

05 November 2021

David Eccles

fyi-request-17078-4ad8c9c3@requests.fyi.org.nz

Tēnā koe David,

Your Official Information Act request, reference: GOV-014528

Thank you for your email of 7 October 2021, asking for the following information under the Official Information Act 1982 (the Act):

1. *How many businesses had an ACC levy greater than their gross income in 2021*
2. *How many businesses were charged an ACC levy in 2021*
3. *How many businesses had an ACC levy greater than their gross income in 2020*
4. *How many businesses were charged an ACC levy in 2020*
5. *How many businesses had an ACC levy greater than their gross income in 2019*
6. *How many businesses were charged an ACC levy in 2019*
7. *Among these businesses, for each year, the mean percentage of gross income that businesses were charged as an ACC levy*

Minimum Income levies

The *total income* of self-employed clients is unknown to ACC and the income levy ACC applies is based on the figure we receive from IRD. If this is below the minimum income level and the client has declared they work full-time, the minimum income level of \$36,816 is used instead. The figure IRD provides is the amount that has been declared to IRD and this may have had expenses already deducted from it. This could mean a client has a levy greater than their *gross income*.

Clients who are registered as working full time are eligible to be paid 80% of the minimum wage if they are injured and have a claim for weekly compensation accepted under the Accident Compensation Act 2001. The minimum level is set so that self-employed clients who work full-time and earn less than this amount, can still receive the support they need if they're injured.

ACC includes messaging on invoices advising that we have applied the minimum level if they work more than 30 hours per week, and clients are encouraged to update their employment status on their *MyACC for Business* account, or by contacting our Contact Centre on 0800 222 776 if this changes. This enables clients to manage their levies and ensures the minimum income level is being correctly applied.

The data requested is compiled in the table below.

Levy Year ACC	Premium Higher Than Gross Income	Accounts Invoiced	Mean Premium Per Gross Income
2019	5,023	117,493	18.85%
2020	5,786	138,839	13.69%
2021	6,773	135,395	16.27%

Notes about the data provided

- As only self-employed customers are affected by the minimum income level, only they have been included in this data.
- The minimum income level only affects people employed full time which is more than 30 hours per week.
- For the mean percentage, customers with a gross income of \$0 or lower would cause errors or negative percentages, so they have not been included in the calculation.

How to get in touch

If you have any questions, you can email me at GovernmentServices@acc.co.nz.

Nāku iti noa, nā



Sasha Wood

Manager Official Information Act Services
Government Engagement & Support