

About weekly compensation

– self-employed



If you're self employed and unable to work because of your injury, you may be eligible for weekly compensation.

What information does ACC need?

We'll contact you to ask for details about your business and income. We need this information to determine if you're eligible for weekly compensation.

What if I have ACC CoverPlus Extra?

If you have purchased ACC CoverPlus Extra, which sets an agreed weekly compensation amount, the details in this fact sheet do not apply to you. You should refer to your ACC CoverPlus Extra policy documents for the rules applying to weekly compensation.

How is weekly compensation worked out?

Weekly compensation is based on:

- your self-employed earnings as declared to Inland Revenue in the most recently completed tax year, and
- any employee earnings that you had in the 52 weeks before the date you were first unable to work.

For example, if you were injured on 14 June 2009, weekly compensation is based on your self-employed earnings in the tax year ended 31 March 2009 and any employee earnings you had in the 52 weeks before 14 June 2009.

We cannot take into account any significant gap in earnings that you may have had (eg due to sickness or a holiday).

What happens next?

If you're eligible to receive weekly compensation and you have already lodged a tax return with Inland Revenue for the last tax year, We'll contact Inland Revenue to confirm your self-employed earnings and if applicable any employee earnings, to work out your weekly compensation.

We don't pay weekly compensation for the first week off work.

What information is needed if I am new to self-employment?

If you're new to self-employment and have not yet completed a tax year, you need to help us confirm that your business is underway. Any of the following can do this:

- confirmation of your GST registration
- bank statements or accounts relating to the business, showing income and expenditure, or a letter from your bank confirming the existence of your business
- letters from customers confirming that goods or services have been provided
- a letter from your accountant confirming the existence and operation of your business
- proof of purchase of goods for your business.

How is my weekly compensation calculated if I am new to self-employment?

If you're new to self-employment, we may be able to pay you weekly compensation based on any employee earnings that you had in the 52 weeks before the date you were unable to work. If you were not employed, or your weekly earnings are low, you may be eligible to have weekly compensation paid at the minimum rate if you work full-time. The rate is adjusted each year.

At the end of your first tax year you're required to lodge a tax return with Inland Revenue. If you do not lodge a tax return, then we cannot class you as self-employed and will raise an overpayment for any weekly compensation paid to you.

Minimum and maximum rates

The minimum and maximum rates of weekly compensation that we can pay are adjusted each year. Contact us for information on the current rates.

What if I have not yet lodged a tax return?

If you have not lodged a tax return for the most recent tax year, you may be eligible for an interim weekly payment. This is available for up to three months and is based on your earnings from the previous tax year. For example, if you were injured in April 2009 and your tax return for the year ended 31 March 2009 has not been lodged, an interim payment may be based on your self-employed earnings in the tax year ended 31 March 2008.

You may receive an interim payment for three months or until you lodge your tax return (whichever is first).

What if my income information is not available after three months?

If your tax return has not been lodged after three months and you have not caused the delay, you may be eligible for an advance payment. This is either based on a set minimum rate, or on an estimate of your earnings (whichever is lower).

What happens when my income information becomes available?

Once we get your earning details for the most recent tax year, it works out your correct weekly compensation.

If there is a difference between what we paid and what you should have received, we'll contact you. You will either receive the amount you have been underpaid or need to repay us the amount overpaid.

If you believe your interim or your advance payment is set too high (as it is more than your

average weekly earnings) we can adjust the rate to avoid overpaying you.

Are payments affected if my business continues to operate?

Your weekly compensation payments will be reduced if you continue to be involved in your business. You must keep us informed of any ongoing earnings or involvement you have in the business (including management and administration duties).

We'll negotiate an estimate of your continuing earnings with you. We then use the negotiated amount to reduce your weekly compensation payments.

If you receive weekly compensation for a full tax year, your correct payments are based on your actual earnings declared on your tax return for that year.

If there is a difference between what we paid and what you should have received, you will either receive the amount you have been underpaid or need to repay us the amount overpaid.

Am I eligible if I was previously a shareholder employee?

If this is your first income year in self-employment and you were a shareholder employee in the previous tax year, then you may be eligible to have your weekly compensation based on your shareholder employee earnings.

There are special rules that apply, so contact us on 0800 101 996 for more information.