

## New Regulations in New Zealand Modify ACC Levies

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In New Zealand, the *Injury Prevention, Rehabilitation, Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2002* (SR 2002/418) has modified the ACC earner's levy rates payable by workers and self-employed persons with respect to accident insurance. ACC stands for Accident Rehabilitation and Compensation Insurance Corporation. ACC is a no-fault health care system that covers all personal injuries caused by accidents (i.e., work and non-work accidents).

ACC has several sources of funding. One of those sources is from employees/self-employed persons. What this development refers to is the earner's levy (which in the case of employees is deducted at sourced from the employees' salaries/wages).

The earners' levy rate has been set at NZD 1.0467 (exclusive of GST) per NZD 100 of earnings. The earners' account residual levy rate is set at NZD 0.02 (exclusive of GST) per NZD 100 of earnings. Both levies are payable on earnings derived or deemed to be derived on or after April 1, 2002, for self-employed persons, and on earnings that relate to pay periods ending on or after April 1, 2003, for earners except self-employed persons.

The maximum amount of earnings on which an earners' levy and an earners' account residual levy is payable has increased from NZD 87,185 to NZD 88,728 in an income year.

The minimum amount of earnings on which an earners' levy and an earners' account residual levy is payable by a self-employed person who works (whether as an employee or not) for more than 30 hours per week has increased. For those aged 18 or over the amount is NZD 16,640, and for those under the age of 18 it is NZD 13,312.

NZD 1 = USD 0.564

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