



## **Accident Compensation (Earners' Levy) Regulations 2022**

Cindy Kiro, Governor-General

### **Order in Council**

At Wellington this 21st day of February 2022

Present:

Her Excellency the Governor-General in Council

These regulations are made under section 329 of the Accident Compensation Act 2001—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister for ACC made—
  - (i) after having regard to the principles of financial responsibility in section 166A of that Act; and
  - (ii) after complying with the consultation requirements of sections 330 and 331 of that Act.

### **Contents**

		Page
1	Title	2
2	Commencement	2
3	Interpretation	2
4	Earners' levy	2
5	Maximum earnings on which earners' levy payable	3
6	Self-employed person who works more than 30 hours per week and earns less than specified amount	3
7	Self-employed person who purchases weekly compensation	4
8	Levies exclusive of GST	5

r 1	<b>Accident Compensation (Earners' Levy) Regulations</b>	<b>2022</b>	2022/30
-----	--	-------------	---------

9	Amount of levies exempt from payment	5
10	Revocation and saving	5

## **Regulations**

### **1 Title**

These regulations are the Accident Compensation (Earners' Levy) Regulations 2022.

### **2 Commencement**

These regulations come into force on 1 April 2022.

### **3 Interpretation**

- (1) In these regulations, unless the context otherwise requires,—
  - Act** means the Accident Compensation Act 2001
  - earners' levy** means the levy payable to fund the Earners' Account under section 219(1) of the Act.
- (2) Any term or expression that is defined in the Act and used, but not defined, in these regulations (for example, **earner**, **earnings**, **employee**, **self-employed person**, **tax year**, and **weekly compensation**) has the same meaning as in the Act.

### **4 Earners' levy**

- (1) The amount of earners' levy payable for the 2022/23 tax year is,—
  - (a) for all earners, except those described in paragraphs (b) and (c), \$1.27 per \$100 of earnings (which means, for self-employed persons, earnings derived or treated as being derived, and for other earners, earnings paid or treated as paid) in that tax year;
  - (b) for self-employed persons to whom regulation 6 applies (but regulation 7 does not apply), the amount calculated in accordance with regulation 6(2);
  - (c) for self-employed persons to whom regulation 7 applies, the amount calculated in accordance with regulation 7(2).
- (2) The amount of earners' levy payable for the 2023/24 tax year is,—
  - (a) for all earners, except those described in paragraphs (b) and (c), \$1.33 per \$100 of earnings (which means, for self-employed persons, earnings derived or treated as being derived, and for other earners, earnings paid or treated as paid) in that tax year;

- (b) for self-employed persons to whom regulation 6 applies (but regulation 7 does not apply), the amount calculated in accordance with regulation 6(4);
  - (c) for self-employed persons to whom regulation 7 applies, the amount calculated in accordance with regulation 7(4).
- (3) The amount of earners' levy payable for the 2024/25 tax year, and any later tax year, is,—
  - (a) for all earners, except those described in paragraphs (b) and (c), \$1.39 per \$100 of earnings (which means, for self-employed persons, earnings derived or treated as being derived, and for other earners, earnings paid or treated as paid) in the tax year;
  - (b) for self-employed persons to whom regulation 6 applies (but regulation 7 does not apply), the amount calculated in accordance with regulation 6(6);
    - (c) for self-employed persons to whom regulation 7 applies, the amount calculated in accordance with regulation 7(6).
- (4) Subclauses (1) to (3) are subject to regulation 5.

## **5 Maximum earnings on which earners' levy payable**

- (1) The maximum amount of earnings, for the purposes of calculating the earners' levy for the 2022/23 tax year on which an earner must pay an earners' levy, is \$136,544.
- (2) The maximum amount of earnings, for the purposes of calculating the earners' levy for the 2023/24 tax year on which an earner must pay an earners' levy, is \$139,384.
- (3) The maximum amount of earnings, for the purposes of calculating the earners' levy for the 2024/25 tax year, and for any later tax year, on which an earner must pay an earners' levy, is \$142,283.

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

- (1) Subclause (2) applies to a self-employed person who, in the 2022/23 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 \$42,465.
- (2) The person must pay the earners' levy calculated using the following formula:

$$1.27 \times [(\$42,465 - a) \div 100]$$

where a is the amount of the person's earnings as an employee in the 2022/23 tax year.

- 
- (3) Subclause (4) applies to a self-employed person who, in the 2023/24 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 \$43,349.

- (4) The person must pay the earners' levy calculated using the following formula:

$$1.33 \times [(\$43,349 - a) \div 100]$$

where a is the amount of the person's earnings as an employee in the 2023/24 tax year.

- (5) Subclause (6) applies to a self-employed person who, in the 2024/25 tax year, or any later 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 \$44,250.

- (6) The person must pay the earners' levy calculated using the following formula:

$$1.39 \times [(\$44,250 - a) \div 100]$$

where a is the amount of the person's earnings as an employee in the tax year.

## 7 Self-employed person who purchases weekly compensation

- (1) Subclause (2) applies to a self-employed person who, in the 2022/23 tax year, enters into an agreement with the Corporation under section 209 of the Act to purchase weekly compensation.

- (2) The person must pay the earners' levy calculated using the following formula:

$$1.27 \times [(1.25 \times a) \div 100]$$

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.

- (3) Subclause (4) applies to a self-employed person who, in the 2023/24 tax year, enters into an agreement with the Corporation under section 209 of the Act to purchase weekly compensation.

- (4) The person must pay the earners' levy calculated using the following formula:

$$1.33 \times [(1.25 \times a) \div 100]$$

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.

- (5) Subclause (6) applies to a self-employed person who, in the 2024/25 tax year, or any later tax year, enters into an agreement with the Corporation under section 209 of the Act to purchase weekly compensation.

- (6) The person must pay the earners' levy calculated using the following formula:

$$1.39 \times [(1.25 \times a) \div 100]$$

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 exclusive of any goods and services tax payable on the levy.

## 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 2019 (LI 2019/36) are revoked.
- (2) Despite subclause (1), the Accident Compensation (Earners' Levy) Regulations 2019 continue to apply to the period starting on 1 April 2019 and ending on the close of 31 March 2022 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 2022, prescribe the earners' levy payable by people who engage in employment (whether or not as an employee) for the period comprising—

- the tax year starting on 1 April 2022 and ending on the close of 31 March 2023; and
- the tax year starting on 1 April 2023 and ending on the close of 31 March 2024; and
- the tax year starting on 1 April 2024 and ending on the close of 31 March 2025; and
- any tax year starting on or after 1 April 2025.

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 applicable tax year, worked full-time (ie, more than 30 hours a week) but earned less than the specified amount; and
- the rate for the earners' levy payable by self-employed people who have an agreement with ACC to purchase weekly compensation; and
- the amount of levies exempt from payment for the purposes of section 244 of the Act.

The regulations revoke and replace the Accident Compensation (Earners' Levy) Regulations 2019.

### **Regulatory impact statement**

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement on 17 November 2021 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—

- <https://www.mbie.govt.nz/dmsdocument/18549-stage-2-cost-recovery-impact-statement-202223-202425-acc-levies-proactiverelease-pdf>
- <https://treasury.govt.nz/publications/informationreleases/ris>

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 24 February 2022.

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