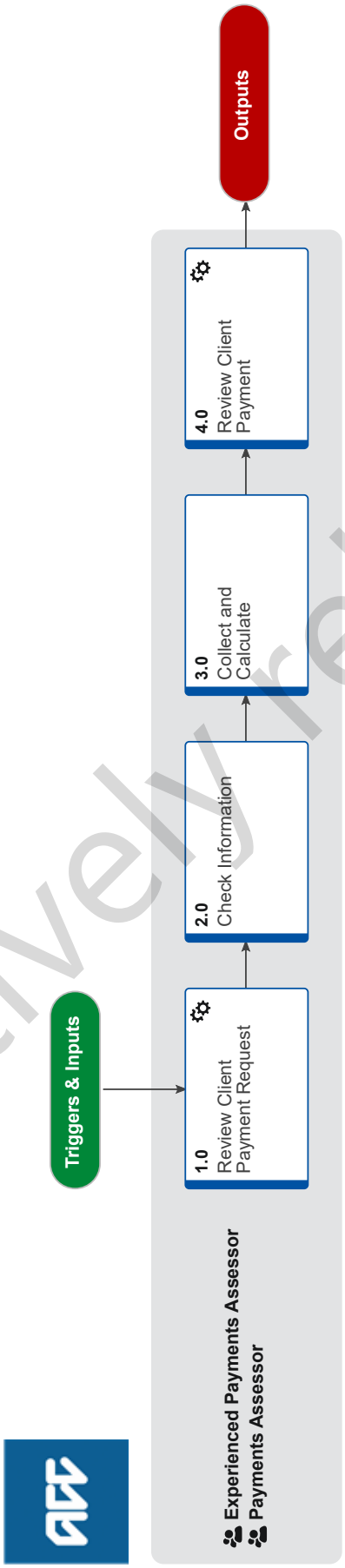
# Set Up Weekly Compensation - Loss Of Potential Earnings (LOPE) v21.0

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# Set Up Weekly Compensation - Loss Of Potential Earnings (LOPE) v21.0

## Summary

**Objective**
This process is used to set up and check weekly compensation for loss of potential earnings (LOPE) which is available to clients with long term injuries who were injured before the age of eighteen .

**Background**
To be eligible to receive compensation for loss of potential earnings, the client needs to be considered unable, because of their injury, to engage in full-time work for which they are suited due to their experience, education or training. They must also have been:

• not in employment immediately prior to their incapacity
• have sustained their injury before reaching the age of 18, or while engaged in full-time study or training which has been continuous since before they turned 18, and
• have now turned 18, and been unable to work (over the minimum earner rate) due to their injury for more than 6 months.

**Owner** [Name withheld]

**Expert**

## Procedure

### 1.0 Review Client Payment Request
**Experienced Payments Assessor, Payments Assessor**

**a** In Eos, receive Setup Weekly Compensation task

**b** Review the non-standard script and check the client meets LOPE eligibility using the policy below

**NOTE** **What are the Non-negotiables that need to be covered within the LOPE Setup Weekly Compensation request?**
• A Non-Standard Script containing DOFI/DOSI date
• Written Guidance from Technical Services
• Bank Account
• IRD number
• Tax Code
• Incapacity approved in EOS (in line with DOFI/DOSI) - Including the 6 month stand down period (26 full weeks = 182 days)
• Incurred Date in EOS (general tab) in line with DOFI

If incomplete, please push back to the Recovery Team Member to provide the required information to proceed.

Loss of Potential Earnings Policy

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### 2.0 Check Information
**Experienced Payments Assessor, Payments Assessor**

**a** Check the claim for the information required to release a payment

**NOTE** **What information is required to release a payment?**
• IRD number
• Tax code
• Validated bank account

**NOTE** **What if the bank account is deactivated, hasn't been entered or needs changing?**
Refer to Manage Client Bank Account and Notification process.
**PROCESS** Manage Client Bank Account and Notification

**NOTE** **What if a tax code needs to be changed or added?**
Refer to Manage Client Tax Code process.
**PROCESS** Manage Client Tax Code

**NOTE** **What if the IRD number needs to be changed or added?**
Refer to Manage Client IRD Number process.
**PROCESS** Manage Client IRD Number

**b** Check that incapacity has been approved (Including the 6 month stand down period (26 full weeks = 182 days))

**NOTE** **What if backdated weekly compensation is required?**
Refer to Set Up Backdated Weekly Compensation process
**PROCESS** Set Up Backdated Weekly Compensation

View incapacity details

Establish a payment of backdated weekly compensation for 90 days or more Policy

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## 3.0 Collect and Calculate

**Experienced Payments Assessor, Payments Assessor**

**a** Check for earnings information. Refer to the Use of Inland Revenue Real-Time Earnings Web-Service Policy for guidance.

