



ANALYSIS

<p>Title</p> <p>1. Short Title</p> <p>2. New sections inserted</p> <p style="padding-left: 2em;">118. Penalties for late payment of premiums</p>	<p>118A. Remission of penalties</p> <p>119. Penal premium</p> <p>3. Deduction of premium from payment due to defaulters</p>
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1997, No. 75

An Act to amend the Accident Rehabilitation and Compensation Insurance Act 1992 [23 September 1997]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1997, and is part of the Accident Rehabilitation and Compensation Insurance Act 1992 (the “principal Act”).

2. New sections inserted—(1) The principal Act is amended by inserting, after section 117, the following sections:

“118. Penalties for late payment of premiums—
Where—

“(a) Any premium payable under section 101 or section 102;
or

“(b) Any premium payable by an earner in respect of earnings other than as an employee under section 114; or

“(c) Any premium payable by an earner in respect of earnings as an employee under section 114 where the employer of that earner is not required to make deductions under section 115; or

“(d) Any premium in respect of which a notice is issued under section 131—

is not paid on or before the last date allowed for payment, a penalty of 10% of the amount unpaid is added to that amount, and the penalty compounds at the rate of 10% at 6-monthly intervals and is recoverable as if it were part of the premium.

“118A. **Remission of penalties**—The Corporation may remit all or part of any penalty imposed under section 115 (14) or section 118 if, in the special circumstances of any case, the Corporation considers it fair and reasonable to do so, and, if the amount so remitted has been paid, the Corporation may, in its discretion, either refund the amount paid or credit any amount so paid on account against the amount of any premium that may for the time being be due and payable by the person by whom such payment was made.

“119. **Penal premium**—Every person who is or will be liable to pay—

“(a) Any premium under section 101 or section 102; or

“(b) Any premium in respect of earnings other than as an employee under section 114; or

“(c) Any premium in respect of earnings as an employee under section 114 where the employer of that person is not required to make deductions under section 115; or

“(d) Any premium in respect of which a notice is issued under section 131—

who evades, attempts to evade, or does or omits to do anything with the intent to evade, the determination or payment of the whole or part of any of the premium which is or may become payable by the person under this Act (hereinafter referred to as the ‘deficient premium’) is chargeable, by way of a penalty, in addition to any other penalty for which the person may be liable, with an additional amount (in this section referred to as the ‘penal premium’) not exceeding an amount equal to treble the amount of the deficient premium; and sections 186 to 193 of the Tax Administration Act 1994 apply as if the penal premium were an amount of penal tax in respect of which the Commissioner of Inland Revenue had made an assessment under section 188 of the Tax Administration Act 1994.”

(2) Sections 118 and 119 (as inserted by subsection (1)) are deemed to have come into force on 26 July 1996.

(3) Section 118A (as inserted by subsection (1)) is deemed to have come into force on 1 April 1997.

(4) Sections 118, 118A, and 119 (as inserted by subsection (1)) are repealed with respect to obligations, liabilities, and rights in

relation to earnings in respect of the 1997/98 and subsequent income years.

3. Deduction of premium from payment due to defaulters—(1) Section 130 of the principal Act is amended by inserting, after subsection (1), the following subsections:

“(1A) A notice of amount to be deducted or extracted issued under subsection (1) may include a daily amount of interest as well as the amount required to be deducted or extracted.

“(1B) The daily amount of interest notified under subsection (1A) is calculated for each day, commencing on the date of the notice and ending on the day on which the sum required by the notice is deducted or extracted.”

(2) Subsection (1) is deemed to have come into force on 1 April 1997.

This Act is administered in the Accident Rehabilitation and Compensation Insurance Corporation.
