



16 May 2022

Kia ora [REDACTED]

Your Official Information Act request, reference: GOV-017865

Thank you for your request of 20 April 2022, to [REDACTED] Review Specialist, for a copy of the Claims Manual for the 1982 Act. Due to the nature of your request, we are responding under the Official Information Act 1982 (the Act).

Please find enclosed the 1982 ACC Claims Manual.

Some client information has been withheld under section 9(2)(a) of the Act, in order to protect the privacy of individuals. We have considered the public interest in making the information available and have determined that it does not outweigh the need to protect the privacy of our clients.

If you're concerned about this response, please get in touch

You can contact me at GovernmentServices@acc.co.nz or via post at:

Government Services
19 Aitken Street
Thorndon
Wellington 6011

You can also contact the Ombudsman via info@ombudsman.parliament.nz or by phoning 0800 802 602. Information about how to make a complaint is available at www.ombudsman.parliament.nz.

As this information may be of interest to other members of the public

ACC may decide to proactively release a copy of this response on ACC's website. All requester data, including your name and contact details, will be removed prior to release. The released response will be made available www.acc.co.nz/resources/#/category/12.

Ngā mihi

Sara Freitag
Acting Manager Official Information Act Services
Government Engagement & Support



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 472

DATE 11 January 1983

SUBJECT:

CLAIMS MANUAL REWRITE

TIC Number 402 advised that the Claims Manual was to be rewritten to amalgamate all claim-related instructions into one Manual. Three further Parts are to be issued in the next few days:

- Part 6: Relevant Earnings (Employee)
- Part 7: ERC (Employee)
- Part 17: Standard Information

With the passing of the Accident Compensation Act 1982 it has been decided not to proceed further with the "1982" version of the Manual. The new legislation will take effect on 1 April 1983 and the full revised Manual will be distributed in mid-March. Prior to then, copies will be made available as required, e.g., to ACC Managers for the Conference planned for the week beginning 28 February 1983 and the consequent training required.

TIC 402 advised that the 1983 Claims Manual would be available in ring binder form but noted that Managers and others who will hold personal copies (not generally used by other staff) may wish to utilise the covers from the existing Claims Manual Volume I, Parts I and II. The 1983 Manual will be produced in 6 ring-binders (7 in respect of ACC Offices). Would all Managers, including SIO and P & I Services, please advise immediately their requirements in this regard, e.g., if the total approved entitlement for the 1982 Manual is 3 for your Office, 2 ring-binder sets plus 1 full set. An immediate reply is required so that printing, etc., may be co-ordinated.

Attached is a schedule detailing the Parts issued in the 1982 Manual and the full list of titles for the 1983 version.

J.W. Brown
ACTING MANAGING DIRECTOR

Distribution: All Claims Manual 1982 Holders
Filing Instructions: In front of Volume I, Part I, on top of
Amendment Sheets (with TIC 402)

CLAIMS MANUAL (1975)

GENERAL POLICY

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

p. 4 - as is.

CLAIMS HANDLINGGENERAL POLICY

p. 4G

- 1.1 In the administration of New Zealand's new compensation code, the Claims Officer must always be conscious of the principle of community involvement and social justice upon which the code is based. It is no longer an adversary system in which the claimant and the Claims Officer may instinctively take opposite views; the new code is one designed to assist injured people and to provide them with whatever is their right under the Accident Compensation Act. While bearing that in mind this new code will not succeed in an atmosphere of unrestrained idealism, but only if applied with practical commonsense, fairness, and with a realistic appraisal of the merits of each case.
- 1.2 On the one hand the Claims Officer should not appear as an opponent of the genuine claimant, suspicious, obstructive, or niggardly in his approach to compensation. On the other hand he has no right to be careless, extravagant, or irresponsible in the dispensing of money compulsorily provided by the public. It is the middle course that is required - to deal with each case on its real merits, without excesses of feeling one way or the other.
- 1.3 There will be claimants whose claims are demonstrably right and fair, and they should be dealt with speedily and with confident efficiency. There will be other claimants whose claims lack some ingredient because of possible misunderstandings, or other human failures. These claimants should be assisted sympathetically to ensure that, if they have a proper claim, it can be so shown. Finally, there will be other claimants who may be obstructive, harassing, unwilling to provide necessary information, or who otherwise create doubts about the bona fides of their claims. In these cases the circumstances should be studied in fairness and thoroughness so that ultimately a firm and reasonable decision can be made.
- 1.4 Except in a few minor cases, e.g., section 130(3), 150(5), etc. the Act does not say that a claim has to be "proved". Therefore, in making a decision on a claim, the Claims Officer does not have to consider the following words and phrases which commonly arise in Court actions, and should not use them in his thinking :-

"proof"

"burden of proof"

"proof beyond reasonable doubt"

"proof on a balance of probabilities"

2.
"RECORDED AS IS."

