



He Kaupare. He Manaaki. He Whakaora.
Prevention. Care. Recovery.

Experience Rating for business groups



Each year, New Zealand businesses receive their ACC Work levy invoice. The levy helps fund workplace injury cover for employees.

Healthier, safer workplaces

We want all workplaces in New Zealand to be as safe as possible. Healthy, safe workplaces are likely to have fewer claims and staff days off. Experience Rating is designed to help encourage businesses, like yours, to ensure the health and safety of their people is even more of a priority. It aims to make what you pay fairer by reflecting your health and safety performance — businesses with less frequent and severe claims than their industry peers get a greater discount.

Take a closer look. Is your business group part of Experience Rating?

Check the ACC Calculations section on the back of your business invoice. It tells you whether your business group is part of Experience Rating and whether your group's adjustment is a discount or a loading.


What's a business group?

When businesses share common ownership, we group them together. We determine if you are in a business group by looking at the shareholdings. Each business in the group will pay an ACC Work levy based on their individual liable earnings.

Experience Rating is part of the ACC Work levy

There are a few steps in calculating your ACC Work levy and, for some, ‘Experience Rating’ is one of them. To see how your levy has been calculated, check the calculations section on the back of your business’ latest ACC Work Levy invoice.

Sample Invoice



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Invoice Calculation

Payroll declared to Inland Revenue and ACC

Employee payroll	2023/24
Gross filed payroll	\$1,573,328.88
Payroll not liable	\$0.00
Total schedular payments	\$0.00
Payroll paid over ACC max	(\$6,923.47)
1st week payments to injured employees or multiple employer earnings adjustment	\$0.00
Subsequent week payments reimbursed by ACC	\$0.00
Total liable payroll	\$1,566,405.41
Total adjusted liable payroll - Includes 2.8% adjustment for inflation	\$1,610,264.76

ACC Calculations

Final levy - based on your total liable payroll
Cover period for 1 April 2023 to 31 March 2024

Work Account levy	
CU 42320 - \$0.66 per \$100	\$10,338.28
Experience Rating discount of 20%	(\$2,067.66)
Working Safer levy \$0.08 per \$100	\$1,253.12
Subtotal (excl GST)	\$9,523.74
GST	\$1,428.56
Less 2024 Provisional levy (incl GST)	(\$9,665.18)
Final levy for 2024	\$1,287.12

This includes an increase in GST of \$167.88 from your previous invoice.


Provisional levy - based on your total adjusted liable payroll
Cover period for 1 April 2024 to 31 March 2025

Work Account levy	
CU 42320 - \$0.66 per \$100	\$10,627.75
Experience Rating loading of 30%	\$3,188.33
Subtotal (excl GST)	\$13,816.08
GST	\$2,072.41
Provisional levy for 2025	\$15,888.49


Final levy for 2024	\$1,287.12
Provisional levy for 2025	\$15,888.49
Invoice amount	\$17,175.61

For more information about your ACC invoices go to acc.co.nz/yourinvoice


Easy ways to pay




Internet Banking
To pay by internet banking please use the following details:
Bank Account
Payee Code
Ref



Credit/debit card
Visit acc.co.nz/paylevy and pay with your credit/debit card.



Online Direct Debit
To pay your invoice by direct debit or set up a monthly instalment, please use MyACC for Business by visiting business.acc.co.nz



Pay in person
Present your invoice at any Westpac ATM.

If you have any questions or concerns about your invoice, please use our online Live Chat function in MyACC for Business. If, after talking to us you are still not happy, you can apply for an independent review. If you want a review, you must apply in writing within three months from the date you receive your invoice. Application forms can be found at acc.co.nz/ACC33, or email business@acc.co.nz

Work Account levy

CU 42320 - \$0.66 per \$100

\$10,338.28

First, you'll see a Work Account levy amount

This is a base calculation that takes into account the business activity you undertake and the total liable earnings of all your employees.

CU 42320 - \$0.66 per \$100

\$10,627.75

Experience Rating loading of 30%

\$3,188.33

For some businesses, an Experience Rating adjustment is applied

This additional adjustment helps determine your ACC Work Levy total. Your business group is part of Experience Rating if:

- If your business, or business group, has paid a Work Account levy of \$10,000 or more a year for three years in a row.

Immediately after those three years there will be one 'gap year' before your business becomes part of Experience Rating, as ACC finalises claims data and other information.

Working Safer levy

\$0.08 per \$100

\$1,253.12

A Working Safer levy is also added

We collect this on behalf of the Ministry of Business, Innovation and Employment to support the activities of WorkSafe, which is New Zealand's workplace health and safety regulator.

All business group members will receive the same Experience Rating adjustment, which will reflect the group's overall performance. Where a group has members involved in multiple levy risk groups, the final adjustment reflects the group's size and performance in each of those levy risk groups. (A levy risk group is made up of businesses whose activities have similar levels of risk.)

For instance...

To be part of Experience Rating in 2025, your business group would have paid an ACC Work Account levy of \$10,000 or more during 2021, 2022, and 2023.

How Experience Rating works

Older claims, lesser influence

Experience Rating is calculated on your business group's claims for any work-related injuries over a three-year period.

