



## COVERSHEET

<b>Minister</b>	Hon Carmel Sepuloni	<b>Portfolio</b>	ACC
<b>Title of Cabinet paper</b>	Accident Compensation Work, Earners' and Experience Rating Amendment Regulations 2022	<b>Date to be published</b>	14 March 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
February 2022	Accident Compensation Work, Earners' and Experience Rating Amendment Regulations 2022	Office of the Minister for ACC
17 February 2022	Cabinet Minute of Decision, Accident Compensation Work, Earners' and Experience Rating Amendment Regulations 2022 [LEG-22-MIN-0005 refers]	Cabinet Office

### Information redacted

**YES / NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Legislation Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Accident Compensation Work, Earners' and Experience Rating Amendment Regulations 2022

Portfolio ACC

On 17 February 2022, the Cabinet Legislation Committee:

1 **noted** that on 24 November 2021, the Cabinet Economic Development Committee (DEV) agreed to the following changes to the ACC Earners' levy for the 2022/23, 2023/24, and 2024/25 period [DEV-21-MIN-0249]:

1.1 increase the Earners' levy rate at the following rates per \$100 liable earnings, excluding GST;

1.2 

Current 2021/22 levy rates	Agreed Levy Rates		
	2022/23	2023/24	2024/25
\$1.21 per \$100 wages	\$1.27	\$1.33	\$1.39

 update the maximum and minimum liable earnings;

	2022-2023 levy period	2023-2024 levy period	2024-2025 levy period
<b>Maximum for everyone</b>	\$136,544	\$139,384	\$142,283
Minimum for everyone	<b>\$42,465</b>	<b>\$43,349</b>	<b>\$44,250</b>

2 **noted** that on 24 November 2021, DEV agreed to the following changes to the Work Account for the 2022/23, 2023/24, and 2024/25 period:

2.1 set the Work Account levy rate at an average rate of \$0.63 per \$100 of liable earnings, excluding GST;

2.2 update the maximum liable earnings;

2.3 update the minimum liable earnings;

2.4 update the rate of credit interest payable on provisional levies to 2.21 per cent;

2.5 amend the description of several Work Account Classification Units;

[DEV-21-MIN-0249]

- 3 **noted** that on 24 November 2021, DEV agreed to the following changes to the Experience Rating Programme [DEV-21-MIN-0249]:
- 3.1 increase the maximum loading that can be applied to businesses Work levies through the Experience Rating Programme, from 75 per cent to 100 per cent, from 1 April 2022;
- 3.2 increase the impact of a workplace fatality in the Experience Rating programme, from 1 April 2023;
- 4 **noted** that the three-year experience periods that apply to the 2022/23, 2023/24, and 2024/25 levy years are updated in the Accident Compensation (Experience Rating) Regulations 2022 which is a consequential amendment needed to maintain the system of experience rating;
- 5 **noted** that sections 331(5A) and 331(5B) of the Accident Compensation Act 2001 provides that ACC must prepare a report in relation to the rate of levies prescribed detailing the effect the prescribed levies are expected to have on the relevant Accounts (including future levy and solvency rates), which must be published at the same time the regulations prescribing the rates of levies are made in the Gazette;
- 6 **noted** that the Accident Compensation (Earners' Levy) Regulations 2022, the Accident Compensation (Work Account Levies) Regulations 2022 and the Accident Compensation (Experience Rating) Regulations 2022 will implement the amendments described in the paragraphs above;
- 7 **noted** that the Accident Compensation (Earners' Levy) Regulations 2022, the Accident Compensation (Work Account Levies) Regulations 2022 and the Accident Compensation (Experience Rating) Regulations 2022 must come into force on 1 April 2022;
- 8 **authorised** the submission to the Executive Council of the:
- 8.1 Accident Compensation (Earners' Levy) Regulations 2022 [PCO 24425/6.0];
- 8.2 Accident Compensation (Work Account Levies) Regulations 2022 [PCO 24426/4.0];
- 8.3 Accident Compensation (Experience Rating) Regulations 2022 [PCO 24427/5.0];
- 9 **noted** that on 19 February 2019, the Cabinet Legislation Committee agreed to updating the minimum liable earnings in 2019/20 and 2020/21 to \$36,816 with this change expected to be reflected in the relevant experience rating regulations when required [LEG-19-MIN-0016];
- 10 **agreed** to amend regulation 6 of the Accident Compensation (Experience Rating) Regulations 2019 to correct the minimum liable earnings for the 2019/20 tax year in the 2021/22 experience period from \$32,760 to \$36,816;
- 11 **noted** that the Accident Compensation (Experience Rating) Amendment Regulations 2022 will give effect to this decision;
- 12 **noted** that the Accident Compensation (Experience Rating) Amendment Regulations 2022 will need to come into force on 25 March 2022 before the Accident Compensation (Experience Rating) Regulations 2022 come into force on 1 April 2022;

- 13 **authorised** the submission to the Executive Council of the Accident Compensation (Experience Rating) Amendment Regulations 2022 [PCO 24451/5.0];
- 14 **noted** that the Accident Compensation (Motor Vehicle Account Levies) Regulations 2022, which implement Cabinet's decisions on the Motor Vehicle Account levy rates, will be submitted to Cabinet in April 2022, in order to meet the 1 July deadline for implementation.

Rebecca Davies  
Committee Secretary

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**Present:**

Hon Chris Hipkins (Chair)  
Hon Andrew Little  
Hon David Parker  
Hon Poto Williams  
Hon Kris Faafoi  
Hon Michael Wood  
Hon Kiri Allan  
Hon Dr David Clark  
Kieran McAnulty, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for LEG