



Injury Prevention, Rehabilitation, and Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2003

Dame Sian Elias, Administrator of the Government

Order in Council

At Wellington this 15th day of December 2003

Present:

Her Excellency the Administrator of the Government in Council

Pursuant to sections 212, 219, 329, and 333 of the Injury Prevention, Rehabilitation, and Compensation Act 2001, Her Excellency the Administrator of the Government, acting on the advice and with the consent of the Executive Council, makes the following regulations.

Contents

1	Title	7	Earners' levy and Earners' Account Residual levy for purchase of agreed level of weekly compensation
2	Commencement	8	Levies exclusive of GST
3	Interpretation	9	Revocation and saving
4	Earners' levy rate and Earners' Account Residual levy rate		
5	Maximum earnings on which levies payable		
6	Minimum levies payable by self-employed persons working more than 30 hours per week		
			—————
			Schedule
			Age related discount

Regulations

1 Title

These regulations are the Injury Prevention, Rehabilitation, and Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2003.

2 Commencement

These regulations come into force on 1 April 2004.

3 Interpretation

In these regulations,—

Act means the Injury Prevention, Rehabilitation, and Compensation Act 2001

earners' levy means the levy payable to fund the Earners' Account under section 219(1) of the Injury Prevention, Rehabilitation, and Compensation Act 2001.

4 Earners' levy rate and Earners' Account Residual levy rate

- (1) The earners' levy rate is \$1.0646 per \$100 of earnings—
 - (a) derived or deemed to be derived on or after 1 April 2003 in the case of self-employed persons; or
 - (b) relating to pay periods ending on or after 1 April 2004 in the case of other earners.
- (2) The Earners' Account Residual levy rate is \$0.0021 per \$100 of earnings—
 - (a) derived or deemed to be derived on or after 1 April 2003 in the case of self-employed persons; or
 - (b) relating to pay periods ending on or after 1 April 2004 in the case of other earners.
- (3) Nothing in these regulations prevents the combined earners' levy and the Earners' Account Residual levy payable by a person from being charged or otherwise presented as a single amount.

5 Maximum earnings on which levies payable

- (1) The maximum earnings in an income year on which an earner must pay an earner's levy and an Earnings' Account Residual levy is \$92,189.
- (2) However, the maximum earnings in an income year on which a self-employed person must pay an earner's levy and an Earnings' Account Residual levy is \$88,728.

6 Minimum levies payable by self-employed persons working more than 30 hours per week

- (1) This regulation applies to self-employed persons who, in an income year,—
 - (a) work, whether or not as an employee, for an average of more than 30 hours per week; and
 - (b) earn less than—
 - (i) \$16,640.00, for a person aged 18 years or over on the last day of the income year; or
 - (ii) \$13,312.00, for a person under the age of 18 years on the last day of the income year.
- (2) A person to whom this regulation applies in an income year must pay—
 - (a) an earner's levy calculated in accordance with the following formula:

$$\frac{(a - b)}{100} \times c$$

where—

- a is the relevant amount specified in subclause (1)(b)(i) or (ii)
 - b is the amount of the person's earnings as an employee for the income year
 - c is the earner's levy (calculated for each \$100) specified in regulation 4(1); and
- (b) an Earnings' Account Residual levy, calculated using the formula in paragraph (a) as if item c were the rate of the Earnings' Account Residual levy specified in regulation 4(2).

7 Earners' levy and Earners' Account Residual levy for purchase of agreed level of weekly compensation

- (1) This regulation applies to a self-employed person who purchases the right to receive weekly compensation from the Corporation under section 209 of the Act.
- (2) The combined earners' levy and Earners' Account Residual levy must be calculated using the following formula:

$$\frac{(d \times f)}{100} + \frac{e \times 1.25 \times (g - (f \times 0.8)) \times (1 - h)}{100}$$

where—

d is the earners' levy rate plus the Earners' Account Residual levy rate specified in regulation 4

e is the earners' levy rate specified in regulation 4(1)

f is—

- (a) the amount of earnings derived or deemed to be derived by the self-employed person in the 2003–04 income year; or
- (b) if the Corporation cannot readily ascertain the amount of those earnings, the Corporation's estimate of that amount

g is the agreed level of weekly compensation purchased by the self-employed person under section 209 of the Act adjusted to an annual equivalent figure

h is—

- (a) 0, if item g is less than 80% of the amount of item f; or
- (b) the age related discount specified in the Schedule that corresponds to the age of the self-employed person, if item g is 80% or more of the amount of item f.

- (3) An estimate under paragraph (b) of item f of the formula in subclause (2) must be not less than—
 - (a) \$16,640.00, for a person aged 18 years or over on the last day of the income year; or

- (b) \$13,312.00, for a person under the age of 18 years on the last day of the income year.

8 Levies exclusive of GST

The levies calculated by applying the rates specified in regulation 4(1) and (2) are exclusive of goods and services tax.

9 Revocation and saving

- (1) The Injury Prevention, Rehabilitation, and Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2002 (SR 2002/418) are revoked.
- (2) Despite subclause (1), the Injury Prevention, Rehabilitation, and Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2002 continue to apply for the period beginning on 1 April 2003 and ending on 31 March 2004 as if they had not been revoked.

**Schedule
Age related discount**

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Age band	Discount
Under 40	0
40-44	0.03
45-49	0.07
50-54	0.14
55-59	0.28
60 and over	0.53

Diane Morcom,
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 2004, replace the Injury Prevention, Rehabilitation, and Compensation (Earners'

**Injury Prevention, Rehabilitation, and
Compensation (Earners' Levy and
Earners' Account Residual Levy)
Regulations 2003**

2003/386

Explanatory note

Levy and Earners' Account Residual Levy) Regulations 2002 (SR 2002/418).

The new regulations set the earners' levy rate at \$1.0646 per \$100 of earnings, exclusive of goods and service tax. This levy is payable on earnings derived or deemed to be derived on or after 1 April 2003 for self-employed persons, and on earnings that relate to pay periods ending on or after 1 April 2004 for earners except self-employed persons.

The new regulations set the Earners' Account Residual levy rate at \$0.0021 per \$100 of earnings, exclusive of goods and services tax. This levy is payable on earnings derived or deemed to be derived on or after 1 April 2003 for self-employed persons, and on earnings that relate to pay periods ending on or after 1 April 2004 for earners except self-employed persons.

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 not been increased. For those aged 18 or over the amount is \$16,640.00, and for those under the age of 18 it is \$13,312.00.

The maximum amount of earnings of an earner on which an earners' levy and an Earners' Account Residual levy is payable has increased from \$88,728 to \$92,189 in an income year. However, the maximum amount of earnings of a self-employed person on which the levies are payable is \$88,728 in an income year.

The new regulations also set the earners' levy rate and Earners' Account Residual levy rate for self-employed persons who purchase the right to receive weekly compensation.

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These regulations are administered in the Department of Labour.
