



## Summary

### Objective

To show what to do when a request for payment of weekly compensation is received with a backdated portion of arrears or a recalculated period greater than or equal to 90 days in duration.

### Background

We pay backdated weekly compensation (BDWC) to clients who are eligible for weekly compensation for periods in the past. We will consider backdating weekly compensation for various reasons, such as a late claim, a revoked decision, an overturned vocational independence decision, overturned suspension, a settlement, or a decision quashed at review or in court.

Front end users who request setup of backdated weekly compensation must ensure the proper documentation is included with the request so that we can proceed.

Owner

[Name withheld]

Expert

## Procedure

### 1.0 Review client payment request

#### Payments Assessor

- a** Determine what period(s) the backdated weekly compensation request applies to.

**NOTE** What if the backdated weekly compensation applies to a period of entitlement starting prior to 1 July 2010 or is a reassessment of a period previously paid outside of EOS?

This will have to be completed using the Te Ara Hou calculator.

Refer to the 'Recalculate Weekly Compensation Claims paid from Pathway' process below, while still following Backdated Weekly Compensation process where required.

**PROCESS** Recalculate Weekly Compensation Claims paid from Pathway

- b** In Eos, review the backdated weekly compensation request to identify any instructions and to ensure all necessary information has been provided to calculate the entitlement the client is eligible for.

**NOTE** What information will you need?

- If it's 181 days or more, you will need a fully completed ACC6217 signed by a delegated authority or evidence on file that a delegated authority has approved the backdated period.
- Either a completed weekly compensation script, non-standard E-Form, or the requisite information to setup payments provided in a task
- Approved incapacity for all periods which require payment that align to the DOFI or DOSI period being calculated
- Payee details and verified bank account details (written verification)
- If there is an advocate on the claim, confirm if the payment should be made to the client or the advocate. Signed authority from the client is needed if the payment is to be made to an advocate or legal representative.

Backdated weekly compensation eligibility

**NOTE** What if the information on file is incomplete?

Contact the task requestor and ask them to collect or amend the required information. Template responses are available on the "Backdated Weekly Compensation - Payments Team Help Page" linked below.

Backdated Weekly Compensation - Payments Team Help Page

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### 2.0 Collect and calculate

#### Payments Assessor

- a** Review information to determine whether this is a new setup or a reinstatement of weekly compensation, and gather earnings from IR for both pre and post incapacity periods.

Retrieve earnings from IR

**NOTE** What if the client is PAYE?

Then refer to the Set Up Weekly Compensation - PAYE (Complex) process.

**PROCESS** Set Up Weekly Compensation - clients on PAYE

**NOTE** What if the client is self-employed or non-PAYE?

Then refer to the Set Up Weekly Compensation - Self-Employed And Non-PAYE process.

**PROCESS** Set Up Weekly Compensation - Self-Employed and Non-PAYE

**NOTE** What if the process is LOPE?

Then refer to the Set Up Weekly Compensation - Loss of Potential Earnings (LOPE) process.

**PROCESS** Set Up Weekly Compensation - Loss Of Potential Earnings (LOPE)

**NOTE What if the eligibility is for a BDWC reinstatement?**

Refer to the Reinstatement Weekly Compensation process, and complete Collect and calculate activities, then continue with this procedure.

**PROCESS** Reinstatement Weekly Compensation

**NOTE What if the complexity of the calculation is likely to result in an extended timeframe?**

Contact the task requestor to inform them of the anticipated timeframe so they are able to appropriately support the client. The notification template is available on the 'Backdated Weekly Compensation - Payments Team Help Page'

Backdated Weekly Compensation - Payments Team Help Page

- b** Finalise the calculation by applying any abatement based on post incapacity earnings collected.

**NOTE What if need to apply abatement?**

Refer to Manage Abatement procedure to complete request, then continue with this procedure.

**PROCESS** Manage Abatement in Eos

- c** Check that the system derived NZSQA date is correct, this will need to be modified in the situations detailed in the notes below.

