



Willis Temby Insurance Brokers Pty Ltd

Registered Insurance Brokers

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PLEASE COMPLETE THIS FORM IF COVER IS NOT REQUIRED FOR WORKING DIRECTORS

WORKING DIRECTORS DECLARATION

AMENDMENTS TO THE WORKERS' COMPENSATION AND REHABILITATION ACT

1. Under the *Workers' Compensation & Injury Management Act 1981* directors of companies are not automatically covered for workers' compensation benefits.
2. To ensure you cover directors for workers' compensation benefits you are required at the time of seeking of insurance or the extension or renewal of insurance to disclose:
 - i) the name of each director over whom you seek to effect insurance; and
 - ii) an estimate of the anticipated aggregate salaries or other remuneration payable to the directors for the period covered by the insurance including all overtime, bonuses and allowances.
3. Failure to comply with the disclosure requirements in Clause 2 above will lead to the directors **not** being entitled to the benefits otherwise payable under the *Workers' Compensation & Injury Management Act*.
4. It is no longer compulsory to insure directors for workers' compensation benefits. A Director can be insured BUT ONLY WHERE the director has a beneficial interest in any share of the company at the commencement and throughout the period of the policy of insurance.

Director/s Name

I / We (Please insert Director/s Name)

are Company Director/s of (Please Insert Company Name)

Company Name

I / We certify that the above Director/s has/have a beneficial interest in a share of (Please Insert Company Name)

Confirming Cover is NOT required

The Director / Directors confirm that they **DO NOT WISH** to be insured for Worker's Compensation benefits under the Workers' Compensation & Injury Management Act.

Signature of Company Director/s

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Date

IMPORTANT INFORMATION

Working Directors

- 1 A working director of a company is not necessarily an employee of the company and therefore, is not necessarily entitled to the benefits of the Workers' Compensation and Injury Management Act.
- 2 Even directors who would have been entitled to the benefits of the Act are NOT so entitled if they are not declared as working directors in Schedule B of the proposal or statement of salaries and wages for the workers' compensation policy.
- 3 **However**, a director does not automatically become entitled to the benefits of the Act simply by virtue of being declared in Schedule B of the proposal or statement of salaries and wages.
- 4 To be entitled, the director must not only be declared in Schedule B of the proposal or statement of salaries and wages but also be engaged by the company of a "worker" - as defined in the Act.
- 5 It is not possible to give an exhaustive list but some features which indicate (but do not necessarily prove) such an engagement are:
 - a A right on the part of another director or officer of the company to control the way in which the working director works as distinct from what result the working director is to achieve.
 - b The working director is required to work fixed hours;
 - c The company has the right to dismiss the working director as an employee (if he is guilty of misconduct etc);
 - d A written contract of employment between the company and the director or a letter from the company to the director appointing the director as an employee (but not that a written contract or letter which is not a genuine record of the relationship between the individual and the company is unlikely to affect the decision as to whether an individual is a "worker");
 - e The payment by the company of regular wages to the director (whether or not in addition to other types of remuneration);
 - f The deduction by the company of PAYG tax from the earnings of the director;
 - g The payment by the company of superannuation in respect of the working director, provided that payments are made at least at the statutory rate;
 - h The completion by the company of a Group Certificate for the director at the end of each financial year.

This note is of a general nature only, and is not intended to take the place of legal advice based on the circumstances of each individual applicant for insurance. If you have any doubt about whether a particular director is entitled to the benefits of the Act, you should obtain legal advice. Willis Temby Insurance Brokers (WA) Pty Ltd does not intend that this document be relied upon in place of such legal advice.