



Agency Bulletin

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Voluntary Targeted Separation Scheme 2026 (VTSS 2026) and Workers Compensation Claims

The WA Government has announced a [voluntary targeted separation scheme 2026](#) under which public sector employees can be offered and accept a severance payment to support their voluntary departure from work.

In some instances, a public sector employee expressing interest in being considered for a voluntary severance will have an active workers compensation claim. Agencies should be aware that if an employee is offered and accepts a voluntary severance payment, the consequential termination of their employment under the VTSS 2026 will not extinguish or finalise the workers compensation claim, nor will this terminate or diminish the employee's rights to entitlements under the *Workers Compensation and Injury Management Act 2023*.

The ongoing management and finalisation of workers compensation claims of this type will depend on the individual circumstances of each claim. The Insurance Commission will continue to work with all stakeholders to identify the most effective resolution in each instance.

The Insurance Commission recognises that agencies will be managing the VTSS 2026 in accordance with the published guidelines. The information provided about the ongoing management of workers compensation claims is not intended to influence VTSS 2026 processes or decisions.

Key Points

- **VTSS 2026 severance payments to be offered across Government.**
- **Severance payments will not extinguish or finalise any active workers compensation claim.**
- **Contact your Insurance Commission workers compensation contact to discuss individual claims where a worker is taking a VTSS 2026.**