

How to Calculate and Pay Accidental Death Childcare Policy v4.0



Summary

Objective

If a child is eligible for childcare, specific calculations and criteria must be met before we can make payment.

Owner

Name withheld

Expert

Name withheld

Policy

1.0 Definition of child care arranger

- a** The person who arranges the childcare is referred to as the child care arranger and any payments are made to them. This is often the surviving spouse.

If the deceased had more than one child, you must confirm whether each child has the same child care arranger.

- Information needed to determine who will arrange childcare
- Preferred method of collecting information to confirm childcare arranger for accidental death childcare entitlement
- All accidental death payees need verified bank account details

2.0 Calculation method

- a** The weekly amount childcare arranger receives is determined by the calculation that considers the total amount of childcare entitlement on a claim and the percentage of custody the childcare arranger has for those children. See the following business rule for this calculation.
- Childcare entitlement payable per week to a childcare arranger
- b** The amount each child that is eligible for childcare is entitled to is governed by the rules below and is listed in the Accidental death claims indexation tables.
- Accidental Death Indexation Rates
<https://go.promapp.com/accnz/Process/3afb0028-c7d>
 - Accidental death childcare entitlement amount per week for one child
 - Accidental death childcare entitlement amount per week for two children
 - Accidental death childcare base rate for more than three children
- c** If there are more than two children eligible for childcare on an accidental death claim, then the amount of childcare for each child must be pro-rated using the formula in the business rule below.
- Accidental death childcare entitlement pro-rated amount per week for three or more children

NOTE Examples - Payment shared between care-givers

A person suffers a fatal accident and the claim is accepted for cover. There are four children of the deceased who are eligible for childcare payments. Three are cared for by the surviving spouse, and the fourth by a guardian.

As there are more than 3 children, the total amount is payable. Divide this amount by 4 children to get the per-child rate per week. As the surviving spouse is the child care arranger for three children the weekly payment to them is the per-child rate multiplied by 3. The other child care arranger (the guardian) gets one per-child rate.

If the total amount payable for three or more children was \$100, the per-child rate would be \$25. The surviving spouse would receive \$75.00 and the guardian would receive \$25.00.

- d** If the number of children eligible for childcare on an accidental death claim changes, then the amount calculated for each child must be recalculated. See the following business rule and examples for more detail.

- Recalculation of accidental death childcare when number of claimants change

NOTE Example - One child leaves New Zealand and is no longer eligible

If one of the four children in the previous example leaves New Zealand or moves overseas to live with their guardian, they are no longer eligible for childcare payments.

The total amount of childcare support is shared between the three children remaining in New Zealand from the date the child moves overseas.

If the total amount payable for three or more children was \$100, the per-child rate for the three children remaining in New Zealand would be \$33.33 each.

NOTE Payments to children of more than one spouse

A person dies in an accident on 14 March, and the claim is accepted for cover. The lawyer for the immediate family applies for childcare payments in relation to two stepchildren who are both under age 14.

ACC accepts that each stepchild qualifies as a child of the deceased and begins weekly payments for each child, effective from 14 March. Payments are made to the surviving spouse (Spouse A), who is the child care arranger.

On 20 July, a previous partner of the deceased applies for childcare payments in relation to a natural child of the deceased.


ACC now accepts that there are three children of the deceased and the amount of support must be reduced. Each child is allocated the rate for three or more children divided by three.


The lower payment to Spouse A is payable from 20 July. Recovery of the overpayment would be considered under the AC Act 2001, Section 251, Recovery of payments.

The child care arranger of the third child is paid effective from the date of death (14 March).

e Note that:

- all payment amounts are non-taxable weekly amounts
- ACC is not liable for any administration charges
- children who live overseas are not eligible and are excluded from the calculation
- under the AC Act 2001, these amounts are subject to indexation. The amounts were not eligible for indexation under previous legislation.

 Administration costs relating to arranging childcare for children of deceased clients

 Eligibility for a childcare entitlement for a child of a deceased client

3.0 Start date of period of eligibility to childcare


a Eligibility to accidental death childcare starts from the later of the following dates:

- the date of death of the deceased
- if the child is born after the date of death, the child's date of birth.


 Start date of accidental death childcare eligibility

b In some scenarios, childcare can be started for a child who is over 14. See 'Backdating childcare for a child who develops a disability after the date of death' below.



c Childcare must be paid to the child care arranger.

 Who accidental death childcare payments may be paid to

d For information on ending or suspending accidental death childcare, see the When to Continue or Cease Childcare Policy.

 When to Continue or Cease Childcare Policy
<https://go.promapp.com/accnz/Process/c78aee86-1c>

e If payments were previously suspended due to the child no longer meeting eligibility criteria, they may need to be restarted in certain situations. See the following rules more detail.

-  Restarting accidental death childcare payments when a child re-enters New Zealand
-  Restarting childcare for an imprisoned accidental death client

f Payments are always made on the child's claim.

4.0 Backdating childcare for a child who develops a disability after the date of death

- a** A child between 14 and 18 who develops a physical or mental condition after the date of death is entitled to restart the entitlement. The entitlement is backdated to the date necessary to create a continuous period of childcare entitlement back to the date of the death, ie either:
- the end of the first period of childcare
 - the date of death





NOTE Example - a child who develops a physical or mental condition in the last few weeks before turning 18

A child who does not develop a disability until the last few weeks before turning 18 is entitled to backdated childcare until the date of death.

NOTE Example - Child with two periods of disability within the 5 year entitlement period

A child who develops a temporary disability 2 years after the date of death would be backpaid until the date of death and then receive it through to the date the disability ends. If this child was to develop a subsequent disability before 5 years from date of death, the child would be backpaid to the date necessary to create a continuous period of childcare entitlement back to the date of the death.

b For more details see the following rules.

-  Starting childcare for a child of a deceased client who is over 14 on the date of death
-  Backdating childcare when a child over 14 becomes eligible after the date of death
-  Backdating childcare when a child over 14 becomes eligible after the date of death on more than one occasion
-  Restarting childcare when a child over 14 becomes eligible after the date of death on more than one occasion

5.0 Reimbursements to Work and Income

- a** We are unable to reimburse any amounts to Work and Income if they have paid any benefits to the child or the child care arranger. We must inform Work and Income about the details of the childcare being paid for each child along with details of the child care arranger.