- Use of Inland Revenue Real-Time Earnings Web-Service Policy
- Retrieve earnings from IR

**NOTE** **What if Abatement is required?**
Then refer to the Manage Abatement process.
**PROCESS** Manage Abatement in Eos

**NOTE** **What if there is MSD benefit income?**
Refer to Reimburse Ministry of Social Development process.
**PROCESS** Reimburse Ministry of Social Development

**b** Add a collection point.

- Add a collection period from DOFI/DOSI

**c** Add collection point data.

- Add LOPE to a collection point

**NOTE** **What if there are other earnings?**
Other earnings can only be used if the client was engaged in employment at Date of Accident and an earner at Date of Incapacity. To include, Refer to Set Up Weekly Compensation - PAYE
Once completed, return to this procedure
**PROCESS** Set Up Weekly Compensation - clients on PAYE

**d** Calculate loss of potential earnings

**NOTE** **What if the client was engaged in employment at Date of Accident and an earner at Date of Incapacity and you have added other earnings in the collection point data?**
The system will automatically base weekly compensation on the minimum earners' rate OR pre incapacity earnings whichever is higher.

**e** Create Weekly Compensation subcase.

- Set up a Weekly Compensation entitlement subcase

**f** Add full-time study periods if required

**NOTE** **How would i know if there are any full time study periods?**
A client is not eligible for compensation for loss of potential earnings during periods of full-time study or training.

Frontline should have investigated and confirmed any full-time study periods prior to you receiving the request to set up Loss of Potential Earnings Weekly Compensation, as per the 'Loss of Potential Earnings (LOPE) Policy' below.

An indicater on the RTE could be the client receiving a Student Allowance during a period of payable LOPE Weekly Compensation. This would need to be investigated.
**PROCESS** Loss of Potential Earnings (LOPE) Policy

- View a party period
- Add a full time study period

## 4.0 Review Client Payment

**Experienced Payments Assessor, Payments Assessor**

**a** Check that the system derived NZSQA date is correct. This will need to be modified in the situations detailed in the notes below.

**NOTE** **What if you are calculating a further injury period where the eligibility for support is still in the first week of the further injury claim?**
You will need to adjust the end date of eligibility (NZSQA) so that it is correctly calculated from the date the client 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 any ACC support on the date they first became eligible (date of first entitlement, DOFE)?**
You'll need to adjust the end date of the client's eligibility (NZSQA) from the subsequent date the client became unable to work due to the injury (date of subsequent incapacity, DOSI) so that the NZSQA election date is correct.

- Weekly Compensation and New Zealand Superannuation (pre-1 July 2019) policy

**b** Review and modify the client's Pay Period End Day as appropriate.

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**NOTE** **What Pay Period End Day should you choose?**

• Pay Period End will default to Sunday – no change necessary unless the client requests an alternative day.

• ERA claims will default to the employers selected Pay Period End Day - no change necessary

**c** Review and modify the client's Pay Day if required.

Set a preferred pay day

**d** Check payable and non-payable periods

**NOTE** **How do I prevent Eos from displaying $0 due events for LOPE stand down and full-time study periods?**
Add a Do Not Pay period for the corresponding date ranges.

**e** Review all calculated payments and indicate that they are ready for approval

View due events

Initiate payments for approval

**NOTE** **What if the payment schedule of due events exceeds 2 years?**
You will receive a validation message alerting you that the system will perform the calculation off-line as it will take longer than usual. You're able to carry out other work while this calculation is performed and the system will send you a task when it is complete. Once complete you need to return to the claim and carry out any further activities required.

**f** Send the Setup Weekly Compensation task for Approval and Release. Add any notes or instruction to the task description that the approver may require, such as fast track.

**NOTE** **What if I didn't receive a Setup Weekly Compensation task?**
Create an Approve Weekly Compensation Entitlements task. Add any notes or instruction to the task description that the approver may require, such as fast track. Send to the Centralised Weekly Compensation Approval queue.

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