

How to calculate maximum payments – weekly compensation for accidental death Policy ^{v5.0}



Summary

Objective

Under the AC Act 2001, Schedule 1, Clause 74 the total combined amount of weekly compensation paid to dependants can not exceed the weekly compensation figure that would have been paid to the deceased, ie 80% of weekly earnings.

Owner Name withheld

Expert Name withheld











Policy

1.0 Summary

- a** With weekly compensation, normally a spouse/partner is eligible for 60%, and each child and other dependant is eligible for up to 20%, up to the 80% compensation that would have been payable to the deceased.

However, if there is more than one spouse/partner and two children or other dependants, we must adjust (pro-rate) the weekly compensation calculation to ensure overpayments do not occur.

2.0 Weekly compensation business rules when pro-rating is not needed

- a** The amount weekly compensation payable to an accidental claimant is defined by the following rules, as long as pro-rating is not needed. Pro-rating is needed when the number of claimants increases the total amount of weekly compensation over the amount the deceased client would have received.
 -  Gross amount of accidental death weekly compensation payable when pro-rata is not needed
- b** A spouse/partner is entitled to 60% of the amount of weekly compensation the deceased client would have been eligible for, as long as pro-rating is not needed.
 -  Spouse/partner gross weekly compensation amount – not pro-rated
 -  Accidental death weekly compensation 60 percent rate for a spouse/partner
- c** An other dependant is entitled to 20% of the amount of weekly compensation the deceased client would have been eligible for, as long as pro-rating is not needed.
 -  Other dependant gross weekly compensation amount – not pro-rated
 -  Accidental death weekly compensation 20 percent rate for an other dependant
- d** A child is entitled to 20% of the amount of weekly compensation the deceased client would have been eligible for, as long as pro-rating is not needed and the child still has a living parent.
 -  Child gross weekly compensation amount (not pro-rated) - child with surviving parent(s)
 -  Accidental death weekly compensation 20 percent rate for a child
- e** A orphaned child is entitled to 40% of the amount of weekly compensation the deceased client would have been eligible for, as long as pro-rating is not needed.
 -  Child gross weekly compensation amount not pro-rated - for an orphaned child
 -  Accidental death weekly compensation 40 percent rate for an orphan
 -  Criteria for being an orphan in relation to accidental death weekly compensation

3.0 Weekly compensation business rules when pro-rating is not needed




- a** If the total combined amount of weekly compensation paid to accidental death claimants exceeds the weekly compensation figure that would have been paid to the deceased, the Eos calculator will reduce the amount payable to each survivor on a pro-rata basis so that the total payments do not exceed this maximum.

NOTE Examples

There are six eligible children and other dependants. If each were to be paid compensation at 20%, the total compensation paid would exceed the compensation that would have been paid to the deceased if they had been incapacitated. A pro-rata adjustment is required

- There is one eligible spouse at 60%, and four eligible children. If 60% of the 80% maximum compensation payable was paid to a spouse, and 20% was paid to each child, this would exceed the compensation that would have been paid to the deceased if they had been incapacitated. A pro-rata adjustment is required

- There are three eligible children whose parents are both now deceased, each eligible for compensation at 40% of the deceased's weekly compensation. As this would total 120% of the weekly compensation amount that would be payable to the deceased, a pro-rata adjustment is required

-  Pro-rata gross accidental death weekly compensation calculation
 -  Gross amount of accidental death weekly compensation payable when pro-rata is needed
 -  Example of the calculation method
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