

Reducing, Suspending, or Discontinuing Income Compensation

The Bill clarifies the circumstances for reducing, suspending, or discontinuing income compensation payments to a worker.

Key Points

Bill ref: cl. 62-66

- The Bill provides that once an entitlement to income compensation is established and payments commence the payments cannot be reduced, suspended or discontinued, except in accordance with the Act. This maintains the general restriction in the current Act on the unilateral reduction or cessation of compensation by an insurer or self-insurer.
- The Bill clarifies and sets out the specific circumstances where an employer is permitted to reduce, suspend, or discontinue income compensation payments to a worker. The circumstances are:
 - to comply with a relevant provision of the Bill such as the calculation of income compensation or any limit on compensation. For example, this includes where the Bill requires a reduction in income compensation payments after the first 26 weeks of incapacity, or where the maximum limit has been reached for income compensation or medical and health expenses compensation.
 - to comply with a direction of a conciliator or an order of an arbitrator.
 - reducing or discontinuing income compensation payments on the basis of a worker's return to work - see *Information Sheet 23*.
 - reducing or discontinuing income compensation payments on the basis of medical evidence - see *Information Sheet 24*.

Key Points

- suspending income compensation payments when a worker is not residing in WA and fails to provide declarations required by the regulations - see *Information Sheet 25*.
- suspending income compensation payments when a worker is in custody under the law of a state or the Commonwealth - see *Information Sheet 26*.
- with the consent of the worker in the approved form.

Questions & Answers

Q. If a worker does not agree that an employer should reduce, suspend, or discontinue income compensation payments what can they do?

A. A worker may apply to have the matter determined as a dispute. An arbitrator can make any order the arbitrator considers appropriate in the circumstances.