

## ANNEX: WORK INJURY COMPENSATION (WIC) BILL 2019

The WIC Bill 2019 will be introduced for its First Reading at the Parliament Sitting on 5 August 2019. The key features of the WIC Bill 2019 and the proposed amendments to its subsidiary legislation are:

### Enhance Protection of Injured Employees

(1) Expanding Compulsory WIC Insurance Coverage

- a) Extend compulsory insurance to non-manual employees (NMEs), regardless of where they work.
- b) Update the NME salary threshold to \$2,600, to align with the new salary threshold for non-workmen under Part IV of the Employment Act. We will allow business time to adjust by raising the salary threshold in stages.

(2) Expanding Scope of Compensation

Compensate employees on light duties due to work injury for his lost earnings. As employees on light duties are receiving salary, employers only need to compensate them up to their average monthly earnings (AME) if the salary received during periods of light duties is lower.

(3) Ensuring Proper Assessment of Work Injuries

To address the concern of inadequate care or overly conservative incapacity assessment by a particular assessing doctor, the Commissioner may allow employees to switch the assessing doctor in certain cases. Where there is more than one medical report assessing the extent of incapacity arising from an injury, the Commissioner will determine which one is to be accepted.

(4) Updating the WICA Compensation Limits

Type	Limits	Current Limits	New Limits
<b>Death</b>	Maximum	\$ 204,000	\$ 225,000
	Minimum	\$ 69,000	\$ 76,000
<b>Total Permanent Incapacity (PI)<sup>1</sup></b>	Maximum	\$ 262,000	\$ 289,000
	Minimum	\$ 88,000	\$ 97,000
<b>Medical Expenses</b>		\$ 36,000 or within 1 year from date of accident, whichever is reached first	\$ 45,000 or within 1 year from date of accident, whichever is reached first

<sup>1</sup> The minimum and maximum sums apply only for total PI cases (or 100% PI). If the PI% is lower than 100%, the minimum and maximum compensation sums will be prorated. The amounts stated also exclude the additional 25% compensation that is paid for total PI to offset the cost of care for the injured employee.

## **Enhance Protection of Employer's Interest**

### **(5) Designating WIC Insurers to Sell WICA-compliant Policies and Process Claims**

- a) Establish a licensing framework to designate WIC insurers to allow them to offer approved WICA-compliant and process claims arising from such policies. The Commissioner will be able to impose requirements, directions and conditions to ensure that claims are processed in a fair and timely manner. Designated insurers who fail to comply may face administrative financial penalties (AFP) of up to \$30,000 for each such failure, and licence suspension or cancellation.
- b) Allow the Commissioner to prescribe a standard core set of policy terms and conditions in WICA-compliant policies that employers must purchase to fulfil their compulsory insurance obligations.
- c) Impose a maximum fine of \$80,000 to any unauthorised person who offers WICA-compliant policies.
- d) Impose a maximum fine of \$80,000 to any person who offers policies purporting to be WICA-compliant. Such person will have to pay compensation as though the policies offered were WICA-compliant policies. This will ensure that employers are not disadvantaged when they are misled into purchasing such policies.

### **(6) Facilitating Accurate Premium Pricing**

- a) As part of the licensing framework, designated WIC insurers will be required to share policy and claims data with MOM and other designated insurers. This will provide insurers with a complete picture of employers' claims history.
- b) Designated WIC insurers will be allowed to validate the aggregated workforce and payroll data as declared by the companies with MOM.

### **(7) Safeguarding against Fraud or Error**

- a) Any person who provide false or misleading information to obtain or avoid compensation or cause another person to obtain or avoid compensation will be liable for a maximum fine of \$15,000 and/or 12 months' imprisonment.
- b) The Commissioner can allow late objections to notices on the compensation payable if it is found that the objection was delayed by any error or fraud discovered after the period for objections to be raised.
- c) The Commissioner can order claimants who have received compensation on the basis of any error or false or misleading to pay restitution to the person who paid compensation.

## **Faster and Simpler Claims Processes**

### **(8) Improving Claims Processing**

- a) To expedite compensation for PI, allow compensation based on the prevailing state of incapacity (termed “current incapacity”) at the earliest opportunity after six months from the date of accident.
- b) For cases of fatal or serious injuries<sup>2</sup>, employees or their representatives will no longer need to file claim applications. Claim processing for these cases will commence once MOM or the insurer is notified of the accidents.
- c) In cases where there is no readily available and reliable evidence to compute the employee’s AME, the Commissioner can order compensation to be computed based on a multiple of the employee’s basic monthly salary.

## **Enhance Deterrence against WICA Contraventions**

### **(9) Increasing Penalties of WICA Offences**

- a) Raise the maximum fine for failure to pay compensation from \$10,000 to \$15,000.
- b) Double the maximum fines for a second or subsequent conviction for WICA offences.

### **(10) Introducing New Penalties**

- a) Any person withholding necessary information or documents for claims processing will be liable for a maximum fine of \$5,000 and/or 6 months’ imprisonment.
- b) Failure to pay deposit compensation ordered will result in a maximum fine of \$15,000 and/or 12 months’ imprisonment.

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<sup>2</sup> These are for injuries likely to result in permanent incapacity, as proxied by the number of days of hospitalisation, medical leaves and light duties.