Each year will have its own weighting, so your business group's older claims will have less bearing on your Experience Rating adjustment:

- 100% weighting will be given to your business group's claims made during the most recent completed year — Year 1.
- 70% weighting will be given to your business group's claims made during the previous year — Year 2.
- 40% weighting will be given to your business group's claims made during the year prior — Year 3.

Note:

The weighting is based on claims with medical fees over \$750 and weekly compensation days. Fatal claims are not included.

Impact of fatal claims

Fatal claims have a greater influence on a business' Work levy.

If you experience one or more fatalities within the most recent Experience Period year, a 20% increase will be added to your Experience Rating. This becomes 10% the following year if there are no further fatal claims.

If there are fatal claims in the two most recent Experience Period years, your business will receive maximum adjustment of 20%.

This adjustment took effect from 1 April 2023 and is a financial incentive for employers to continue their efforts to improve workplace safety and to prevent loss of life.

Discounts and loadings, in increments

Your business group may see variations on its year-on-year Experience Rating adjustment, and this will affect the levy that the group member has to pay.

Your business group's Experience Rating calculation will be placed in a band, shown in the table on the following page. Its position within a band will give an insight into how the group could act to influence future discounts and loadings.

If your business group's calculation sits:

- In the middle of a band — this suggests that if your business group continues with its current level of health and safety performance its discount or loading may not change.
- Near the top of a discount band - you'll see that a further improvement in your business group's health and safety performance may lead to a higher level of discount.
- Near the top end of a loading band - if your business group doesn't improve its health and safety performance, it may lead to a greater loading.

This table shows the Experience Rating bands and how they affect your final discount or loading.

	Experience Rating bands	Final discount/loading
Discount	>= -45	-50%
	< -45 to -35	-40%
	< -35 to -25	-30%
	< -25 to -15	-20%
	< -15 to -5	-10%
Neutral	> -5 to 5	0%
Loading	>5 to 15	+10%
	>15 to 25	+20%
	>25 to 35	+30%
	>35 to 45	+40%
	>45 to 55	+50%
	>55 to 65	+60%
	>65 to 75	+70%
	>75 to 85	+80%
	>85 to 95	+90%
	>95	+100%

How your Business Group's Experience Rating is calculated and applied

There are four main steps to calculating and applying your business group's Experience Rating.

MyACC for Business is a great online tool you can use to manage your claims and support employees in their journey to recovery.

It's the only place to see in detail how your employees' claims and compensation days are used to calculate your Experience Rating adjustment.

Register for MyACC for Business by visiting business.acc.co.nz/register

Step 1.

We take three pieces of information from claims which occurred in your business group's workplaces

- Number of weekly compensation days for your business group's employees
- Number of claims for your business group's employees with medical costs \$750+
- Fatal claims.

Step 2.

Your business group's claims and return to work performance is compared against its industry using two rates. This is used to determine the group's Experience Rating calculation.

Risk Management Rate

This is the number of claims with medical costs greater than \$750 per \$1 million liable earnings in your business group's levy risk group. Two rates are calculated reflecting:

- The claims record of members in your business group
- The number of claims in your business group's levy risk group.

Rehabilitation Rate

The number of weekly compensation days (for qualifying claims) per \$1 million liable earnings in your business group's levy risk group. Again, we calculate two rates, one for your business group's performance in the levy risk group, and one for the levy risk group itself.

Please note that where your business group has members in multiple levy risk groups, a comparison is calculated for each levy risk group.

Step 3.

A loading is added for any fatal claims. If there are none, the Experience Rating calculation continues as normal.

For a fatal claim in the most recent Experience Period year, a 20% increase is included on top of the loading or discount.

This becomes 10% in the second year. In the third year it is treated as a claim with medical costs over \$750.

If there are fatal claims in the two most recent Experience Period years, a maximum 20% increase is added.

Your business group's Experience Rating calculation

Your business group's performance against the Risk Management and Rehabilitation rates helps determine the group's Experience Rating calculation and whether it's likely to receive a discount or loading.

If your business group has multiple business activities this calculation is done for each of its levy risk groups. To calculate the group's final Experience Rating adjustment, we weight these rates based on the group's size in the levy risk group, which is determined by the liable earnings filed. We bring them together to calculate the group's final adjustment.

Step 4.

To work out the amount of your business group's final discount or loading we place your group's Experience Rating calculation into an Experience Rating band, using the table on the previous page.

A few more things for you to know about

What your ACC Work levy covers

This levy helps fund workplace injury cover for employees. If an employee has an accident, we help pay for and support their recovery, including treatment, health, rehabilitation and support services, support returning to work, loss of income or financial help. We also fund injury prevention in the workplace and community.

Have you registered for MyACC for Business yet?

You can get more detail about how your levy is calculated, view your invoice, and set up payment plans. You can also view your injured employee's work-related claims, including their work capacity and any work restrictions they might have. You can use this to help support your employees' safe recovery at work.

Be sure to register now at business.acc.co.nz





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If you have any questions about Experience
Rating, please contact our business team on
0800 222 776 or email us at er@acc.co.nz.
acc.co.nz/er