

# Pre-injury average weekly earnings

For workers and employers

October 2010

If a worker loses income because of a work-related injury or illness, they may be entitled to weekly payments. These weekly payments are calculated based on pre-injury average weekly earnings (PIAWE).

## How PIAWE is calculated

PIAWE is calculated based on a worker's average weekly earnings for the 52 weeks before their injury. If a worker has been with their employer for less than 52 weeks, average weekly earnings for the period of employment is used. Periods of unpaid leave and weeks not worked are excluded from the calculation of PIAWE.

PIAWE is based on ordinary earnings for the normal number of hours worked per week. Items that may be included in PIAWE are listed below.

✓	base rate of pay
✓	overtime and shift allowances
✓	piece rates
✓	commissions
✓	the monetary value of certain non-pecuniary benefits
✓	the value of any part of a worker's salary that is directed to another party at the request of the worker – commonly referred to as a salary sacrifice.

Items such as incentive based payments or bonuses, loadings, monetary allowances and any other separately identifiable amount are excluded.

Overtime or shift allowances may be included in the calculation of PIAWE for the first 52 weeks of weekly payments.

If a worker receives a non-pecuniary benefit or has a salary packaging arrangement, the value of this may be included in their PIAWE. This may include residential accommodation, a motor vehicle, private health insurance or education fees. If a worker has requested their employer to direct any part of their salary to another party (commonly known as "salary sacrifice") this may also be included in PIAWE.

## How weekly payments are calculated

A worker's PIAWE is used to calculate their weekly payments. Weekly payments are based on a percentage of PIAWE, and the percentage rate changes depending on how long a worker receives weekly payments. The table below shows the percentage rate changes for the first 130 weeks.

The first 13 weeks	95% of PIAWE
14 to 130 weeks	80% of PIAWE

If a worker continues to receive non-pecuniary benefits or salary sacrifice arrangements after their injury, the monetary value of these benefits or sacrificed amounts will be deducted from their PIAWE. This deduction will also occur if the worker starts receiving non-pecuniary benefits or enters into salary sacrifice arrangements while receiving weekly payments.

Weekly payments are also subject to a maximum amount. This maximum amount is twice Victoria's state average weekly earnings. If a worker's weekly payments are calculated to be above this maximum amount, a worker can only be paid the maximum amount.

Workers may also be entitled to additional or 'top up' pay through an award or enterprise bargaining agreement. Workers should talk to their employer, union or Wageline to get more information about top up pay.

## Where to get more information

For general information about pre-injury average weekly earnings and weekly payments, visit the Injury & Claims section at [worksafe.vic.gov.au](http://worksafe.vic.gov.au)

For specific information about your individual circumstances contact your WorkSafe Agent.

You can also call WorkSafe's Advisory Service on freecall **1800 136 089** or **(03) 9641 1444** for free, confidential advice and assistance.

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