

## Pre-injury average weekly earnings fact sheet: Agreements

### Overview

The purpose of this fact sheet is to introduce the concept of pre-injury average weekly earnings (PIAWE) agreements. It provides guidance as to when an agreement can be made, the type and detail of information that will need to be supplied to the agent to approve an agreement, and how an agreement can be withdrawn.

**NOTE:** A worker and employer can only enter a PIAWE agreement if the worker was injured on or after 21 October 2019 and does not apply to exempt workers.

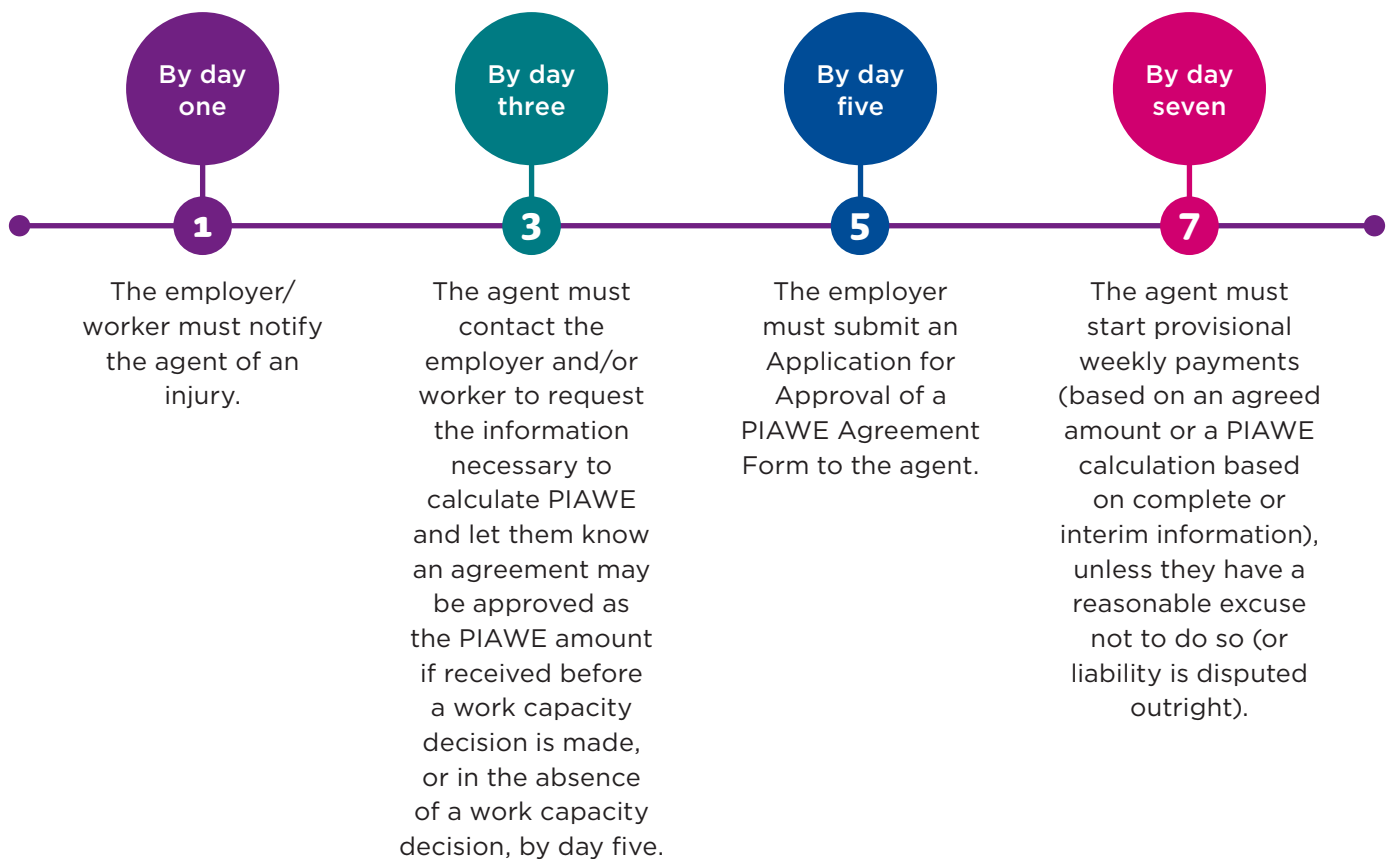
### What is a PIAWE agreement?

