

## Overview

The purpose of this fact sheet is to introduce employers and workers to the basic concepts in establishing a relevant period and how it relates to the calculation of a worker's pre-injury average weekly earnings (PIAWE).

The scheme agent is responsible for the calculation of a worker's PIAWE. This fact sheet provides the employer and/or worker with instruction of the type and detail of information that will need to be supplied to a scheme agent as soon as possible to ensure that the worker's PIAWE is calculated correctly.

## What is relevant period?

The relevant period is the length of time, measured in weeks, used to average a worker's earnings to determine PIAWE.

The scheme agent will need to determine the date from which a relevant period commences, and then determine which of the weeks, and associated earnings, within this period will be included in the calculation of PIAWE.

The commencement date will be influenced by a number of factors, which are summarised in this fact sheet.

When calculating a worker's PIAWE, scheme agents need to consider workers ordinary earnings and their earnings from overtime or shift allowances, if applicable.

The total number of weeks used to calculate a worker's ordinary earnings may be different from the total number of weeks used to calculate a worker's overtime and shift allowance, as additional types of leave are excluded from the shift and overtime relevant period.

## How is the commencement date of the relevant period determined?

Where a worker has been continuously employed with the same employer for at least 52 weeks, before the date of injury, these 52 weeks will be the relevant period. The scheme agent will then consider the weeks and earnings within this period for inclusion in the calculation of PIAWE.

There are times when the duration of the relevant period will not be 52 weeks. If any of the exceptions are applicable to the worker then the scheme agent should be advised. A summary of these exceptions is below:

- If a worker has been continuously employed for *4 weeks or more but less than 52 weeks* then the relevant period is the length of continuous employment,
- If a worker has been continuously employed for less than 4 weeks then confirm earnings the worker would reasonably be expected to receive in the 52 weeks following the date of injury,
- If a worker *was promoted or appointed to another position during the 52 weeks* prior to the injury, then the relevant period is the length of continuous employment from the date the new role commenced to the date of injury,
- If a worker *voluntarily reduced their hours or duties*, which resulted in reduced earnings, then the relevant period is the length of continuous employment from the date the reduction in hours or duties commenced to the date of injury,
- If a worker was not in full time employment immediately before the injury **AND** they can provide evidence of *seeking full time employment immediately before the injury AND were predominantly a full time worker during the preceding 78 weeks immediately before the injury*, then the 78 weeks prior to date of injury is used as the relevant period.

**Continuous employment > 52 weeks**

**Relevant Period**



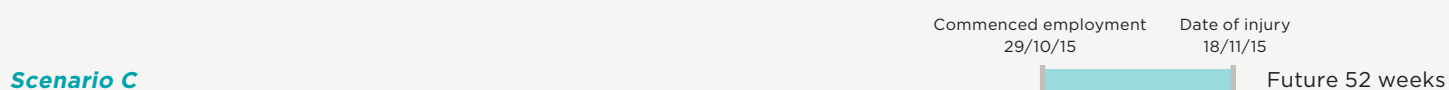
**Continuous employment between 4 and 52 weeks**

**Relevant Period**



**Continuous employment < 4 weeks**

**Relevant Period**



**Continuous employment > 52 weeks, promotion/appointment occurred prior to date of injury**

**Relevant Period**



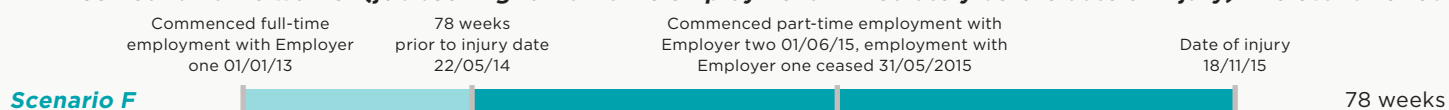
**Continuous employment > 52 weeks, voluntary reduction occurred prior to date of injury**

**Relevant Period**



**Deemed full time worker (job seeking for full-time employment immediately before date of injury)**

**Relevant Period**



Once the duration is established, the scheme agent needs to determine the weeks and associated earnings that can be included in the relevant period for the calculation of ordinary earnings and overtime and shift allowance.

**How is the relevant period calculated for ordinary earnings?**

The relevant period for ordinary earnings must exclude any weeks, and the associated earnings, where a worker was on “unpaid leave” within the relevant period. For casual and seasonal workers only, this will also include weeks where the worker did not actually work.

**How is the relevant period calculated for overtime and shift allowance?**

The relevant period for overtime and shift allowance must exclude any weeks, and the associated earnings, where the worker was on “unpaid leave” and “other paid leave (except annual leave)” within the relevant period. For casual and seasonal workers only, this will also include weeks where the worker did not actually work.

**How are days of leave excluded from the relevant period?**

Leave for the purposes of calculating a relevant period must be expressed in whole weeks, therefore;

- If a worker took one day of unpaid leave, then the whole week and the associated earnings must be excluded from the relevant period for ordinary earnings.
- If a worker took 3 days of unpaid leave in a given week then the week and the associated earnings would be excluded from the relevant period for ordinary earnings.
- If a worker took one day of unpaid leave per week for 3 weeks, then 3 weeks and the associated earnings would be excluded from the relevant period for ordinary earnings.

It is necessary that the start and end dates of each period of leave is provided to the scheme agent. This will ensure the relevant period for ordinary earnings and overtime and shift allowance are determined correctly.

It is therefore important for an employer to provide detailed earnings broken down to a daily rate where necessary.



### What if all the weeks in the relevant period are excluded?

Workers who have an arrangement to take a regular day / days of leave without pay each week, should have their PIAWE calculated based on their part time work arrangements. Workers who take unpaid leave on an irregular basis would have those weeks containing unpaid leave (and the associated earnings) removed from the relevant period.

### What needs to be provided to the scheme agent?

The following information is required for the scheme agent to determine the relevant period;

- Commencement date of (continuous) employment.
- The commencement date(s) that any change in employment status took place (e.g. promotion, increase or voluntary reduction in hours, pay increase etc.).
- Specific dates of **all** leave taken in the relevant period, including types of leave and start and end dates.

### Other useful information

The “Calculating pre-injury average weekly earnings” form details the information that is required to assist the scheme agent to correctly calculate the worker’s PIAWE. Please complete the “Calculating pre-injury average weekly earnings” form and submit to the relevant scheme agent managing the claim.

In addition to this fact sheet you can refer to the following fact sheets to also assist in the completion of the “Calculating pre-injury average weekly earnings” form:

- “PIAWE-Ordinary Earnings” fact sheet
- “PIAWE-Overtime and Shift Allowance” fact sheet
- “PIAWE- Leave” fact sheet
- “PIAWE- Concurrent Employment” fact sheet
- “PIAWE- Indexation” fact sheet

### Further assistance

Further assistance can be provided by contacting the scheme agent.