



## CERTIFICATES OF CURRENCY

This operational instruction details the Nominal Insurer's requirements for a Scheme Agent to process an Employer's request for a Certificate of Currency.

Under this revised operational instruction the Scheme Agent can now issue a Certificate of Currency using the information provided in the Employer's declaration of estimated Wages form, provided it contains an updated business description, a reasonable estimate of Wages and employee numbers for the Policy period. The form must also be signed with the name and position of the signatory, and date the form was signed indicated clearly.

### Request for Certificate of Currency

A Scheme Agent may issue a Certificate of Currency only where an Employer:

- (a) provides the Scheme Agent with the completed request for Certificate of Currency and statement of Wages form with an updated business description, and a reasonable estimate of Wages and employee numbers for the current Policy period, as revised at the date the Certificate of Currency is requested, or
- (b) provides the Scheme Agent with a completed estimate of Wages declaration with an updated business description, and a reasonable estimate of Wages and employee numbers for the Policy period, as revised at the date the Certificate of Currency is requested

*Note:*

*Both the request for Certificate of Currency and statement of Wages form and the estimate of Wages declaration form must be signed clearly indicating the name, position of the signatory and date signed. Standard templates of these forms can be found in operational instruction 4.2*

Certificates of Currency should not be issued if the forms are incomplete.

An Employer has a statutory obligation to provide an estimated Wages declaration return within two months of the commencement of a Policy period. However, if the request for Certificate of Currency and statement of Wages form is received within the two-month period, the statement of Wages may be used to substitute for the estimated Wages declaration form for the Policy period.

Similarly the Scheme Agent can now issue a Certificate of Currency using the estimated Wages declaration form as a substitute for the statement of Wages form, provided it has been received within the two-month period. The Scheme Agent should note that only one Certificate of Currency can be issued using the estimated Wages declaration form per policy period. All subsequent requests within that Policy period should be made using the request for Certificate of Currency and statement of Wages form.

### Premium revisions

See the *Premium and Debt Collection Manual* for information on Premium adjustments that arise as a result of the Certificate of Currency process.

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**Prevention of the issue of Certificates of Currency**

Section 163A(4) provides for the Scheme Agent to refuse to issue a Certificate of Currency in some cases. The Scheme Agent must not issue a Certificate of Currency if there is a default under the Policy. This may arise when:

- (a) a Premium, late payment fee or debt collection cost is overdue for any Policy period – if the Employer is on an extended payment arrangement, future instalments are not regarded as overdue Premium
- (b) the Employer has missed an instalment and the Premium is overdue (until the Premium debt is paid in full or a payment arrangement has been entered into)
- (c) the Employer has failed to submit an actual Wages declaration for a prior period of insurance
- (d) the Employer has failed to submit an estimated Wages declaration form for the current period of insurance within the legislated timeframes and has not completed a request for a Certificate of Currency and statement of Wages form. (Note: if a request for a Certificate of Currency and statement of Wages form is submitted within two months of the commencement of the Policy period, the request can be substituted for the estimated declaration of Wages.)
- (e) the request for Certificate of Currency and statement of Wages form indicates a Wages estimate of nil, unless the Employer is a sole trader or a partnership with no Workers – the Employer must provide a valid reason why the estimate is reasonable
- (f) the estimate of Wages provided on the request for Certificate of Currency and statement of Wages form is less than \$40,000 per annum, per full time Worker, unless the Employer can provide a valid reason why the estimate is reasonable
- (g) the Employer has submitted an appeal under section 170 of the 1987 Act and has not paid the Premium debt in full, or has not entered into a payment arrangement for the overdue Premium
- (h) processing of an insurance Policy is incomplete.

The Scheme Agent must have adequate procedures to ensure that a Certificate of Currency is not issued or updated when a Premium is overdue. However, if the Employer subsequently pays the overdue Premium a Certificate of Currency may be issued.

**Requests from Subcontractor for Certificate of Currency**

Section 175B of the 1987 Act provides that a principal contractor may withhold payment until a subcontractor provides a statement certifying that all Workers Compensation Premiums payable for the work done by the Subcontractor have been paid. A copy of the statement can be found at [www.workcover.nsw.gov.au](http://www.workcover.nsw.gov.au) and it must be accompanied by a valid Certificate of Currency.

An Employer with an overdue Premium and who is, therefore, not eligible for a Certificate of Currency may request the Scheme Agent provide a statement to the effect: *'This is to advise that XYZ Pty Ltd holds a current Workers Compensation insurance Policy with ABC Insurance Company commencing 12 January 2003 and ending 12 January 2004.* The Employer may require such a statement in order to obtain payment from a principal. These statements should only be issued in circumstances such as this and arrangements should be made for payment of the overdue Premium.

If the Employer does not have any outstanding Premium, the Scheme Agent may issue a replacement or duplicate Certificate of Currency for the current period, or a past period, when the original has been lost or damaged.

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**Twelve-month limit**

Section 163A of the Workers Compensation Act 1987 was amended by the issue of the Workers Compensation Amendment (Certificate of Currency) Regulation 2007 which provides that a Certificate of Currency is valid for a period of no more than twelve months from the date of issue.

All Certificates of Currency issued should be valid up until the expiry date of the current period of insurance except when circumstances warrant a certificate for a period of less than twelve months – e.g. when an Employer on extended payment arrangements is considered a credit risk with regard to payment of their Premium.

**Charging for Certificates of Currency**

Under section 163A(4) of the 1987 Act, a Certificate of Currency must be issued at no charge, regardless of the frequency issued.

**Standard Certificate of Currency**

To reduce the risk of Fraud, a Certificate of Currency must be in printed format, with no handwritten fields and no information that may compromise its integrity or content. A standard template can be found in operational instruction 4.2.

**Notification to WorkCover**

At the end of each month, the Scheme Agent must provide WorkCover with a list of all Employers (and their Policy details) who have been issued with Certificates of Currency with Wages estimates of \$40,000 or less. A register form is provided at Attachment A to this operational instruction.

The list will allow WorkCover to compare data and identify those Employers who require further investigation. It should be submitted by email in electronic form to:

[wageaudit@workcover.nsw.gov.au](mailto:wageaudit@workcover.nsw.gov.au)

**References**

*Workers Compensation Act 1987*, section 163A, 170, 175B

Workers Compensation Amendment (Certificate of Currency) Regulation 2007, clause 52A

Deed, Schedule 2, items 2.1.1, 2.1.2, 2.1.4

Operational instruction 4.2

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