




Return to  
**WorkSA**



Return to *work*.  
Return to *life*.

# Proposed Changes to Premium Process

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# Simpler and easier for everyone

- Many of you have told us that our existing premium process is too complex
- We are proposing a number of changes to improve this process
- **Please note that all the changes discussed today are proposed only – not confirmed**
- We are consulting with all employers to seek feedback before we decide on how to proceed



# Main issues with current process

- A lot of information needs to be provided
  - Remuneration estimates for upcoming year
  - Actual remuneration reconciled for previous year
  - Apprentice and working director information
- Premium adjustments resulting in refund/additional bill are frequent – 96% of employers
- The timeframe for providing this information is short – 3- 4 weeks
- There is no choice as to whether premiums are paid in instalments or one payment
- Passwords to lodge data online are reset every year, and posted out in May/June

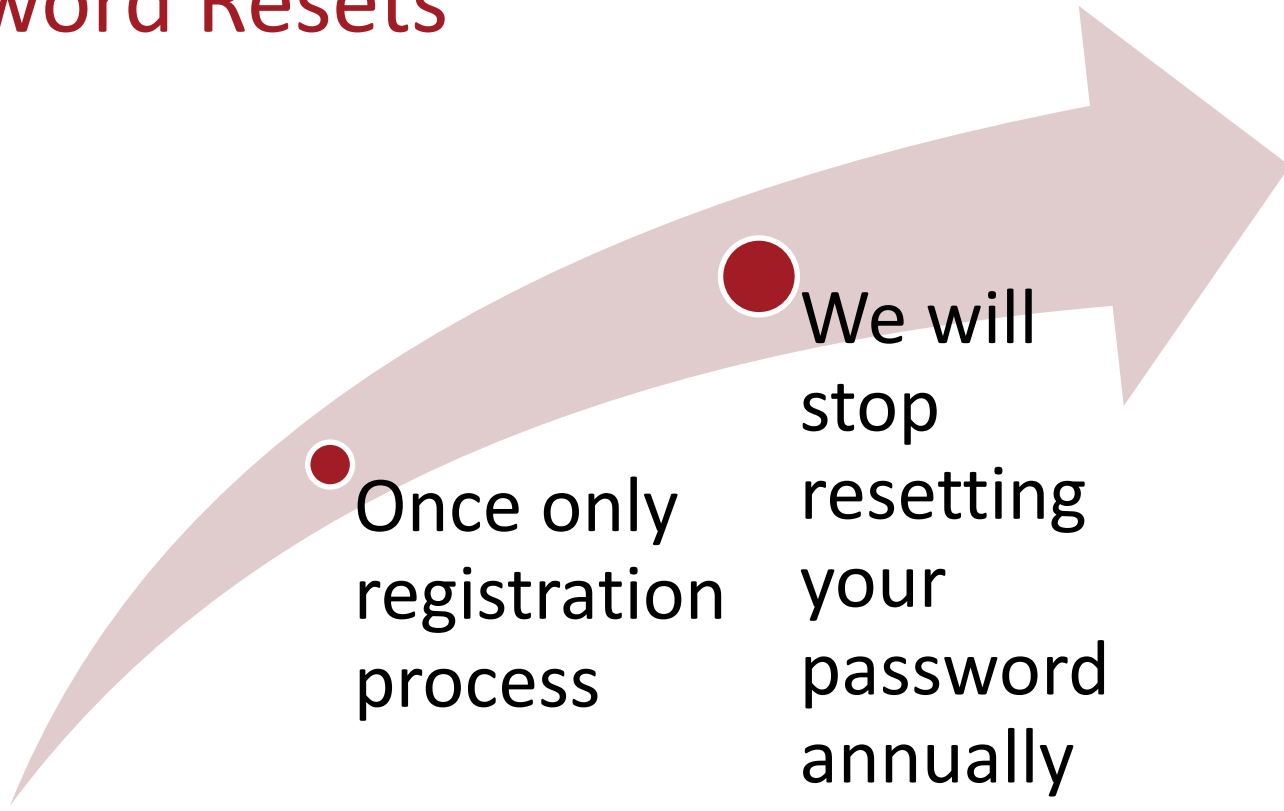


# 2018 process (2018-19 premium)

Timing	Step
Late May	End of year pack sent with reset password
9 <sup>th</sup> July – 31 <sup>st</sup> July	Online system open for remuneration data: <ul style="list-style-type: none"><li>- Actual for 2017-18</li><li>- Estimate for 2018-19</li><li>- Adjustment for 2017-18 generated – refund or extra to pay</li><li>- Initial premium invoice for 2018-19 generated</li></ul>
11 <sup>th</sup> August	2018-19 Remuneration estimated for employers who have not provided data (18 % of employers) <ul style="list-style-type: none"><li>- 20% loading applied</li></ul>
7 <sup>th</sup> September	2018-19 initial premium due in full (if under \$2000) First instalment (of 10) due for 2018-19 premium (if over \$2000)



