

Pre-injury average weekly earnings fact sheet: Overview

Overview

The purpose of this fact sheet is to provide a brief overview of pre-injury average weekly earnings (PIAWE) and explain the differences when calculating PIAWE for:

- workers who sustained an injury before 21 October 2019; and
- workers who sustained an injury on or after 21 October 2019.

■ **NOTE:** This fact sheet does not apply to exempt workers.

What is PIAWE?

If a worker is unable to perform their pre-injury job because of a work-related injury, any weekly compensation that might be payable to them is calculated by reference to their PIAWE.

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

Why is PIAWE important?

The calculation of PIAWE is essential to making sure that a worker receives accurate weekly payments. Unless there is a reasonable excuse not to, these payments are to commence within the first seven days of notification of an injury and will need to be reassessed if new information is later received.

Gathering PIAWE information

Employers should provide pay information to their agent as soon as possible to meet legislated timeframes (see sections 267 and 275 of the *Workplace Injury Management and Workers Compensation Act 1998*). This information includes:

- Completed PIAWE form
- Copies of payslips or any available payroll records covering the relevant earning period
- Any relevant Fair Work Instrument, contract of employment or Enterprise Bargaining Agreement
- Leave records
- Tax returns
- Any other supporting documentation specific to a worker's employment circumstances.

How is PIAWE calculated?

For workers injured before 21 October 2019, PIAWE is the sum of:

- Ordinary earnings during the relevant period (either their base rate of pay or actual earnings, any amounts paid or payable as piece rates or commissions, and the monetary value of non-financial benefits)
- Any permissible shift and overtime amounts.

Special consideration is given to workers employed by more than one employer at the time of injury. Items 2 to 8 of Schedule 3 of the *Workers Compensation Act 1987* set out the method to determine PIAWE where a worker was employed by more than one employer at the time of injury.

For workers injured on or after 21 October 2019, PIAWE is the simpler sum of:

- A worker's gross weekly earnings over the 52 weeks before their date of injury.

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

- There are some exceptions to this definition including:
 - if the worker has not been continuously employed in the 52 weeks before the injury
 - if the worker had an ongoing financially-material change in earnings in the 52 weeks before the injury (e.g. as a result of a permanent promotion or demotion)
 - if it is simpler to align to the worker's usual pay cycle
 - if the worker has taken extended periods of unpaid leave (7 or more consecutive days) in the 52 weeks before injury
 - if the worker had a financially material reduction in earnings due to the COVID-19 pandemic during the first prescribed period between 23 March and 14 June 2020*
 - if the worker had no earnings paid or payable due to the COVID-19 pandemic for at least 2 days during the second prescribed period from 15 June and no later than 27 September 2020.*

If a worker is employed by more than one employer at the date of injury, the earnings for all jobs are considered when determining PIAWE.

*The first prescribed period is between 23 March and 14 June 2020 and this period should be excluded if there was a financially material reduction in earnings due to the COVID-19 pandemic.

If after the end of the first prescribed period, no earnings were paid or payable to the worker for at least two days, this period may be extended to the second prescribed period. This extension would end either on the day before earnings were paid or payable, or on 27 September 2020 - whichever is sooner. Note: excluded days may or may not be usual work days for the worker.

What's included in gross earnings?

For workers injured on or after 21 October 2019, earnings can include wages, shift and other allowances, overtime amounts, commissions, the value of non-monetary benefits (if a worker no longer has the use of the benefit) and piece rates.

Income does not include:

- the individual superannuation guarantee shortfall ('superannuation guarantee amount'),
- a non-monetary benefit if the worker continues to be entitled to the use of the benefit after the injury,
- compensation for loss of earnings under an insurance or compensation scheme (this includes workers compensation payments made during the relevant earning period),
- any discretionary payment made without obligation by the employer (this can include incentive bonus payments), or
- any additional payment subsidised by the JobKeeper scheme.

Weekly entitlements

Entitlement Period	Calculation from 21/10/2019	Calculation from 26/10/2018
First 0-13 weeks (Section 36 of the 1987 Act)	The lesser of (PIAWE x 95%) - any earnings and deductions or the statutory max - any earnings and deductions	The lesser of (PIAWE x 95%) - current weekly earnings or the statutory max - current weekly earnings
Second 14-130 weeks (Section 37 of the 1987 Act)	The lesser of (PIAWE x 95%) - any earnings and deductions or the statutory max - any earnings and deductions or The lesser of (PIAWE x 80%) - any earnings and deductions or the statutory max - any earnings and deductions	The lesser of (PIAWE x 95%) - current weekly earnings or the statutory max - current weekly earnings or The lesser of (PIAWE x 80%) - current weekly earnings or the statutory max - current weekly earnings
After Second 131-260 weeks (Section 38 of the 1987 Act)	The lesser of (PIAWE x 80%) - any earnings and deductions or the statutory max - any earnings and deductions	The lesser of (PIAWE x 80%) - current weekly earnings or the statutory max - current weekly earnings

The maximum weekly compensation amount payable is adjusted on 1 April and 1 October each year. See the Workers Compensation Benefits Guide for the latest figure.

For injuries sustained prior to 26 October 2018, shift and overtime allowances will not be included in PIAWE after 52 weeks.

Minimum PIAWE

The minimum PIAWE is \$155 and is set by Clause 6 of the *Workers Compensation Regulation 2016* (2016 Regulation).

If a worker's PIAWE is calculated to be lower than the minimum PIAWE (\$155), then the minimum PIAWE is to be set as the worker's PIAWE.

Other useful information

- PIAWE fact sheet: Agreements
- 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](#).