

# PIAWE on a page

## Pre-injury average weekly earnings (PIAWE) reference guide



State Insurance  
Regulatory Authority

Use this as a guide for calculating PIAWE for injured workers who sustain an injury on or after 21 October 2019

PIAWE is generally the weekly average of a worker's gross earnings over the 52-weeks prior to their date of injury.

The relevant earning period may be adjusted in some circumstances.

$$\frac{\text{Gross earnings}}{\text{Relevant earning period (weeks)}} = \text{PIAWE}$$

**Note:** PIAWE is subject to:

- the minimum PIAWE amount of \$155, and
- the statutory maximum amount.

**Gross earnings** The earnings for each job that a worker was working in at the time of injury must be included in a worker's PIAWE.

### What is included in gross earnings?

The income received by the worker for work performed in any employment, including:

- wages, including any paid leave and loadings
- shift, overtime and other allowances paid
- commission and piece rates

Where a worker has the use of a non-monetary benefit (for example, a motor vehicle) and after the injury they no longer have the use of that benefit, then the cash value of that benefit can also be included.

### What is not included in gross earnings?

- compulsory superannuation contributions made by the employer
- workers compensation or other compensation payments for loss of earnings
- the monetary value of any non-monetary benefit (while the worker continues to have access to the benefit following injury)
- any payment made without obligation by the employer (for example, discretionary bonuses)

### PIAWE for workers with multiple jobs

Where a worker had more than one job at the time of their injury, the average earnings for each job are included in a worker's PIAWE. Each job may have a different relevant earning period, using the same rules for determining PIAWE generally, depending on the specific circumstances of that job. The average weekly earnings from each job are added together to determine the worker's PIAWE.

### Apprentices, trainees and young people

PIAWE is to be recalculated at each age or stage in accordance with what the worker would have been entitled to receive had they not been injured and continued in that employment.

### PIAWE for short term workers (<4 weeks)

Workers who have been employed for less than 4 weeks before the injury may have their PIAWE calculated by having regard to the weekly earnings they could have expected to earn in that employment in the 52 weeks after the injury.

**Relevant earning period** This is the period of 52 weeks immediately before the injury, unless adjusted as per the steps below:

#### Step 1: When did the worker commence employment?

If the worker commenced employment <52 weeks before the injury, then adjust the relevant earning period to the day the worker first commenced employment (see also short term worker provisions if <4 weeks)

#### Step 2: Was there a financially material change to earnings?

If there was an ongoing and financially material change to a worker's earnings during the relevant earning period (for example, arising from a change in role, a promotion, or a change from full-time to part-time work), adjust the relevant earning period so that it commences from the date the change took effect.

#### Step 3 (optional): Is it easier to align to the worker's pay period?

The relevant earning period may be aligned to the worker's pay period (subject to the insurer being satisfied this would not result in a lower PIAWE).

#### Step 4: Did the worker take a period of unpaid leave?

When the worker had a period of 7 or more consecutive days of no earnings, commencing with a day of unpaid leave, this period is to be excluded from the relevant earning period.

# PIAWE on a page

## Determining pre-injury average weekly earnings (PIAWE)



State Insurance  
Regulatory Authority

Use this as a guide to explain how PIAWE may be determined for workers who sustain an injury on or after 21 October 2019

- If a worker is entitled to weekly payments, the insurer must start provisional weekly payments within seven days of initial notification of injury, unless there is a reasonable excuse not to. There are only a limited number of reasonable excuses that may be applied. These are set out in the Workers Compensation Guidelines.
- To ensure workers receive prompt payment of their entitlements, PIAWE should be determined as soon as possible.

The two main pathways for determining PIAWE include:

- PIAWE by agreement, where the worker and the employer agree on the amount to be used for PIAWE, or
- Insurer work capacity decision, where the insurer uses available relevant information to calculate PIAWE

### PIAWE Agreements

#### What do the worker and employer need to do?

- If the worker and employer reach an agreement about PIAWE, then they need to apply to the insurer for approval of the agreement within 5 days of initial notification of injury.
- The application must be in writing and contain certain information (including for example the agreed amount, the date of the agreement, and supporting information).

#### What does the insurer need to do?

- Upon receipt of an application for approval of an agreement, the insurer has 7 days to either approve, or refuse to approve, the application. Note that the timeframes vary if the insurer has a reasonable excuse not to commence provisional weekly payments.
- Provisional weekly payments can commence by day 7 using the agreed amount even where the insurer has not yet approved the application. This is an 'interim payment decision.'
- The insurer is to consider whether the agreed PIAWE reasonably reflects the worker's PIAWE, and is fair and reasonable.
- If the insurer refuses to approve the agreement, the insurer is to make a work capacity decision to determine PIAWE.
- An insurer cannot approve an agreement for a person under legal incapacity; and applications for approval of an agreement must be refused if a work capacity decision about a worker's PIAWE has already been made

#### Can the worker or employer withdraw from the agreement?

- A worker or employer may withdraw from the agreement at any time by providing written notice to the insurer and the other party.
- Within 7 days, the insurer is to give notice of the withdrawal to both parties and determine PIAWE by making a work capacity decision.

#### Can the agreement be varied?

- Generally, only one agreement can be made. However the agreement may be varied where the worker no longer has the use of a non-monetary benefit (for example, no longer has access to the motor vehicle following injury).

### Insurer work capacity decisions

An insurer may calculate PIAWE using earnings and leave information gathered from the employer. The calculation is communicated to the worker as a work capacity decision.

#### What if the insurer does not have enough information?

- Where the insurer has insufficient information to calculate PIAWE, they can determine an 'interim PIAWE' work capacity decision using the best available information.

#### Can a worker request a review of a work capacity decision?

- A worker can request an optional review by the insurer, or lodge a dispute with the Workers Compensation Commission.
- Information for a worker to request a review of the decision is outlined in the notice of the decision.

### Don't forget...

#### PIAWE recalculations

Where PIAWE is recalculated via a work capacity decision, and the new PIAWE amount is higher than what was previously agreed or determined, the worker is entitled to an adjustment payment to make up the difference.

The insurer is to pay the worker the adjustment payment within 14 days.

#### Indexation

After PIAWE is calculated, it is to be indexed on:

- 1 April and
- 1 October

each year after the date of injury.