

WHAT HAPPENS AFTER REACHING A 5-YEAR LIMIT ON WORKERS' COMPENSATION?

Legislative amendments to the Workers' Compensation Act (NSW) in 2012 introduced a 260-week (5-year) limit on weekly compensation payments under Section 39(1)

Key Finding

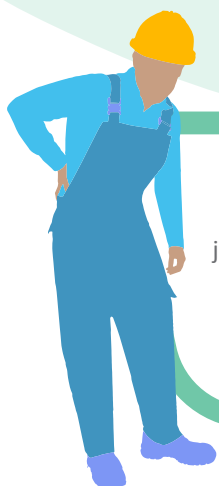
After reaching a 5-year limit on workers' compensation

60%

received Centrelink income benefits within the following year

Transitions to Centrelink were 25 times more common than community-levels over the same period

Workers' Compensation



Injured worker joins the workers' compensation system

2012

Workers Compensation Legislation Amendment Act 2012

2017

Income replacement payments start to cease under Section 39

40%

60%

Exempt from Section 39 (eg. whole person permanent impairment > 20%)

No income from Centrelink

Income only from alternative sources such as assets/savings, family support, superannuation, return to work, or other forms of welfare

40%

Unemployment (Newstart) Allowance

Faster transitions - more common for:

- Men
- Ages 55-64
- Unpartnered
- Disadvantaged residential areas
- Living outside of a major city
- Non-homeowners

19%

Disability Support Pension

Slower / delayed transitions - more common for:

- Ages 55-64
- Unpartnered & without children
- Non-homeowners
- Born in Australia
- Longer claims
- Compensable head injury
- Not an upper limb compensable injury

8%

Age Pension

If reaching the pension age

60% received Centerlink income benefits (at least 1 type)

centrelink