

Lifetime Care and Support (Catastrophic Injuries) LTCS Work Injury Levy Guideline 2016*

Disallowable instrument DI2016-168

made under the

Lifetime Care and Support Act 2014, section 93 (LTCS Guidelines)

1 Name of instrument

This instrument is the *Lifetime Care and Support (Catastrophic Injuries) LTCS Work Injury Levy Guideline 2016*.

2 Commencement

This instrument commences on the day after its notification.

3 LTCS Work Injury Levy Apportionment

The guideline at schedule 1 to this instrument specifies how the LTCS Work Injury Levy for each contribution period under section 84(1) of the *Lifetime Care and Support Act 2014* will be determined for individual workers compensation insurers in the ACT.

Lisa Holmes

Acting Lifetime Care and Support Commissioner of the ACT

27 June 2016

*Name amended under Legislation Act, s 60

Schedule 1

Calculation of the ACT work injury levy

This guideline explains how the required fund contribution determined for work injuries will be apportioned between insurers and self-insurers as a levy. It is issued under section 93 of the *Lifetime Care and Support Act 2014* (the LTCS Act), for the purposes of sections 84(1)(b) and 84B.

Section 84(1)(b) requires the LTCS Commissioner to determine a work injury levy for each contribution period under the LTCS Act. Section 84B gives the LTCS commissioner the power to make guidelines for the apportionment method to be used when determining the individual work injury levies.

Calculation of Levy – section 84(1)(b) of the LTCS Act

The required fund contribution for work injuries will be calculated to fully fund present and likely future liabilities in relation to people with work injuries who become participants in the scheme during each contribution period.

The required fund contribution will be based on an actuarial estimate of liabilities for each contribution period.

Levies determined for work injuries are calculated by apportioning the required fund contribution for the period between the insurers and self-insurers.

Methodology for determining Levy – Estimated Market share

Each workers compensation insurer and self-insurer in the ACT will be assessed a portion of the required fund contribution based on estimated market share for the contribution period.

The LTCS Commissioner will apply market share estimates for each insurer and self-insurer as determined for the ACT workers compensation regulatory levy under section 210 of the *Workers Compensation Act 1951*.

Methodology for determining Levy – Reconciliation of Actual Market Share

At the end of each contribution period, actual market share values will be assessed based on the ACT workers compensation regulatory levy determination.

Contributions will be revised according to actual market share when that information is available. The next year's workers compensation levy determination will be adjusted to reflect the difference between estimated and actual market share.

Insurers may be required to pay additional fees or receive discounted fees for the current year based on the actual market share adjustment. The LTCS Commissioner will refund the balance to insurers and self-insurers in the event that the amount of an adjustment exceeds the current year's contribution.