

BULLETIN

New Age Limits for Workers Compensation Payments

This information has been prepared to assist in understanding the planned change to age limits under Northern Territory Workers Compensation legislation. The amendment is currently before our Parliament and is not yet law. The change does not apply to claims occurring before the new legislation commences.

The change will mean that instead of weekly compensation ceasing at age 65, new age limits will apply. It will affect those workers who are injured within 2 years of age 65 and those workers who have decided to work past age 65. Longer term, increased aged limits will apply in line with changes to the pension age under Social Security legislation.

Background

Weekly compensation benefits have ceased at age 65 years in the Northern Territory because this is traditionally the age workers qualify for the age pension or have greater access to superannuation. This notional age is used even though workers might choose to work beyond 65 years of age or plan to retire earlier than 65 years.

A review has been necessary because:

- Workers are staying longer at work by choice or for financial reasons.
- The Commonwealth Budget 2009-2010 provided that the qualifying age for the age pension will progressively increase from 65 to 67 years between 1 July 2017 and 1 July 2023.

Key Points

A fundamental change is to establish a link between the age limit in the *Workers Rehabilitation and Compensation Act* to the qualifying age for the age pension under the *Social Security Act*. This will mean that the age limit in the *Workers Rehabilitation and Compensation Act* will increase in stages between 2017 and 2023 in line with the increase in the pension age.

The other important change is to provide a transitional benefit for those people who are working at 63 years of age and over. The key elements are:

- If a worker is injured after the commencement of the legislation and is aged 63 or older, the worker will be entitled to a maximum of 104 weeks compensation payments (subject to the usual step down to 75% of loss of earning capacity after the first 26 weeks of incapacity).
- The entitlement to weekly compensation will cease at the age of 67.
- Workers who are older than 67 years when they are injured will be entitled to weekly compensation for up to 26 weeks (no change from the past situation).

The entitlement to medical, hospital and other treatment costs or a permanent impairment lump sum is not changing and continues to be payable without any age limit.

Examples of the change

A comparison of existing and proposed is as follows:

Proposed Weekly Benefit Change

Age at Injury	Current	Proposed
63 years 0 months	Ceases at 65 years	Ceases at 65 years (no change)
63 years 6 months	Ceases at 65 years	Ceases at 65 years 6 months
64 years 0 months	Ceases at 65 years	Ceases at 66 years
64 years 6 months	Ceases at 65 years	Ceases at 66 years 6 months
65 years 0 months	Ceases after 26 weeks	Ceases at 67 years
66 years 3 months	Ceases after 26 weeks	Ceases at 67 years
66 years 6 months	Ceases after 26 weeks	Ceases at 67 years (no change)
67 years or older	Ceases after 26 weeks	Ceases after 26 weeks (no change)

New Qualifying Age for Age Pension under Social Security Legislation

DOB	Age	Date
1/7/52 to 31/12/53	Entitled at 65.5 years	1/7/2017
1/7/54 to 30/6/55	Entitled at 66 years	1/7/2019
1/7/55 to 31/12/56	Entitled at 66.5 years	1/7/2021
1/7/1957 onwards	Entitled at 67 years	1/7/2023

Information for Employers

The benefits of supporting older workers to stay at work longer are varied and include:

- A saving to the pension system
- Taxation income for Government
- Savings in training and recruitment costs
- Retention of experienced employees and corporate knowledge
- Lower training costs
- Larger labour pool for business
- Less supervision required
- Productivity maintained

It does not cost an employer any more to cover older workers for workers compensation. Premiums are based on the remuneration paid to your workforce and is not related to the age of your workers.

Information for Workers

The change to age limits provides a link in workers compensation legislation to future changes to the age a person can access a social security pension.

The change represents a transitional arrangement to provide better compensation for older workers who decide to work past 63 years.

Workers over 66 years 6 months of age will continue to receive up to 26 weeks of compensation.

The entitlement to medical, hospital and other treatment costs or a permanent impairment lump sum is not changing and continues to be payable without any age limit.

For additional information contact NT WorkSafe on 1800 250 713 or go to www.worksafe.nt.gov.au