**NOTE What if you are calculating a further injury period where the eligibility for BDWC is still in the first week of the further injury claim?**

Then you will need to adjust the end date of eligibility (NZSQA) so that it is correctly calculated from the date the client first became eligible (date of first entitlement, DOFE) on the further injury claim, so that the NZSQA election date is correct.

**NOTE What if the client was not paid any weekly compensation on the date they first became eligible for it (DOFE)?**

Then the end date of their eligibility (NZSQA) will need to be adjusted from the subsequent date they became unable to work (date of subsequent incapacity, DOSI), so that the NZSQA election date is correct.

Weekly Compensation and New Zealand Superannuation (pre-1 July 2019) policy

- d** Determine whether the client has any active collectable debt against any claim which meets the threshold for recovery.

**NOTE What if the client has active collectable debt above the threshold owing, or the new calculation results in a new debt?**

Then refer to the Assess Client Overpayment process.

**PROCESS** Assess Client Overpayment :: Current State

- e** Finalise the established rate of compensation.

- f** Go to 'Reimburse Ministry of Social Development' process to determine whether the client has received an income tested benefit during any period of the assess compensation period.

**NOTE Refer to the Reimburse Ministry of Social Development process.**

**PROCESS** Reimburse Ministry of Social Development

**NOTE What steps of the MSD process need to be completed?**

Complete:

Activity 2.0, Review information and create request (Tasks b & c),

Activity 3.0, Review returned request, to determine whether the client has received an income tested benefit during any period being compensated, and then continue with this procedure.

**NOTE What if there is an income tested benefit confirmed?**

Do not send the WC06 to MSD at this time as you need approval of your finalised calculation first.

**NOTE What if there is current MSD and ongoing incapacity?**

If initial calculation needs to be checked, send setup task to the Weekly Compensation Approval Complex queue for initial calculation to be checked and approved before sending ACC2300 to MSD

- g** Consider creating future ongoing payments from the confirmed MSD handover date, once any MSD reimbursement has been approved.

- h** Create an Approve Weekly Compensation Entitlements task, update the description with the approval template, attach relevant documents and send to the Weekly Compensation Approval Complex queue

**NOTE What is the approval template?**

[Insert initials] [Insert date] BDWC [Insert type]  
Payable Period:  
WC Gross:  
ACC6217 signed off:  
Bank Account Verified:  
DOFI:  
DOSI:  
Initial Setup Checked:  
Abatement:  
MSD reimbursement:  
WINZ Reimbursement Period/Handover date:  
Active Collectable Debt/Deductions:  
Work Pattern:  
Hours:  
Payday:  
Pay Period End Day:  
Docs attached:  
Notes:

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### 3.0 Review and approve calculation

Experienced Payments Assessor, Payments Assessor

- a** In Eos, review the approval request to ensure the client is eligible for BDWC, and to determine whether the calculation is accurate.

**NOTE What should I be checking?**

As per the internal peer review spread sheet, check that the BDWC process has been followed, as well as Weekly Earnings and Adjustments are accurate.

**NOTE What if the BDWC calculation needs amending?**

Return request to the relevant Payments Assessor with a description of the issue.

-  Calculations for backdated weekly compensation
-  Deductions to be made on backdated weekly compensation
-  Indexation of backdated weekly compensation

- b** Complete a BDWC Approval Memorandum.

**NOTE What if delegated approval is required?**

Email the incomplete BDWC Approval Memorandum to the relevant delegation holder requesting they review the approval, sign as per their recommendation and return to you for approval completion.

**NOTE What requires delegated approval and by whom?**

- Backdated Weekly Compensation \$100k+ gross - \$500k gross - Client Service Leader
- Backdated Weekly Compensation over \$500k+ gross - Manager Operations Payments
  
- Employer Reimbursement Agreement \$100k+ gross - \$500k gross - Client Service Leader
- Employer Reimbursement Agreement over \$500k+ gross - Manager Operations Payments

-  Delegations Framework

**NOTE What if the claim requires Technical Services approval?**

Complete an Internal Referral task and transfer the relevant approval to the Operations Support queue.

