



Accident Insurance (Interim Indexation) Regulations 2000

Michael Hardie Boys, Governor-General

Order in Council

At Wellington this 12th day of June 2000

Present:

His Excellency the Governor-General in Council

Pursuant to sections 404, 412, and 460 of the Accident Insurance Act 1998, His Excellency the Governor-General, acting on the recommendation of the Minister for Accident Insurance and on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

1 Title

These regulations are the Accident Insurance (Interim Indexation) Regulations 2000.

2 Commencement

These regulations come into force on 1 July 2000.

3 Interpretation

(1) In these regulations, unless the context otherwise requires,—

Act means the Accident Insurance Act 1998

CPI means the *Consumers Price Index—All Groups Long Term Linked Series* published by Statistics New Zealand

date of indexation means 1 July 2000

former Act means the Accident Rehabilitation and Compensation Insurance Act 1992

Labour Cost Index means the *Labour Cost Index All (Industry or Occupation) Groups Combined, All Sectors Combined, Total Wage and Salary Rates* published by Statistics New Zealand

minimum amounts means—

- (a) the dollar amounts provided for under clauses 13(a), 15(3)(a) and (b), 18(1)(b) and (2)(a) and (b), and 22(3)(a) and (b) of Schedule 1 of the Act (as adjusted, where appropriate, by the Accident Insurance (Interim Indexation) Regulations 1999¹; or
- (b) the equivalent amounts provided for under the former Act

weekly earnings has the same meaning as in section 13 of the Act; and includes—

- (a) relevant earnings as calculated under the Accident Compensation Act 1972 or the Accident Compensation

- Act 1982 that formed the basis of earnings related compensation for the purposes of section 138 or section 145 of the former Act:
- (b) weekly earnings of an earner that were determined in accordance with sections 40 to 43 and section 45 of the former Act.
- (2) Where these regulations refer to amounts provided for under the Act, or equivalent amounts under the former Act, those amounts are the amounts as adjusted (where appropriate) by the Accident Insurance (Interim Indexation) Regulations 1999.
- ¹SR 1999/355

Indexation of weekly compensation

4 Weekly compensation payments to be adjusted

- (1) Adjustments under regulations 6, 7, and 8 are to be made only to weekly compensation—
- (a) paid or payable on or after the date of indexation:
 - (b) that relates to a period of incapacity, or a period during which a person is entitled to compensation under clauses 67, 70, or 71 of Schedule 1 or sections 445 or 446 of the Act, where that period occurs on or after the date of indexation.
- (2) Additionally, in the case of weekly compensation to which regulation 6 applies, the compensation is to be adjusted only if it was paid or payable—
- (a) for the 26-week period immediately prior to the date of indexation; or
 - (b) for not less than 26 weeks or part-weeks of the 52-week period immediately prior to the date of indexation.
- (3) Despite subclause (1), adjustments under regulations 6, 7, and 8 may be made to weekly compensation that relates to a period of incapacity, or a period during which a person is entitled to compensation under clauses 67, 70, or 71 of Schedule 1 or sections 445 or 446 of the Act, where that period occurs on or after the date which is 6 days earlier than the date of indexation.

5 Indexation of abated weekly compensation

Regulations 6, 7, and 8, which provide for indexation of weekly compensation, are subject to regulations 10 to 14, which relate to abatement of weekly compensation.

6 Weekly compensation not based on minimum amounts

- (1) Payments of weekly compensation based on weekly earnings, other than weekly compensation based on minimum amounts, must be adjusted in accordance with the formula set out in regulation 9(1).
- (2) Weekly compensation payable under section 287 of the Act to persons who have elected to purchase cover under section 286 of the Act must also be adjusted in accordance with the formula set out in regulation 9(1).

7 Weekly compensation based on minimum amounts for persons 20 and over

Weekly compensation based on the following amounts must be adjusted in accordance with the formula set out in regulation 9(2):

- (a) the minimum amounts for persons aged 20 years and over provided for under clauses 13(a), 15(3)(a), 18(1)(b)(i), 18(2)(a), 18(2)(b)(ii), 22(3)(a), and 22(3)(b)(ii) of Schedule 1 of the Act;
- (b) the equivalent amounts under the former Act of any of those amounts.

8 Weekly compensation based on minimum amounts for persons under 20

Weekly compensation based on the following amounts must be adjusted in accordance with the formula set out in regulation 9(1):

- (a) the minimum amounts for persons aged under 20 years provided for under clauses 15(3)(b), 18(1)(b)(ii), and 18(2)(b)(i) of Schedule 1 of the Act;
- (b) the equivalent amounts under the former Act of any of those amounts;
- (c) the equivalent amount under the former Act of the amount provided for under clause 22(3)(b)(i) of Schedule 1 of the Act.

