When to Refer to the Technical Accounting Specialists (TAS) for Advice v9.0

Summary

Objective
The Technical Accounting Specialists (TAS) are a team of accounting professionals who are expert in evaluating detailed financial information alongside tax and ACC laws. Their role is to provide accounting advice to support case owners to make accurate weekly compensation decisions for clients who have complex financial situations.

This page details scenarios that may help you and your team manager or technical equivalent decide whether you can resolve a complex weekly compensation issue in your business unit or refer it to TAS for advice.

Owner Name withheld

Expert Name withheld

Procedure

1.0 Scenarios you may need to refer to the TAS for advice

a Entitlement decisions for clients who have more complex financial situations may be referred to the TAS. Here's a list of typical scenarios that the TAS may give advice on.

b Examples:

• The client is self-employed or a shareholder employee but you're not sure they were in business at the time of their incapacity

• The client is self-employed or a shareholder employee. The client's income for the last tax year before their incapacity has increased 30% or more from the previous tax year (Note, if both amounts are below the full time minimum then no referral would be required. Call the TAS hotline if confirmation is required). Neither the client nor their accountant have provided a reasonable explanation for the increase, eg more responsibility, fewer shareholders, increased trading especially if the client has put in their tax return after their incapacity.

Examples:

• The client is self-employed and works part-time but there's no pattern to the hours they work or the income they receive.
• The client is self-employed but the client's business looks like it's a hobby and not a valid business. It seems unlikely that the business makes a profit or that the client needs to work for it in a full-time capacity.
• The client has changed from receiving income as the beneficiary of a trust to a PAYE, self-employed or shareholder employee in the last financial year.
• The client has earnings from a trust but you're not sure if the client either worked for the trust or was an employee of the trust at the time of their incapacity.
• The client has earnings from a trust other than beneficiary income, eg PAYE wages, shareholder salary, self-employed income.
• The client is a shareholder employee but their earnings in the year of incapacity are nil.
• There is a strong likelihood that the entitlement calculation may result in an adverse decision and you need expert accounting advice on whether the decision is defensible.
• There is more than one owner in the client's business. The percentage of profit paid to the client has changed from previous years.
• Anything else out of the ordinary that you're unable to resolve.

2.0 Scenarios you may be able to resolve without a referral to the TAS

a You may be able to resolve entitlement decisions for less complex cases without referral to TAS, such as when the client has filed their tax return before their accident. For examples of other scenarios you may be able to resolve without a referral, see the following:

b Example 1:

The client is in part-time or full-time self-employment and:
• they pay New Zealand tax on their earnings and they have no other source of income
• there's a recognisable pattern to their working hours
• they haven't had any income increases of 30% or more on the previous tax year.

c Example 2:

The client is self-employed but they weren't in business at the time of their accident or incapacity and they didn't have any other source of income.

You can decline the client's entitlement because they weren't an earner at the time of their accident or incapacity. For clients to be eligible for weekly compensation they must be an earner both at the time of their accident and immediately before their incapacity.

d Example 3:

The client has no other income other than as the beneficiary of a trust whether or not they 'worked' for the trust.

You can decline the client's entitlement because beneficiary income isn't considered earnings under the Accident Compensation Act 2001.

e Example 4:

The client is a schedular earner who has had their earnings for the relevant year auto - assessed by Inland Revenue. Refer to the TAS Team Space page for guidance: http://thesauce/team-spaces/technical-services-ts/technical-accounting-specialists/scheduler-earners--auto-assessed/