

Working Directors

The *Workers Compensation and Injury Management Act 2023 (WCIMA23)* sets out the special arrangements and requirements that apply to the coverage of working directors.

Key Points

Act ref: ss. 16, 57, 59, 209

- Company directors of public and proprietary limited companies can be covered for workers compensation via an 'opt in' arrangement.
- When applying for the issue or renewal of a workers compensation policy the company must:
 - make a statement naming each director on the policy
 - declare that the director executes work for or on behalf of the company and that the director is remunerated for personal manual labour or services
 - provide a declaration of estimated remuneration and a declaration of actual remuneration, in the approved form, for each working director at policy inception and renewal.
- The *WCIMA23* provides the minimum (safety net) weekly rate of income compensation payable does not apply to a working director – this is because the rate of income compensation is determined by reference to the statement of the working director's remuneration provided to the insurer.

Questions & Answers

Q. What if the company forgets to provide a statement to the insurer naming the working director and the amount of remuneration payable?

A. The director is not covered by the workers compensation policy.

Q. What is the significance of the remuneration declaration?

A. The remuneration declaration indicates the working director is being remunerated (and therefore a working director) and the amount declared determines the amount of income compensation payable if the working director suffers an incapacity for work.

Q. What are the approved remuneration declaration forms?

A. The approved remuneration declaration forms are:

- *IN1 Declaration of estimated remuneration*
- *IN2 Declaration of actual remuneration*

Both forms must be used and are published on the WorkCover WA website.