# Password Resets



# Additional Time For Actual Remuneration

## Problem

- Employers unable to enter their actuals in time 18%

## Solution

- To be extended from 3-4 weeks, to approximately 10 weeks (early July to mid September)

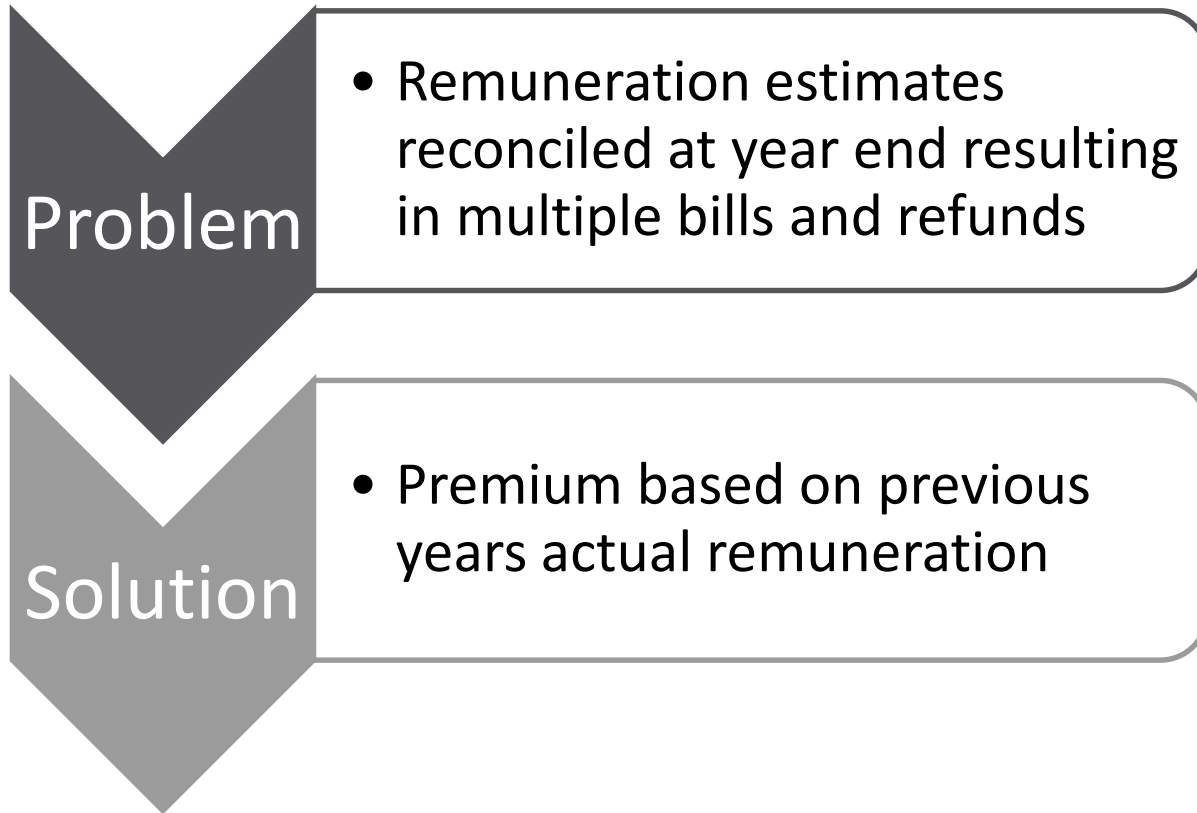


# Reduce data entry

- Reducing the amount of information we collect from you at the end of each financial year
  - Making the process streamlined and quicker

