

29 October 2020

Anthony Jordan

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Tēnā koe Anthony

**Your Official Information Act request, reference: GOV-006785**

Thank you for your email of 10 September 2020, asking for the following information under the Official Information Act 1982 (the Act):

*1/ Wage/Salary Structure of an Employee to the Corporation up until their Twelfth Anniversary of Employment*

*(Please do not disclose any personal information ie individual staff names)*

*2/ What payments/bonuses can be made or applied for to/by Staff that are not included in their usual Weekly/Monthly/Regular income (excluding such extras such as mileage costs, clothing costs, vehicle running costs and damage to personal property costs whilst employed)*

*3/ Bands per year since 2008 of extra Income/Bonuses paid to Employees that were not part of Employee Salary*

*(Please exclude such extras such as mileage costs, clothing costs, vehicle running costs, damage to personal property costs whilst employed)*

*4/ Please provide Internal Policy/Guidelines used to calculate such Extra Income/Bonuses*

**How ACC sets salaries**

We have interpreted your request to be for how salary is set and reviewed each year for ACC staff. ACC employees are hired on an annual salary which falls within a salary range or band for their position. The pay band for each position is set by our job evaluation process. The salary range for each band is 85% to 120% of the applicable market rate, determined through Korn Ferry salary data. Pay ranges are reviewed annually against the total New Zealand employment market, not just the public sector, and reflect the great talent we have at ACC.

Each year we complete a performance development cycle. The pay increase an employee could receive is based on their current position in the salary range and their performance rating. This year due to COVID-19 ACC staff salaries were not increased as part of the annual performance review process. Additionally, ACC's CEO and board of directors agreed to take a 20% pay reduction for six months.

Employees who are seconded temporarily to a more senior role may be paid an additional duties allowance. The policy for this is attached titled: *Recognising Alternate duties*.

**Bonuses at ACC**

There are limited number of employees at ACC that qualify for receiving bonuses.

To remain competitive with private industry, a small group of investment professionals that manage ACC Investment assets are eligible for an annual bonus payment.

These bonus scheme rules are unique to ACC and contain proprietary information around our approach to calculating bonuses. The approach is unique to ACC and is a point of difference to our employment offering. We are withholding policies and guidelines on how we calculate bonuses as this information is commercially sensitive. This decision is made under section 9(2)(i) of the Act. In doing so we have considered the public interest and have determined it does not outweigh the need to withhold this information.

**Other payments not included in usual income**

The total remuneration for each member of the Executive and a small number of Senior Managers includes an at-risk portion, representing remuneration held back and payable subject to achievement of specified performance criteria. This at-risk component is managed under ACC's Short Term Incentive Framework. ACC's guidelines for this are attached titled: *STI\_framework 2020-21*.

ACC practice allows one-off payments in limited circumstances, subject to a business case approved by a relevant member of the Executive. Such payments are rare but may occur, for example, where a salaried employee is recognised for significant additional hours during a project.

**Further information about income is publicly available**

You are able to find more information regarding bonus, incentive and recognition payments on page 105 of Accident Compensation Corporation, Standard Annual Review Questions, 2018/19, available on the New Zealand Parliament website through this link: [https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCEW\\_EVI\\_91445\\_EW7425/accident-compensation-corporation-responses-to-written](https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCEW_EVI_91445_EW7425/accident-compensation-corporation-responses-to-written). This includes banded information on these types of payments made to staff. As this information is publicly available, we are refusing to provide it under section 18(d) of the Act.

**Who to contact**

If you have any questions, you can email me at [GovernmentServices@acc.co.nz](mailto:GovernmentServices@acc.co.nz).

If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or by phoning 0800 802 602.

Nāku iti noa, nā



Sasha Wood

**Manager Official Information Act Services**  
Government Engagement & Support

Enclosed

- *Recognising Alternate duties*
- *STI\_framework 2020-21*