call us on 1300 362 128.