The intention of a PIAWE agreement is to fast track the worker's initial weekly payments (where possible) and allow workers and employers to focus on the worker's recovery and return to work.

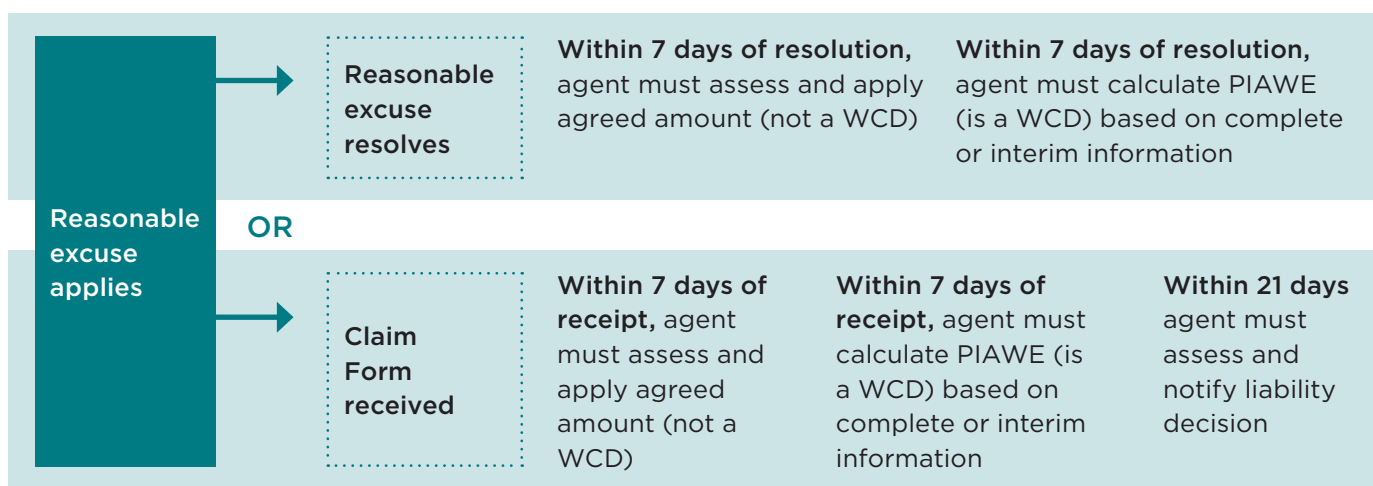
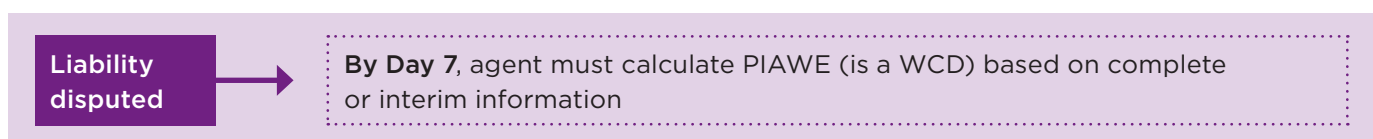
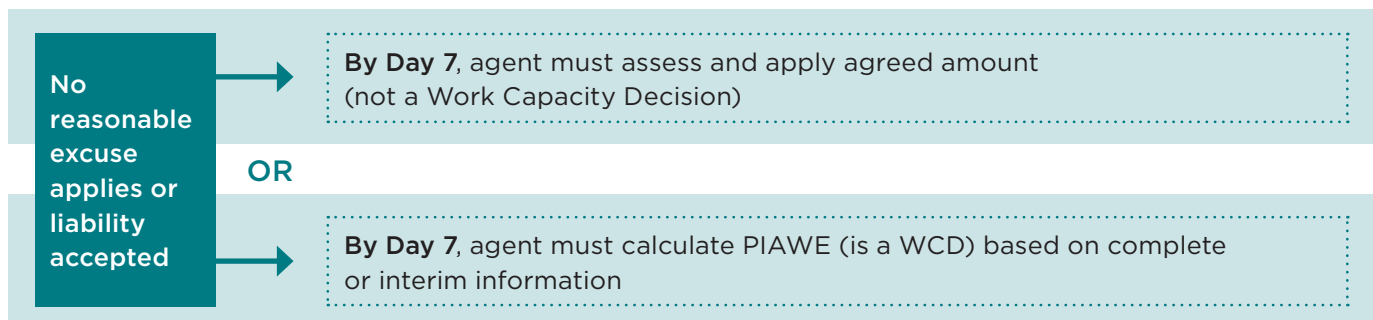
A worker and employer may agree a PIAWE amount. If the agent considers the agreement to be fair and reasonable, they are to give effect to that agreement.