9 Calculation of adjustment

- (1) The formula for calculation of an adjustment under regulations 6 and 8 is—

$$a \times \frac{b}{c}$$

where—

- a is the amount of weekly compensation paid or payable in respect of a person at the date of indexation, before the amount is adjusted
 - b is the Labour Cost Index for the March quarter immediately prior to the date of indexation
 - c is the Labour Cost Index for the June quarter prior to the quarter referred to in item b.
- (2) The formula for calculation of an adjustment under regulation 7 is—

$$a \times \frac{b}{c}$$

where—

- a is the amount of weekly compensation paid or payable in respect of a person at the date of indexation, before the amount is adjusted
 - b is the Labour Cost Index for the March quarter immediately prior to the date of indexation
 - c is the Labour Cost Index for the March quarter prior to the quarter referred to in item b.
- (3) The number resulting from dividing b by c is to be rounded up or down to 4 decimal places (with .00005 or greater being rounded up).

*Abatement***10 Procedure for adjustments where weekly compensation subject to abatement**

The adjustment from the date of indexation of weekly compensation subject to abatement under clause 24 of Schedule 1 of the Act is to be determined by—

- (a) adjusting the appropriate unabated amount of weekly compensation in accordance with regulation 11; and

- (b) adjusting the following amounts in accordance with regulation 12 (as required by clause 23(4) and (5) of Schedule 1 of the Act):
 - (i) the amount of the weekly earnings referred to in item b of the formula in clause 23(4) of Schedule 1 of the Act;
 - (ii) the amount of the person's earnings (including weekly compensation) immediately before his or her incapacity commenced, as referred to in clause 24(2) of Schedule 1 of the Act; and
- (c) applying the provisions of clause 24 of Schedule 1 of the Act in accordance with regulation 13.

11 First adjustment

The amount of weekly compensation to which a person would be entitled but for any abatement under clause 24 of Schedule 1 of the Act (or the equivalent abatement under the former Act) is first to be adjusted as at the date of indexation in accordance with whichever is relevant of regulations 6 (as subject to regulation 4(2)), 7, and 8.

12 Second adjustment in certain cases

The amounts referred to in regulation 10(b) are also to be adjusted as at the date of indexation in accordance with the formula in regulation 9(1) (and subject to regulation 4(2), where appropriate, if the person's weekly compensation is not compensation based on minimum amounts), as if item a of the formula referred to those earnings rather than to weekly compensation.

13 Application of clause 24 of Schedule 1 of Act

After making any adjustments under regulations 11 and 12, clause 24 of Schedule 1 of the Act (with the weekly amounts provided for under that clause appropriately adjusted as at the date of indexation in accordance with regulation 15) then applies on the basis of the adjusted amounts of weekly compensation and earnings.

14 Subsequent injury

For the avoidance of doubt, in the case of a person with abated earnings who has a subsequent injury,—

- (a) the “80% of his or her earnings at the time of the subsequent injury” referred to in clause 24(4)(b) of Schedule 1 of the Act is itself weekly compensation that may be subject to adjustment under whichever is relevant of regulations 6, 7, and 8; and
- (b) for the purposes of the application (if any) of regulation 4(2), that weekly compensation is to be treated as separate from the weekly compensation for the previous personal injury.

Indexation of related amounts

15 Related amounts to be adjusted

- (1) The following amounts must be adjusted on the date of indexation in accordance with the formula in regulation 16(1):
 - (a) the minimum amounts for persons aged under 20 years provided for under clauses 15(3)(b), 18(1)(b)(ii), and 18(2)(b)(i) of Schedule 1 of the Act;
 - (b) the weekly amounts provided for under clause 24(1) of Schedule 1 of the Act;
 - (c) the weekly amounts provided for under paragraph (e)(i) of the definition of **potential earner** in section 13 of the Act.
- (2) The following amounts must be adjusted on the date of indexation in accordance with the formula in regulation 16(2):
 - (a) the minimum amounts for persons aged 20 years and over provided for under clauses 13(a), 15(3)(a), 18(1)(b)(i), 18(2)(a), 18(2)(b)(ii), 22(3)(a), and 22(3)(b)(ii) of Schedule 1 of the Act;
 - (b) the annual amount provided for under paragraph (b) of the definition of **other dependant** in section 13 of the Act;
 - (c) the weekly amounts provided for under paragraph (e)(ii) of the definition of **potential earner** in section 13 of the Act;
 - (d) the annual amount provided for under clause 71(4) of Schedule 1 of the Act.

- (3) In the case of the weekly amounts referred to in subclause (1)(c), the formula in regulation 16(1) is to apply as if the amount of item a were \$219.44.

