

BULLETIN

Non Cash Benefits

This information has been prepared to assist in understanding the planned change under Northern Territory workers compensation legislation to clarify the entitlement to non cash benefits. The amendment is currently before our Parliament and is not yet law.

Northern Territory workers compensation legislation is changing to help make it easier to work out what non cash benefits are allowed and payable under workers compensation when a worker is incapacitated for work.

Background

Workers compensation legislation currently takes into consideration the value of non cash benefits in calculating a worker's normal weekly earnings for compensation payments for incapacity after an injury. There are many different types of non cash benefits and this uncertainty has resulted in disagreements and delays in agreeing and calculating a worker's entitlements.

Key Points

- A Non Cash Benefit will be defined as a benefit provided by an employer to a worker in form other than a cash payment.
- The only non cash benefits that will be payable are those that relate to:
 - the provision of accommodation, meals and electricity
 - the amount provided under a salary sacrifice arrangement
- The Courts have determined that the dollar value of the non cash benefit is based on its value to the worker, not the cost to the employer.
- A salary sacrifice arrangement is taken to have a value equivalent to the amount of remuneration the worker foregoes for the benefit. The salary sacrifice arrangement must be a written arrangement or agreement under which the worker agrees to forgo remuneration in return for the non cash benefit.

Information for Employers

If non cash benefits are being allowed to your workers you are required to declare the value of these (limited to those outlined above) to your insurer when declaring the remuneration you pay to your workers. This will be part of the amount used to calculate your insurance premium.

If a worker receiving a non cash benefit suffers an injury at work you should advise your insurer of the value and nature of the non cash benefit so it can be considered and assessed when calculating the worker's compensation payment.

Information for Workers

If you are receiving a non cash benefit in the form of a salary sacrifice or for accommodation, meals and electricity, then you may be entitled to have the value included in your weekly entitlement if you are injured and are entitled to receive weekly compensation.

The value of the benefit is the value to you not the cost to your employer.

You are entitled to ask the employer or insurer for a detailed break down on how your compensation payment is calculated so that you can work out if you are receiving the correct compensation payment.

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

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