



Proactively released



## Summary

### Objective

To set up and pay new weekly compensation for self-employed and non-PAYE shareholder clients who have a Cover Plus Extra with Lower Levels of Weekly Compensation (CPX LLWC) policy.

### Background

Cover Plus Extra with Lower Levels of Weekly Compensation (CPX LLWC) is a policy offered to self-employed and non-PAYE shareholders. It is different to normal CPX cover as it is subject to abatement.

All weekly compensation setups for self-employed and non-PAYE shareholders will be managed by the Payments Team.

Once the Case Owner has confirmed eligibility for weekly compensation, they will request the Payments Team complete the calculation and setup.

As these weekly compensation entitlements are calculated from an agreed rate rather than earnings they're entered using the Override functionality in Eos to complete the assessment. This allows the abatement of a CPX policy type as necessary for a CPX lower levels of weekly compensation. Due to the infrequency of these claim types they're managed by Experienced Payments Assessors.

Owner

[Name withheld]

Expert

## Procedure

### 1.0 Review client payment request

Experienced Payments Assessor

- a** In Eos, receive the Setup Weekly Compensation task.

**NOTE** What if backdated weekly compensation is required?

Refer to Set Up Backdated Weekly Compensation Process

 **PROCESS** Set Up Backdated Weekly Compensation

- b** In JunoPolicyCenter, confirm the client has a qualifying CPX (LLWC) policy.

 View CPX Policy

 CoverPlus Extra (CPX) Policy policy

**NOTE** What are the qualifying criteria for assessment under CPX (LLWC) cover?

CPX policies must be in place at the date of injury AND the date of incapacity (DOFI and or DOSI).

 Amount of WC to be paid to a client under valid CPX LL cover

**NOTE** What if the client doesn't have a qualifying CPX policy?

The client doesn't qualify for Cover Plus Extra and would need to be assessed under Cover Plus for a Self-Employed or Non-PAYE Shareholder employee. Go to Set Up Weekly Compensation - Self-Employed and Non-PAYE procedure for guidance.

 **PROCESS** Set Up Weekly Compensation - Self-Employed and Non-PAYE

- c** Confirm the amount covered under the clients CPX LLWC policy.

 View CPX Policy coverage

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### 2.0 Calculate weekly compensation

Experienced Payments Assessor

- a** In Eos, create the date the client became unable to work due to the injury (date of first incapacity DOFI, and if applicable the date of subsequent incapacity DOSI) on the collection point.

 Add a collection period from DOFI/DOSI

**NOTE** What if I need to remove the collection period?

Then refer to the steps to remove a collection period and collection point.

 Remove a collection period and collection point

- b** Add collection point data necessary for CPX Lower level.

 Add collection point information for a CPX Lower Level

- c** Set up the weekly compensation subcase.

 Set up a Weekly Compensation entitlement subcase

- d Add a General task to the WCE sub-case to notify the Managing Site of the CPX Lower Level Policy, requesting that any post-incapacity earnings / hours worked are collected and referred to Client Payments for abatement.

 Add a task to the WCE sub-case

**NOTE What if the client has a held PAYE**

Request managing site to also gather post incapacity employee earnings for abatement.

### 3.0 Review client payment

Experienced Payments Assessor

- a Apply abatement if required.

 Abatement of weekly compensation for a client under valid CPX LL cover

**NOTE What if abatement needs to be applied?**

If there is PAYE abatement, load the PAYE abatement first then load the CPX LL abatement as below

We will need to calculate and apply abatement manually.

- Take the policy amount and multiply by 1.25 to get the 100% rate.
- Manually calculate the new rate by applying the abatement formula to the entitlement amount.
- Reduce the Override amount to the new calculated rate after abatement has been applied.
- Add a contact or upload your workings into Eos for future reference.

Take the Payable LLCPX Policy Amount (80% figure) and multiply by 1.25	$\$400 \times 1.25 = \$500$
Determine the 20% of the LLCPX 100% weekly earnings amount. This is the 20% amount which does not reduce weekly compensation.	$\$500.00 \times 20\% = \$100.00$ (or $\$500 - \$400 = \$100$ )
Subtract the '20% amount' from the total earnings subject to abatement to establish the dollar for dollar reduction amount	$\$250.00 - \$100.00 = \$150.00$
Reduce the 80% LLCPX weekly compensation amount by the difference	$\$400.00 - \$150.00 = \$250.00$
Adjust the LLCPX Top Up amount for the period of abatement to the new amount	Top up Rate for the week period = $\$250.00$

 Abatement Calculation.PNG

- b In Eos, apply an Override adjustment period using the weekly equivalent of the CPX LLWC covered amount and note in the 'Reference' that this is a "CPX LOWER LEVEL" policy type.

**NOTE What if client has held PAYE employment**

Load PAYE details in collection point as per normal process and add a top up for CPX LLWC

 **PROCESS** Apply a Top Up or Override Payment

- c Apply any MSD reimbursements if necessary.

**NOTE What if a reimbursement to Ministry of Social Development (MSD) needs to be applied?**

Go to the Reimburse Ministry of Social Development procedure before returning to task 3d below.

 **PROCESS** Reimburse Ministry of Social Development

- d Adjust the client's pay day if necessary and check that the system derived NZSQA date is correct. This date will need to be modified in the situations detailed in the notes below.

 Set a preferred pay day

**NOTE What if you are calculating a further injury period where the weekly compensation is still in the first week of the further injury claim?**

You will need to adjust the end date of the client's eligibility for weekly compensation (NZSQA), so that it is correctly calculated from the date they first became eligible (date of first entitlement, 'DOFE') on the further injury claim so that the NZSQA election date is correct.

**NOTE** What if the client was not paid weekly compensation on the date they first became eligible (date of first entitlement, 'DOFE')?

You'll need to adjust the end date of their eligibility for weekly compensation (NZSQA) from the date they subsequently became unable to work due to the injury (date of subsequent incapacity, 'DOSI') so that the NZSQA election date is correct.

- e Update the payment periods Status from Pending to Approved so that a payment schedule of due events can be created.
  -  Edit a payment period
- f Review the calculation and initiate payments for approval.
  -  Initiate payments for approval
- g Add a non-payable period (Do Not Calculate period type with status reason Manual extension required) after the end date of the latest payable period so that entitlements can be managed manually going forward.
  -  Add a payment period
- h Create a manual 'ACC641 Weekly Compensation Advice' form and save as incomplete.
  -  ACC641 Weekly compensation advice
  -  Add a digital document to a claim or WC sub case
- i Send the Setup Weekly Compensation task for Approval and Release. Be sure to add notes or instruction to the task description so that the approver knows the client has a CPX LLWC policy.
  - NOTE** What if there's no Setup Weekly Compensation task?  
Create an Approve Weekly Compensation Entitlements task and send to the Centralised Weekly Compensation Approval queue.
  -  Add an approval task

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 **PROCESS** **Approve Weekly Compensation Entitlement**  
Payments Assessor

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