

Reprint
as at 1 April 2016



Accident Compensation (Earners' Levy) Regulations 2015

(LI 2015/37)

Accident Compensation (Earners' Levy) Regulations 2015: revoked, on 1 April 2016, by regulation 10(1) of the Accident Compensation (Earners' Levy) Regulations 2016 (LI 2016/28).

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 23rd day of February 2015

Present:

The Right Hon John Key presiding in Council

Pursuant to sections 218, 219, 244, and 329 of the Accident Compensation Act 2001, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council and on the recommendation of the Minister for ACC made after complying with the consultation requirements of sections 330 and 331 of that Act, makes the following regulations.

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

These regulations are administered by the Ministry of Business, Innovation, and Employment.

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Regulations

1 Title

These regulations are the Accident Compensation (Earners' Levy) Regulations 2015.

2 Commencement

These regulations come into force on 1 April 2015.

3 Interpretation

In these regulations, unless the context otherwise requires,—

Act means the Accident Compensation Act 2001

applicable tax year means the 2015–16 tax year or, as the case may be, a later tax year

Corporation means the Accident Compensation Corporation

current portion, in relation to the earners' levy, means a portion of that levy to provide for the purposes referred to in section 218(5)(a) of the Act

earners' levy means the levy payable to fund the Earners' Account under section 219(1) of the Act

residual portion, in relation to the earners' levy, means a portion of that levy to provide for the purposes referred to in section 218(5)(b) of the Act

tax year has the same meaning as in section YA 1 of the Income Tax Act 2007 for the purposes of furnishing a return of income under the Tax Administration Act 1994.

4 Earners' levy

(1) The amount of the current portion of the earners' levy payable for any applicable tax year is,—

- (a) for self-employed persons, except those described in paragraphs (b) and (c), \$1.2226 per \$100 of earnings derived, or treated as being derived, in the tax year that immediately precedes the applicable tax year:

- (b) for self-employed persons to whom regulation 6 applies (but regulation 7 does not apply), an amount calculated in accordance with regulation 6(2):
 - (c) for self-employed persons to whom regulation 7 applies, an amount calculated in accordance with regulation 7(2):
 - (d) for other earners, \$1.2226 per \$100 of earnings for pay periods ending in the applicable tax year.
- (2) The amount of the residual portion of the earners' levy payable for any applicable tax year is,—
- (a) for self-employed persons, except those described in paragraph (b), \$.0374 per \$100 of earnings derived, or treated as being derived, in the tax year that immediately precedes the applicable tax year:
 - (b) for self-employed persons to whom regulation 6 applies, an amount calculated in accordance with regulation 6(3):
 - (c) for other earners, \$.0374 per \$100 of earnings for pay periods ending in the applicable tax year.
- (3) Subclauses (1) and (2) are subject to regulation 5.

5 Maximum earnings on which earners' levy payable

- (1) The maximum amount of earnings in a tax year on which a self-employed person must pay an earners' levy is \$118,191.
- (2) The maximum amount of earnings in a tax year on which any other earner must pay an earners' levy is \$120,070.

6 Self-employed person: works more than 30 hours per week and earns less than specified amount

- (1) This regulation applies to a self-employed person who, in the tax year that immediately precedes the applicable tax year,—
 - (a) worked for an average of more than 30 hours per week, whether or not as an employee; and
 - (b) earned less than \$29,640.
- (2) The person must pay the current portion of the earners' levy calculated using the following formula:
$$1.2226 \times [(\$29,640 - \text{earnings as an employee}) \div 100]$$
- (3) The person must also pay the residual portion of the earners' levy calculated using the following formula:
$$0.0374 \times [(\$29,640 - \text{earnings as an employee}) \div 100]$$
- (4) In the formulae in subclauses (2) and (3), **earnings as an employee** is the amount of the person's earnings as an employee in the tax year that immediately precedes the applicable tax year.

7 Self-employed person: purchases weekly compensation

- (1) This regulation applies to a self-employed person who enters into an agreement with the Corporation under section 209 of the Act to purchase weekly compensation.
- (2) The person must pay the current portion of the earners' levy calculated using the following formula:

$$1.2226 \times [(1.25 \times a) \div 100]$$

where **a** is the agreed level of weekly compensation purchased by the self-employed person under section 209 of the Act adjusted to an annual figure.

8 Levies exclusive of GST

The amounts of earners' levies in these regulations are expressed exclusive of any goods and services tax payable.

9 Amount of levies exempt from payment

- (1) This regulation applies to any invoice that—
 - (a) is issued to a self-employed person for the purposes of the Act; and
 - (b) includes the earners' levy.
- (2) The relevant exempt amount for the purposes of section 244 of the Act is \$40.

10 Revocation and saving

- (1) The Accident Compensation (Earners' Levy) Regulations 2014 (LI 2014/30) are revoked.
- (2) Despite subclause (1), the Accident Compensation (Earners' Levy) Regulations 2014 continue to apply to the period starting on 1 April 2014 and ending with the close of 31 March 2015 as if they had not been revoked.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 April 2015, prescribe the current and residual portions of the earners' levy payable by people who engage in employment (whether self-employed or not).

For self-employed people, the earners' levy is calculated using earnings derived in the previous tax year. For all other earners, the levy is calculated using earnings in the applicable tax year.

The regulations also prescribe—

- maximum liable earnings for all earners; and
- a specified amount on which the earners' levy is payable by self-employed people who, in the previous tax year, worked full-time (ie, more than 30 hours a week) but earned less than the specified amount; and
- a different rate for the current portion of the earners' levy payable by self-employed people who have an agreement with ACC to purchase weekly compensation.

The regulations revoke and replace the Accident Compensation (Earners' Levy) Regulations 2014.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <http://www.mbie.govt.nz/about-us/publications/ris/acc-Levies-2015-2016.pdf>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 26 February 2015.

Reprints notes

1 *General*

This is a reprint of the Accident Compensation (Earnings' Levy) Regulations 2015 that incorporates all the amendments to those regulations as at the date of the last amendment to them.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Accident Compensation (Earnings' Levy) Regulations 2016 (LI 2016/28): regulation 10