

All about the Independence Allowance Single Payment Offer



If you're eligible for an independence allowance and your impairment is stable, you can choose to receive a single payment (which is for a five-year period) rather than quarterly (three monthly) payments over those five years.

How the single payment offer works

If you choose to receive a single payment, it will be paid to you near the start of the five-year period. This will be the only Independence Allowance payment you receive over that period.

We'll let you know when the five-year period is about to end. If your impairment hasn't changed, you can then choose how you want to receive your future independence allowance – as another single payment, or quarterly payments. If your impairment has changed, we'll arrange a new assessment for you.

Once you've received your single payment, it is yours to keep. For example, if you die, we wouldn't ask your estate to pay back the single payment.

How does ACC calculate my single payment amount ?

A single payment takes into account the amount you would get if you chose to receive quarterly payments, but it is NOT calculated by multiplying that amount by the number of payments in a five-year period.

We use a formula to calculate your single payment, and this also takes into account things like your age, gender, life expectancy, market interest rates and Consumer Price Index rates.

A single payment is always less than the total amount you would get if you choose to receive quarterly payments over five years. Therefore, you need to weigh up the benefits of getting a smaller total payment, but in one single amount, versus

receiving a larger total split up into quarterly instalments.

We recommend you get advice from an accountant, lawyer or financial advisor to help you make your decision, if you're unsure whether the single payment option is right for you. You may need to pay for this advice – it isn't covered by ACC.

Why can't I get paid out for more than five years?

By law we can't offer payments for periods of more than five years.

Effect of single payment on tax and benefits

Because the independence allowance is a non-taxable allowance, your single payment will not be taxed. However, it may affect any benefits you get from Work and Income. Therefore, you should phone Work and Income on 0800 559 009 before you decide to accept a single payment offer.

If I accept the single payment offer, can I still ask for my impairment to be reassessed at a later time?

Yes. If you believe your impairment has changed you can ask for your impairment to be reassessed, however you can't have more than one reassessment in a 12 month period.

What if I don't want a single payment?

If you decide you don't want a single payment, we'll pay your independence allowance in quarterly payments. However, you can apply for a single payment at any time. Any amount that ACC offers you in the future is likely to be different from a previous offer.

We're happy to answer your questions.

If you'd like to know more, please call your ACC contact person or **0800 101 996**. In addition, you may be interested in the following information:

For information on...	See the guide ...
how we collect and use your information	Collection and disclosure of information (INPIS01 – information sheet)
your rights to receive a high standard of service, and how we resolve any concerns you may have	Working together to resolve issues (ACC2393 – booklet)

Copies are available at any ACC Branch, on our website www.acc.co.nz or by calling **0800 101 996**.