- c** Load the completed BDWC Approval Memorandum to the claim, attach to the task, note your approval (as well as delegated approval if gathered) in the task and return to the relevant Payments Assessor.

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### 4.0 Review client payment

Payments Assessor

- a** Receive the Approve Weekly Compensation Entitlements task and review the response. Check the approval memo and carry out instruction as necessary.

**NOTE What if I need to amend the calculation?**

Make necessary changes to the calculation and return for approval.

**NOTE What if advice returned from the Payments Assessor or Technical Services specialist, is to decline the BDWC request?**

Return the request to managing site advising of the recommendation to decline BDWC.

- b** Check if MSD reimbursement is necessary.

**NOTE What if MSD reimbursement is required?**

Go to Reimburse Ministry of Social Development process to complete Collect and Calculate activity, then continue with this procedure.

-  **PROCESS** Reimburse Ministry of Social Development

**NOTE What if the MSD reimbursement request is over \$20k?**

Request Delegated Approval from the delegation holder:

- MSD Reimbursement - \$20k gross - \$500k gross - Team Leader

Email the relevant delegation holder requesting they review the MSD reimbursement and add a contact to the claim with their recommendation of approval. ('WC - MSD reimbursement over \$20k delegated approval - Team Leader - [Insert Name]').

- MSD Reimbursement - \$500k+ gross - Technical Services

Complete an Internal Referral task and transfer the relevant approval to the Operations Support queue.

 Delegations Framework

- c Recover any outstanding recoverable debt if applicable.
- d Check whether we need to confirm client's tax code details.

**NOTE When must I send a WC21 decision letter to confirm a client's tax code details?**

- If the payment amount is greater than \$5000 gross before MSD deductions; and
- Contains current and/or a previous tax year period; or
- Is an underpayment of a payment belonging to the current tax year (paid previously).

**NOTE What documentation should I include with the WC21 decision letter?**

We should include the latest version of the ACC255 Kōrero mai Get in touch with us information sheet with the WC21 decision letter.

 ACC255 Kōrero mai - Working together

**NOTE What if the WC21 period has previously been paid?**

Then use the 'calculate and hold' functionality to hold your reassessed period until the client confirms how they would like their backdated payment to be taxed.

**NOTE What if I don't need to confirm tax code details?**

Use the client's previously elected tax code set in the system and go to Task e.

 Edit a tax code record

- e Review the tax code details from the client, either verbally or in writing (i.e. ACC1566), or if no response after 10 days, update the client's tax code as necessary.

**NOTE What if the client elects a tax code or elects the highest tax rate?**

- Update the client's tax code as requested.
- Use the STC tax code option if the highest rate is elected.

- Consider 'holding' ongoing entitlement so it is not affected by the tax option for the BDWC payment.
- Ensure you go back to add the client's normal tax code back in, two day's after the BDWC payment has been released.

 **PROCESS** Manage Client Tax Code

**NOTE What if the client has a special tax certificate (STC) from IR?**

- Ensure the STC tax certificate is addressed to ACC and apply the rate as directed.

- Consider 'holding' ongoing entitlement so it is not affected by the tax option for the BDWC payment.
- Ensure you go back to add the client's normal tax code back in, two day's after the BDWC payment has been released.

 **PROCESS** Manage Client Tax Code

**NOTE What if the client doesn't confirm a tax code within 10 days?**

Use the client's elected tax code already set in the system.

- f Update the notes on the Approve Weekly Compensation Entitlements task with the request for release in your task and send it to the Weekly Compensation Approval Complex queue.

**NOTE Ensure you have updated the Backdated Weekly Compensation (including MSD reimbursement, bank account and tax code as necessary).**

**NOTE What if the payment schedule of due events exceeds 2 years?**

You will receive a validation message alerting you that the system will perform the calculation off-line as it will take longer than usual. You're able to carry out other work while this calculation is performed, and the system will send you a task when it is complete. Once complete you need to return to the claim and carry out any further activities required.

