

Loss of earning capacity benefits

About loss of earning capacity benefits

Loss of Earning Capacity (LOEC) benefits are fortnightly monetary payments made to approved claimants when their capacity to earn an income has been reduced as a result of motor vehicle accident.

Eligibility for LOEC benefits

To be eligible for LOEC benefits, you must have had an earning capacity prior to the motor vehicle accident, be over the age of 15 and under the Commonwealth Pension Age at the date you were injured in a motor vehicle accident.

Earning capacity is the capacity to earn an income from personal exertion (either physical or mental) whether you were working at the time of the accident or not.

To help us pay you the right amount of LOEC benefits, TIO may request information which demonstrates your previous working capacity such as tax returns, pay slips or other evidence.

You are not eligible for LOEC benefits in some circumstances including:

- if you are aged under 15 or over the Commonwealth Pension Age at the time of accident.
- if you live or travel outside Australia.

How are LOEC benefits calculated?

To determine your entitlement to LOEC benefits, TIO will consider the number of hours per week that you are medically assessed as being capable of working, whether the work is available or not. The benefits are calculated on the average weekly earnings for all employees' total earnings in the Northern Territory

(AWE) and not on your individual earnings at the time of the accident.

Maximum benefit

If you are assessed as having lost all earning capacity as a result of your injuries, the maximum LOEC benefit payable per week is 85 per cent of the AWE. LOEC benefits are reviewed twice a year on 1 January and 1 July.

Partial benefit

If you are assessed as having a partial work capacity for a certain number of hours per week, LOEC benefits will be paid for the number of hours to make up the difference to 38 hours a week up to an amount equivalent to 85 per cent of the AWE.

For example; if you have an earning capacity of 20 hours per week, the amount of LOEC benefits payable will be for 18 hours per week up to 85% of the AWE.

Fulltime Students

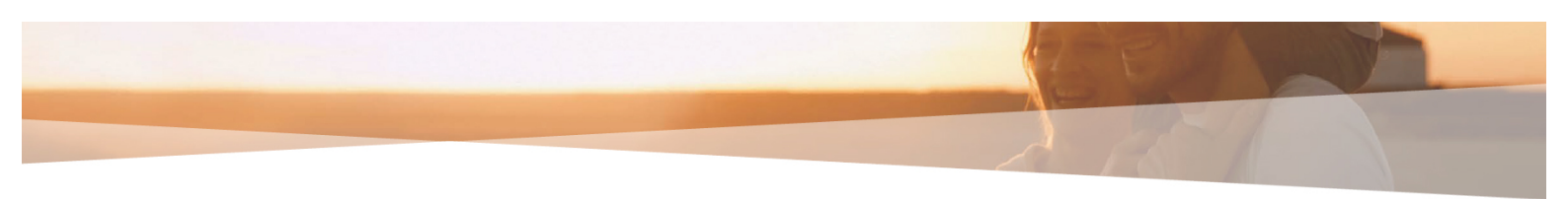
If you are a full time student and aged between 15 and 21 with no dependents you may be entitled to LOEC benefits at a reduced rate if you are unable to attend your educational institution as a result of your injuries.

To be eligible you must have earned 25 per cent or more of the AWE for three consecutive months prior to the motor vehicle accident.

If you are a full time student aged over 21 you may be entitled to LOEC benefits if you have demonstrated a capacity to earn an income in the past.

Note

If you are assessed as being capable of working full time, or your weekly earnings are equal or greater than the maximum LOEC benefit amount, you will not receive LOEC benefit payments.



If your situation changes such as in the following examples you need to tell your MAC Claims Officer:

- You return to work, whether paid or unpaid, or your circumstances change.
- You travel outside Australia.
- You have received or are receiving income protection insurance payments or benefits from Centrelink or similar.

How will I be paid?

After your eligibility for LOEC benefits have been assessed and approved, your payments will be paid fortnightly and back dated to the first business day after your accident.

Payments will be paid on the same day each fortnight in arrears directly to your nominated bank or credit union account.

Taxation reporting

LOEC benefits are not considered to be income by the Australian Tax Office (ATO) however, when you complete your tax return, you are required to declare the period (not the amount) that you received LOEC benefits and quote Australian Tax Office Ruling Number IT2193.

TIO does not issue group certificates for LOEC benefits as the payments are not subject to income tax.

What else do I need to know?

To receive LOEC benefit a “MAC Medical Certificate” must be provided by your doctor or specialist certifying your work capacity. You must provide this certificate to TIO whenever requested or payments may be suspended. Ask your doctor or specialist to ensure they provide you with a copy of this particular certificate if you wish to claim LOEC benefits.

All sections of the “MAC Medical Certificate” needs to be completed by your doctor or specialist including your accident related injuries, stating whether you are fit or unfit to work and your working capacity.

Contact

Phone: 1300 493 506
Monday to Friday, 8.30am-5pm
Email mac@tiofi.com.au