

Reducing or Discontinuing Income Compensation – Return to Work

The *WCIMA23* provides for a new provision for reducing or discontinuing income compensation payments to a worker based on the worker having returned to work and deriving earnings.

Key Points

Act ref: ss. 5, 63

- An employer will no longer have to wait 21 days to reduce or discontinue income compensation payments when a worker has returned to work.
- The definition of 'return to work' is substantively the same as the 1981 Act.
- Workers must be informed in accordance with the regulations as to the basis for the reduction or discontinuation of income compensation payments and the amount, if any, of income compensation payable for partial incapacity for work.
- The regulations will provide for how the worker is to be clearly informed as to whether they are receiving wages only (return to work with full capacity) or a combination of wages and income compensation (return to work with some residual incapacity).

Questions & Answers

Q. If a worker does not agree with an employer reducing or discontinuing income compensation payments what can they do?

A. A worker may dispute the reduction or discontinuance of income compensation in WorkCover WA's Conciliation and Arbitration Services.

Q. Why shouldn't the notification process and 21 day period in the 1981 Act apply where income compensation payments are reduced or discontinued based on a worker returning to work?

A. A worker's return to work and deriving a wage is a factual matter. There should be minimum delay in reducing or discontinuing income compensation in that circumstance. The *WCIMA23* provides for clear information to be given to the worker about why payments are being reduced or discontinued based on return to work and the amount of income compensation that will be paid to the worker for any partial incapacity.