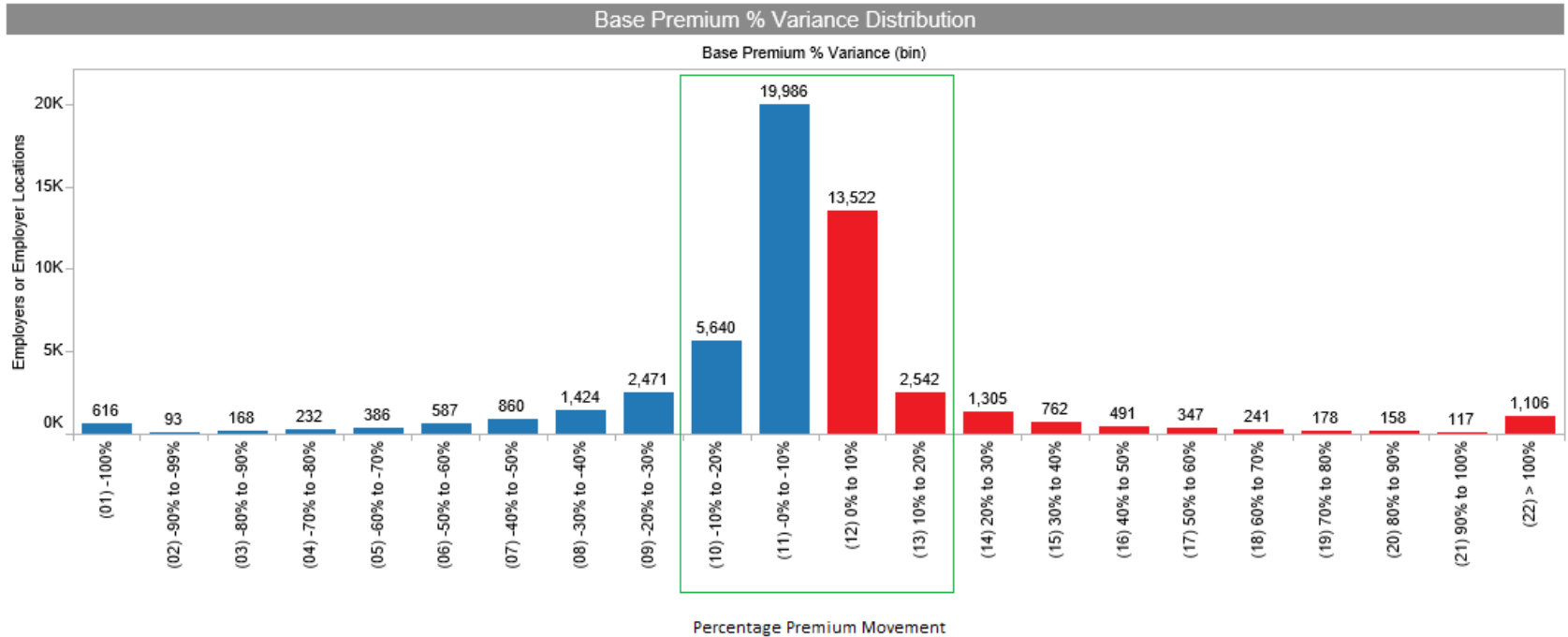


# Estimation Issues





# Premium adjustments



# Premium formula

## CURRENT BASE PREMIUM FORMULA

Initial premium:

*Estimated remuneration x  
industry rate*

+/-

Hindsight premium:

*Previous year Actual  
remuneration x industry rate*

## PROPOSED BASE PREMIUM FORMULA

*Previous year Actual  
remuneration x industry rate*



# Multiple Bills and Refunds



- Payments unpredictable
- Confusion about the amount due
- Bill or refund at the end



# Premium Adjustments

Premiums based on actual remuneration will only be adjusted in exceptional circumstances

## What does this mean?

- The majority of remuneration changes (up or down) will be reflected in the next year's premium
- However, if there is a major change in remuneration during the year you can apply to RTWSA for a premium adjustment mid year
- For example, loss of a major contract, catastrophic event such as a fire, sale or closure of a significant part of a business

*This means most of you will not have an adjustment to your premium – less volatility and greater certainty*



# Payment choices

- If the premium is over \$2000 it defaults to 10 instalments, starting in September. The last instalment is not equal to the other 9, requiring employers to amend their final payment.
- If the premium is under \$2000 it defaults to one annual payment, due in September.

Going forward, you can choose whether to pay annually or in instalments, regardless of premium value. There will be 9 instalments instead of 10, starting in October. This is due to the extended time for provision of remuneration information. The 9 instalments will be equal.



# 2018 process (2018-19 premium)

Timing	Step
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# Example – new process (2019-20 premium)

Timing	Step
Jan 2019 onwards	Once off registration as individual user for online system
1 <sup>st</sup> July – mid September	Online system open for remuneration data: <ul style="list-style-type: none"><li>- Actual remuneration for 2018-19</li><li>- Adjustment for 2018-19 generated – LAST TIME</li><li>- Premium invoice for 2019-20 generated</li></ul>
Late September	2018-19 Remuneration estimated for employers who have not provided data
October	Employer chooses to pay 2019-20 premium in full OR first of 9 instalments



# Consultation process

Email sent to all registered employers with valid emails

Emails sent to 11 employer associations

Information posted on ReturnToWorkSA website

Feedback collected until 16 November

Information sessions and webinar

Process will be reviewed based on feedback received





# Feedback

- Please provide your feedback:
  - Online survey at [rtwsa.com](https://rtwsa.com)
  - Email to [premium@rtwsa.com](mailto:premium@rtwsa.com)

Consultation closes **5.00pm Friday 16 November.**

We want to hear what you think! All feedback is very welcome.





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