

**Reprint
as at 1 April 2019**



Accident Compensation (Earners' Levy) Regulations 2017

(LI 2017/18)

Accident Compensation (Earners' Levy) Regulations 2017: revoked, on 1 April 2019, by regulation 10(1) of the Accident Compensation (Earners' Levy) Regulations 2019 (LI 2019/36).

Patsy Reddy, Governor-General

Order in Council

At Wellington this 20th day of February 2017

Present:

The Right Hon Bill English presiding in Council

These regulations are made under sections 218, 219, 244, and 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 under section 166A of that Act; and
 - (ii) after complying with the consultation requirements of sections 330 and 331 of that Act.

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.

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	4
9 Amount of levies exempt from payment	4
10 Revocation and saving	4

Regulations

1 Title

These regulations are the Accident Compensation (Earners' Levy) Regulations 2017.

2 Commencement

These regulations come into force on 1 April 2017.

3 Interpretation

In these regulations, unless the context otherwise requires,—

Act means the Accident Compensation Act 2001

applicable tax year means, as the case may be,—

- (a) the 2017/18 tax year; or
- (b) the 2018/19 tax year; or
- (c) any later tax year

Corporation means the Accident Compensation Corporation

earners' levy means the levy payable to fund the Earners' Account under section 219(1) 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 earners' levy payable for an applicable tax year is,—

- (a) for self-employed persons, except those described in paragraphs (b) and (c), \$1.21 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), the amount calculated in accordance with regulation 6(2) or (4):
 - (c) for self-employed persons to whom regulation 7 applies, the amount calculated in accordance with regulation 7(2):
 - (d) for other earners, \$1.21 per \$100 of earnings paid, or treated as paid, in the applicable tax year.
- (2) Subclause (1) is subject to regulation 5.

Regulation 4(1)(d): amended, on 1 April 2018, by section 422 of the Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018 (2018 No 5).

5 Maximum earnings on which earners' levy payable

Levy payable by self-employed person

- (1) The maximum amount of earnings, for the purposes of calculating the earners' levy for the 2017/18 tax year on which a self-employed person must pay an earners' levy, is \$122,063.
- (2) The maximum amount of earnings, for the purposes of calculating the earners' levy for the 2018/19 tax year, or in any later tax year, on which a self-employed person must pay an earners' levy, is \$124,053.

Levy payable by any other earner

- (3) The maximum amount of earnings in the 2017/18 tax year on which any other earner must pay an earners' levy is \$124,053.
- (4) The maximum amount of earnings in the 2018/19 tax year, or in any later tax year, on which any other earner must pay an earners' levy is \$126,286.

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 2016/17 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 \$31,720.
- (2) The person referred to in subclause (1) must pay the earners' levy calculated using the following formula:
$$1.21 \times [(\$31,720 - \text{earnings as an employee}) \div 100]$$
- (3) Subclause (4) applies to a self-employed person who, in the 2017/18 tax year, or in 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 \$32,760.
- (4) The person referred to in subclause (3) must pay the earners' levy calculated using the following formula:

$$1.21 \times [(\$32,760 - \text{earnings as an employee}) \div 100]$$

- (5) In the formulas in subclauses (2) and (4), **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 who 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 earners' levy calculated using the following formula:

$$1.21 \times [(1.25 \times a) \div 100]$$

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 2016 (LI 2016/28) are revoked.
- (2) Despite subclause (1), the Accident Compensation (Earners' Levy) Regulations 2016 continue to apply to the period starting on 1 April 2016 and ending with the close of 31 March 2017 as if they had not been revoked.

Michael Webster,
Clerk of the Executive Council.

Reprinted as at
1 April 2019

**Accident Compensation (Earners' Levy) Regulations
2017**

r 10

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 23 February 2017.

Reprints notes

1 *General*

This is a reprint of the Accident Compensation (Earners' Levy) Regulations 2017 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 (Earners' Levy) Regulations 2019 (LI 2019/36): regulation 10

Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018 (2018 No 5): section 422