For the agent to start weekly payments within seven days of initial notification, the agreement must be reached promptly.

### What is the timeframe for determining an agreement?



## Day seven



## Application for approval

The signed Application for Approval of a PIAWE Agreement Form must be provided to the agent to support the agreed amount, and include:

- the PIAWE amount\*,
- the date of the agreement,
- the name, injury date and claim number for the worker,
- the name of the employer,
- the name and contact details of the person authorised by the employer to enter into the agreement,
- details of any other employment in which the worker is engaged,
- any evidence that supports the agreement (e.g. payslip or contract of employment),
- any other information taken into account in reaching the agreement, and
- acknowledgement of consent to the agreement.

\* The agreed PIAWE remains subject to minimum PIAWE and the maximum weekly compensation amount.

## Approval of the agreement

To approve the agreement, the agent needs to be satisfied that the agreed amount accurately reflects the worker's PIAWE and that the agreement is fair and reasonable. The approval of the agreement is not a work capacity decision.

If a worker is under legal incapacity (as defined in Part 6 of the *Workers Compensation Commission Rules 2011*) an agent must not approve a PIAWE agreement.

## What information does the agent need to consider to determine whether the agreement is fair and reasonable?

- A signed Application for Approval of a PIAWE Agreement form
- A contract of employment and/or pay slips

Any other information that the worker or the employer considered in reaching the agreement, for example:

- Fair Work Instrument
- Payroll records
- Leave records
- Bank statements
- Tax returns
- Enterprise Bargaining Agreement

## Withdrawal of agreement

Once an agent has approved the agreement, the worker or employer can withdraw from the agreement by giving notice to the other party and to the agent.

Within seven days of receiving the notice from the worker and/or employer, the agent is to:

- make a work capacity decision to determine PIAWE,
- provide the worker and employer with written notice of the withdrawal, and
- advise of the new PIAWE amount in a work capacity decision notice.

If the new PIAWE amount is higher than the PIAWE amount in the withdrawn agreement, the worker is to be paid the back-payment in accordance with the following formula:

$$X - Y = Z$$

Where:

X is the amount of weekly compensation the worker should have received (based on the new PIAWE) from the date the worker first became entitled to weekly payments up to the date in which the last weekly payment was made.

Y is the amount of weekly compensation already paid to the worker over the same period.

Z is the amount owed to the worker over the same period (that is, the 'adjustment payment').

All future payments are to be based on the new PIAWE amount as determined by the agent.

(See Part 4, Division 4 of the *Workers Compensation Regulation 2016*)

## Example

Louise sustained an injury while working as a full-time teacher. She consistently worked 38 hours per week and earned \$800.10 per week.

She completed the application for approval of an agreement form (found on icare's website). When she got home from the medical centre, she attached five of her most recent payslips and forwarded this information to her employer. Her employer agreed, and submitted the form (which was signed by both parties) to the agent within three days of Louise's injury.

The agent received the application for approval of an agreement and supporting information within 5 days of injury notification. Following a discussion with both Louise and her employer, the agent approved the agreement on the basis that they were satisfied that the agreed amount reasonably reflected her earnings.

The agent approved the agreement by day seven, and commenced provisional weekly payments using the agreed amount as Louise's PIAWE.

## Other useful information

- PIAWE fact sheet: PIAWE overview
- PIAWE fact sheet: Relevant earning period
- PIAWE fact sheet: Concurrent employment
- PIAWE fact sheet: Non-monetary benefits
- PIAWE fact sheet: Apprentices, trainees, and young people
- PIAWE fact sheet: Indexation
- PIAWE fact sheet: Alignment to pay cycle
- PIAWE fact sheet: Change in earning circumstances
- PIAWE fact sheet: Short-term workers
- PIAWE fact sheet: Unpaid leave
- SIRA's Workers Compensation Guidelines
- SIRA's Claims Management Guide

## Further assistance

For help with calculating PIAWE, please contact your agent or [icare](#).