 Initiate payments for approval

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## 5.0 Review and approve payment

Experienced Payments Assessor, Payments Assessor

- a In Eos, review the request for release of payment, referring to the BDWC Approval Memorandum to determine if the request for release is accurate.

**NOTE What should I be checking?**

- The BDWC Approval Memo is complete
- MSD reimbursement has been loaded if required (and delegated approval sought if required)
- Debt/Deductions have been considered if required
- Bank Account loaded as per payment request
- Tax Code loaded as per payment request (refer to completed WC21 and ACC1566 as necessary)
- Payment period / amount accurate as per approval

**b** Release the BDWC payment. Note your approval and release in the task, and return to the relevant Payments Assessor.

**NOTE What if the payment is outside my delegation?**

Then assign the task (with accompanying email notification) to a delegation holder for approval. Request they release the Backdated Weekly Compensation payment using the Approve a Weekly Compensation Payment system steps below, note their approval and release in the task, and return to the relevant Payments Assessor.

- Backdated Weekly Compensation \$100k+ gross - \$500k gross - Client Service Leader
- Backdated Weekly Compensation over \$500k+ gross - Manager Operations Payments
  
- MSD Reimbursement - \$20k gross - \$500k gross - Team Leader
- MSD Reimbursement - \$500k+ gross - \$1,000,000 gross - Deputy Chief Executive - Service Delivery
- MSD Reimbursement - \$1,000,000+ gross - Chief Executive Officer
  
- Employer Reimbursement Agreement \$100k+ gross - \$500k gross - Client Service Leader
- Employer Reimbursement Agreement over \$500k+ gross - Manager Operations Payments

 Delegations Framework

 Approve a Weekly Compensation payment

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## 6.0 Complete request

### Payments Assessor

**a** Contact the client if appropriate to advise of the payment, once the payment has been approved and released.

**b** Review and complete the ACC6218 on the claim, then create an internal referral task for technical services.

**NOTE What description needs to be included in the task for technical services?**

For approved interest entitlement please return the completed form as a NZCA141 Task to the 'Weekly Compensation Complex' Queue.

For declined interest entitlement please notify the recovery team member indicated on the ACC6218.

**NOTE What if there is no 'all information' date on the ACC6218?**

Indicate in the task description for technical services that this was not completed by the RTM.

**NOTE What if the period between the 'all information' date indicated on the ACC6218 and the payment date is less than 30 days?**

Notify the requesting recovery team member that interest does not appear to be eligible as payment has been made within 30 days of the all information date and for them to confirm interest eligibility through the Backdated Compensation Interest Eligibility Policy.

**NOTE What sections of the ACC6218 may need to be updated prior to sending to technical services if it is not yet approved?**

- "3. Period(s) of weekly compensation for which interest is requested: "Date(s) Paid""  
Add in the date of the Backdated Weekly Compensation Payment.

- "4. Timeline of events: Events that have occurred after the BDWC payments task was generated."  
Complete the timeline for events that have occurred after the final event entered by the recovery team member.

An exemplar of the ACC6218 and completion help guide are available on the "Backdated Weekly Compensation - Recovery Team Help Page" linked below.

 Backdated Weekly Compensation - Recovery Team Help Page

**NOTE What if there is not a ACC6218 attached to the claim?**

Create and transfer a 'NZCA141 - Investigation' task to the RTM that raised the setup task as the client may be eligible for interest on the late payment of weekly compensation.

 Interest on backdated weekly compensation policy

**c** Close any outstanding tasks related to the payment being approved. This process ends.

**NOTE What if you released the Backdated Weekly Compensation using a tax code or bank account other than the clients preferred for ongoing payments?**

Be sure to hold yourself a Follow Up Entitlement task as a reminder to adjust the tax code and/or bank account back to the correct one 2 days after the BDWC payment has been released, when applicable.

Proactively released