

Declaration of Remuneration

Important Information

This document is an important guide to assist employers to provide an accurate statement of remuneration under the *Workers Compensation and Injury Management Act 2023* from 1 July 2024. WorkCover WA has published detailed [WorkCover WA Remuneration Guidelines](#).

The [WorkCover WA](#) website also provides important information on the meaning of 'worker' that will help you understand the types of workers and working arrangements for the statement of remuneration. This includes fact sheets on the meaning of 'worker' and a contractor guide.

1. Defining remuneration

The [WorkCover WA Remuneration Guidelines](#) provide for a clear definition of 'remuneration' to assist employers to provide a remuneration declaration.

When completing section 3 of the declaration form, you are required to specify the total amount of remuneration paid or payable to your workers over the policy period.

2. General workers/employees (section 3.1)

In this section you are required to declare remuneration for general workers or employees covered under a contract of service, including full-time, part-time, casual, seasonal workers, and apprentices, among others. Some contractors and subcontractors may also be classified as workers under a contract of service.

For a more comprehensive definition of a 'worker', please refer to the [WorkCover WA](#) information sheet definition of 'worker'.

3. Premium rating codes (PRC) for employer's business activities (Section 3.1)

This section also requires you to provide the premium rating code (PRC) and premium rating class description for your business activities.

The [WorkCover WA Industry Classification Order](#) can guide you in identifying the correct PRC code and class description.

Premium rating codes (PRC) for labour hire

For labour hire employers, the [WorkCover WA Industry Classification Order](#) clarifies the correct PRC code and class description for the following labour hire arrangements :

- labour hire employers supplying predominantly non-clerical staff to host employers
- labour hire employers supplying predominantly clerical staff to host employers
- workers engaged by a labour hire company to provide administrative services that support the operation of the labour hire company but are not supplied to a host employer, and
- companies whose predominant activity is recruitment and job placement services.

If a labour hire employer is supplying staff to a host employer, the host employer's PRC code and class description must be identified in Section 3.1.

4. Working directors (Section 3.2)

This section requires you to provide details of each working director covered under the policy and their remuneration.

It is important to note a working director is not covered under the policy if they are not named in this section along with the statement of remuneration for each working director.

From 1 July 2024 public company directors are no longer excluded. If they require cover under the policy, they ~~but~~ must be named on the policy along with the remuneration declaration for the public company director.

The [WorkCover WA Remuneration Guidelines](#) set out what constitutes 'remuneration' to assist employers to provide a remuneration declaration with respect to working directors and the significance of the declaration on the amount of income compensation payable if there is a compensation claim.

5. Contractors/ subcontractors (Section 3.3)

This section requires you to declare the remuneration for contractors/subcontractors that are, or are deemed to be, your workers.

The information below includes important information on the circumstances in which you will be taken to be an employer of contractors or subcontractors and therefore required to make a remuneration declaration in section 3.3 of the declaration form.

Remuneration declaration for individual contractor

You are required to declare remuneration for an individual contractor if you engage an individual to do work for your business, and the work performed by the individual is not in the course of or incidental to a trade or business regularly carried out by the individual in their own name or under a business or firm name.

Remuneration declaration for contractor`s workers

If you're a principal employer with a contractual arrangement with a contractor for work that is directly a part of your trade or business, then both you and the contractor are considered the employers of any workers the contractor may employ.

You are required to declare remuneration for a contractor's workers if:

1. You are a principal contractor with a contract for work that is directly a part of your trade or business, and
 2. You cannot provide records the contractor who employs the worker holds a workers compensation policy that indemnifies you.
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Records

Employers must keep records for not less than 7 years after the record was made, including supporting information to declarations of remuneration for each period of insurance.

Offences for non-compliance

It is important the information you provide in the remuneration declaration is accurate and does not contain any false, misleading or incomplete information.

An employer who fails to provide the remuneration declaration or provides information in the declaration that the employer knows to be false or misleading in a material particular commits an offence. A fine of up to \$10,000 in respect of each of the employer's workers to whom the offence relates may apply.

Also be aware it is an offence to contract out of an employer's liabilities under the Act or to engage in workers compensation avoidance arrangements (also known as sham contracting). Refer to WorkCover WA's technical note on contactors for further information.