16 Calculation of adjustment of related amounts

- (1) The formula for calculation of an adjustment under regulation 15(1) is—

$$a \times \frac{b}{c}$$

where—

- a is the relevant amount at the date of indexation, before the amount is adjusted
- b is the Labour Cost Index for the March quarter immediately prior to the date of indexation
- c is the Labour Cost Index for the June quarter prior to the quarter referred to in item b.
- (2) The formula for calculation of an adjustment under regulation 15(2) is—

$$a \times \frac{b}{c}$$

where—

- a is the relevant amount at the date of indexation, before the amount is adjusted
- b is the Labour Cost Index for the March quarter immediately prior to the date of indexation
- c is the Labour Cost Index for the March quarter prior to the quarter referred to in item b.
- (3) The number resulting from dividing b by c is to be rounded up or down to 4 decimal places (with .00005 or greater being rounded up).

17 When indexation of related amounts applies

- (1) An adjustment under regulation 15 to the annual amount provided for under paragraph (b) of the definition of **other dependant** in section 13 of the Act applies in respect of any death occurring on or after the date of indexation.
- (2) An adjustment under regulation 15 to the minimum amounts provided for under clause 15(3)(a) and (b) of Schedule 1 of the Act, or to the weekly amounts provided for under clause

- 24(1) of that schedule applies in respect of any period of incapacity occurring on or after the date of indexation.
- (3) An adjustment under regulation 15 to the minimum amounts provided for under clause 18(1)(b) and (2)(b) of Schedule 1 of the Act—
 - (a) for the purposes of section 317(4) of the Act (which relates to advances of weekly compensation), applies to any payments made under that section on or after the date of indexation:
 - (b) for any other purpose, applies in respect of any period of incapacity occurring on or after the date of indexation.
 - (4) An adjustment under regulation 15 to the weekly amounts provided for under clause 22 of Schedule 1 of the Act applies in respect of any period of entitlement that occurs on or after the date of indexation.
 - (5) An adjustment under regulation 15 to the annual amount provided for under clause 71 of Schedule 1 of the Act applies on and after the date of indexation.
 - (6) This regulation is subject to regulation 4, where appropriate.

Indexation of independence allowance, funeral grant, and survivor's grant

18 Indexation of independence allowance

- (1) The following amounts must be adjusted in accordance with the formula set out in regulation 20:
 - (a) the amount of the independence allowance provided for in clause 62 of Schedule 1 of the Act:
 - (b) the equivalent amount under the former Act, including any independence allowance referred to in section 441(3)(b) of the Act.
- (2) An adjustment under this regulation is to be made only to compensation—
 - (a) paid or payable on or after the date of indexation; and
 - (b) that relates to a period of impairment occurring on or after the date of indexation.

19 Indexation of funeral grant and survivor's grants

- (1) The following amounts must be adjusted in accordance with the formula set out in regulation 20:
- (a) the amount of the funeral grant provided for in clause 65(1)(b) of Schedule 1 of the Act;
 - (b) the survivor's grants provided for in clause 66 of that schedule.
- (2) An adjustment under this regulation is to be made only to compensation—
- (a) paid or payable on or after the date of indexation; and
 - (b) in respect of a person whose death occurs on or after the date of indexation.

20 Calculation of adjustment

- (1) The formula for calculation of an adjustment under regulations 18 and 19 is—

$$a \times \frac{b}{c}$$

where—

- a is the amount of the independence allowance, funeral grant, or survivor's grant (as the case may be) payable at the date of indexation, before the amount is adjusted
 - b is the CPI figure for the March quarter immediately prior to the date of indexation
 - c is the CPI figure for the June quarter prior to the quarter referred to in item b.
- (2) The number resulting from dividing b by c is to be rounded up or down to 4 decimal places (with .00005 or greater being rounded up).

*Miscellaneous***21 No adjustment for small variations**

Despite anything in these regulations, if the movement in the Labour Cost Index or CPI figures used in the formulas set out in regulations 9, 16, and 20, expressed as a percentage, results in a figure between minus 0.5 and plus 0.5, then no indexation adjustment is to be made under the relevant regulation.

22 Rounding of amounts

The result of any adjustment arising from a calculation under these regulations is to be rounded to the nearest cent as follows:

- (a) an amount of less than 0.5 cents is to be rounded down;
- (b) an amount of 0.5 cents or more than 0.5 cents is to be rounded up.

Marie Shroff,
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 provide for the indexation, as at 1 July 2000, of weekly compensation and various minimum and other amounts under the Accident Insurance Act 1998 (the **Act**).

Compensation and amounts indexed in the previous Accident Insurance (Interim Indexation) Regulations 1999 (SR 1999/355) are indexed for 3 quarters, to bring them up to a standard 1 July indexation date. Compensation and amounts not indexed in those regulations (being amounts that were effectively indexed in the Act on 1 July 1999) are indexed for 1 year.

Issued under the authority of the Acts and Regulations Publication Act 1989.

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These regulations are administered in the Department of Labour.
