

Reprint

as at 6 November 2008

Accident Insurance (Interim Indexation) Regulations 2001

(SR 2001/93)

Accident Insurance (Interim Indexation) Regulations 2001: revoked, on 6 November 2008, by clause 3 of the Regulations Revocation Order 2008 (SR 2008/367).

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

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Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this eprint.

A general outline of these changes is set out in the notes at the end of this eprint, together with other explanatory material about this eprint.

These regulations are administered in the Department of Labour.

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- 1 Title**
These regulations are the Accident Insurance (Interim Indexation) Regulations 2001.
- 2 Commencement**
These regulations come into force on 1 July 2001.
- 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 2001

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 either or both of the Accident Insurance (Interim Indexation) Regulations 1999 and the Accident Insurance (Interim Indexation) Regulations 2000); or
- (b) the equivalent amounts provided for under the former Act

specified period means a period beginning on or from 1 July 2001 that is—

- (a) a period of incapacity; or
- (b) a period for which a person is entitled to compensation under clause 67 or clause 70 or clause 71 of Schedule 1 or section 445 or section 446 of the 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 under 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) References to amounts provided for under the Act, or equivalent amounts under the former Act, are references to those amounts as adjusted by either or both of the Accident

Insurance (Interim Indexation) Regulations 1999 and the Accident Insurance (Interim Indexation) Regulations 2000.

Indexation of weekly compensation

4 Application of adjustments

- (1) Adjustments under regulations 6, 7, and 8 apply only to weekly compensation paid or payable for a specified period.
- (2) Despite subclause (1), adjustments under regulations 6, 7, and 8 may be made to weekly compensation that relates to a period that occurs on or after the date that is 6 days earlier than the date of indexation.
- (3) Additionally, an adjustment under regulation 6 may be made only if the weekly compensation has been paid or is payable—
 - (a) for the 26-week period before the date of indexation; or
 - (b) for no fewer than 26 weeks or part weeks of the 52-week period before 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 sections 287 and 302C of the Act (to persons who elect to purchase cover) must also be adjusted in accordance with the formula set out in regulation 9(1).

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

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 20 years and over provided for under clauses 13(a), 15(3)(a), 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 aged under 20

- (1) 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) 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.
- (2) For weekly compensation based on the minimum amount provided for under clause 22(3)(b)(i) of Schedule 1 of the Act, the formula in regulation 9(1) applies as if the amount of item a were 80% of \$222.01.

9 Calculation of adjustment

- (1) The formula for calculation of an adjustment under regulations 6, 7, and 8 is—

a x 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.
- (2) The number resulting from dividing item b by item c must 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 under regulations 6, 7, and 8 of weekly compensation that is subject to abatement under clause 24 of Schedule 1 of the Act is 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 a 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 an abatement under clause 24 of Schedule 1 of the Act (or the equivalent abatement under the former Act) must be adjusted first under whichever is relevant of regulations 6, 7, and 8.

12 Second adjustment in certain cases

The amounts referred to in regulation 10(b) must also be adjusted as at the date of indexation in accordance with the formula in regulation 9(1) (subject to regulation 4(3), if 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

Clause 24 of Schedule 1 of the Act then applies—

- (a) after the adjustments under regulations 11 and 12 are made; and
- (b) after the weekly amounts referred to in clause 24 of Schedule 1 are adjusted in accordance with regulation 15.

14 Subsequent injury

To avoid doubt, for a person with abated compensation 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) in applying regulation 4(3), weekly compensation referred to in that regulation must 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 under paragraphs (e)(i) and (e)(ii) of the definition of **potential earner** in section 13 of the Act:
 - (d) the minimum amounts for persons aged 20 years and over 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:
 - (e) the annual amount provided for under paragraph (b) of the definition of **other dependant** in section 13 of the Act:
 - (f) the annual amount provided for under clause 71(4) of Schedule 1 of the Act.
- (2) For the minimum amount provided for under clause 22(3)(b)(i) of Schedule 1 of the Act, the formula in regulation 16(1) applies as if the amount of item a were \$222.01.

16 Calculation of adjustment of related amounts

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

$$a \times b$$

$$-$$

$$c$$

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.
- (2) The number resulting from dividing item b by item c must 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 de-**

- pendant** in section 13 of the Act applies in respect of a 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 a period of incapacity occurring on or after the date of indexation.
 - (3) An adjustment under regulation 15 to the minimum amounts 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 a period of incapacity occurring on or after the date of indexation.
 - (4) An adjustment under regulation 15 to the weekly amounts under clause 22 of Schedule 1 of the Act applies in respect of a period of entitlement that occurs on or after the date of indexation.
 - (5) An adjustment under regulation 15 to the annual amount 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, if 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 must 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 grant

- (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 under clause 65(1)(b) of Schedule 1 of the Act:
 - (b) the survivor’s grant provided for under clause 66 of that schedule.
- (2) An adjustment under this regulation must 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—

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

where—

- a is the amount of the independence allowance, funeral grant, or survivor’s grant (as the case may be) 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 March quarter prior to the quarter referred to in item b.

- (2) The number resulting from dividing item b by item c must 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, no indexation adjustment must be made under these regulations if the movement in the Labour Cost Index or CPI, expressed as a percentage (to be used in the formulas in regulations 9, 16, and 20), is between minus 0.5% and plus 0.5%.

22 Rounding of amounts

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

- (a) an amount of less than 0.5 cents must be rounded down:
- (b) an amount of 0.5 cents or more than 0.5 cents must 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 2001, of weekly compensation and various minimum and other amounts under the Accident Insurance Act 1998.

The amounts are indexed based on movement in 1 of either the Labour Cost Index or the Consumer Price Index for the 4 quarters to March 2001.

**Accident Insurance (Interim Indexation)
Regulations 2001**

Reprinted as at
6 November 2008

Date of notification in *Gazette*: 24 May 2001.

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 - 2 About this eprint
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Notes

1 *General*

This is an eprint of the Accident Insurance (Interim Indexation) Regulations 2001. It incorporates all the amendments to the regulations as at 6 November 2008. The list of amendments at the end of these notes specifies all the amendments incorporated into this eprint since 3 September 2007. Relevant provisions of any amending enactments that contain transitional, savings, or application provisions are also included, after the Principal enactment, in chronological order.

2 *About this eprint*

This eprint has not been officialised. For more information about officialisation, please see “Making online legislation official” under “Status of legislation on this site” in the About section of this website.

3 *List of amendments incorporated in this eprint (most recent first)*

Regulations Revocation Order 2008 (SR 2008/367): clause 3