AC 1-2

"given the benefit of the doubt"
"reasonable doubt being decided in favour
the claimant"

1.5 Compensation is payable under the Act only if a claimant has a right to it. It must therefore be the responsibility of that claimant to present enough material from which the Claims Officer can decide that the claimant possesses the right to compensation. This decision may be arrived at from the information the claimant himself supplies, or it may be shown from other material obtained by the Claims Officer during investigation of an otherwise incomplete claim.

1.6 The test to be applied will not be whether the claimant has PROVED his right. It will be this :-

From the information and evidence available, does the Claims Officer agree and believe that the claimant is entitled to rights under the Act?

P4G

Such belief must be based on the information and evidence available, not on a belief in the claimant as an individual. Of course, there will be occasions when a Claims Officer's belief (or disbelief) in the claimant as an individual will influence his assessment of the value of the information and evidence.

1.7 But it might be argued that this test does not answer the question - "How strongly does the Claims Officer have to believe in the claimant's right to compensation?" In reply it is considered that any attempt to introduce refinements into the basic test of "agree and believe" is not necessary and will not be helpful to the implementation and spirit of the Act. Surely, in most of the important decisions in everyday life, if a person says that he agrees with, and believes in, a certain proposition, those words are usually quite sufficient. It is unnecessary to add any further gloss by enquiring how weakly or firmly he does agree or believe.

1.8 When a Claims Officer is given power to make a decision, it means precisely that: namely that the decision is his, and all the information and material placed before him is no more than evidence to assist him in making that decision. Thus the statement or opinion of the claimant himself, of an employer, of a Union, or of a medical practitioner, is not binding on the Claims Officer if he feels that the information or opinion expressed is not, for good reason, acceptable to him. That is not to say that he should arbitrarily substitute his own views for the views of

included AS IS

3.

AC 1-2

of others whose knowledge or experience of the matter may be greater than his. But if he feels unwilling to accept a view expressed by persons of specialised talents, e.g., doctors, lawyers, etc he is advised to obtain the opinion of Commission Officers possessing similar talents before finally making his decision. Nevertheless, the responsibility for making the decision is his alone, and he is entitled to give such weight as he thinks fit to all the material placed before him.

- 1.9 When arriving at his decision, the Claims Officer should take the stance of a reasonable, sympathetic, sensible person, with his thinking not blinded by undue idealism, nor clouded by prejudice or unjust suspicion. An objective, logical and realistic approach is required leading to an honest and fair belief that a right to compensation exists. If, after the fullest and fairest scrutiny and investigation, the Claims Officer cannot arrive at a state of mind which measures up to that belief - then the claim should not be accepted. But, if he does believe, and any doubts or reservations do not really shake his belief, then the claim is acceptable.
- 1.10 The success of the accident compensation schemes will depend very much on the reputation that Claims Officers create by the manner in which they receive, handle, and decide claims. The spirit of beneficent social legislation can certainly be applied, but society expects that such spirit is exercised within a framework of economic and administrative reality, and in accordance with fundamental principles of justice.

P 4 G

Chairman
Accident Compensation Commission

ACCIDENT COMPENSATIONINSTRUCTION NO. 2PROCESSINGPART I - INTRODUCTION TO PROCESSINGReferenceContents

1.0	Accident Compensation Act 1972
2.0	Funds
3.0	Collection of Levies
4.0	Entitlement to Cover
5.0	Compensation
6.0	Claims Handling
7.0	Review and Appeals

INTRODUCTION TO PROCESSING

1.0 ACCIDENT COMPENSATION ACT 1972

- 1.1 The Accident Compensation Act 1972, together with the amending Acts, makes provision for rehabilitation, compensation and the prevention of accidents.
- 1.2 Copies of the Act are held at branches. Amendments and any Regulations under the Act are supplied to branches by Head Office.

2.0 FUNDS

- 2.1 The Act provides that the Commission maintain three schemes under which all persons in New Zealand will have cover in respect of personal injury by accident :
 - (a) Earners Scheme
 - (b) Motor Vehicle Accident Scheme
 - (c) Supplementary Scheme
- 2.2 To finance the schemes the Commission is required to maintain five funds and income credited to each fund must be sufficient to meet that fund's liabilities.

The five funds are known as :

- (a) The Earners' Compensation Fund
- (b) The Motor Vehicle Compensation Fund
- (c) The Active Service Compensation Fund
- (d) The Supplementary Compensation Fund
- (e) The Accident Compensation Commission General Fund

It is IMPORTANT that care be exercised in the initial allocation of the "Accident Code" to be entered on the Preliminary Data Sheet (Record type 201N) as the code is the only means of identifying the fund to which the claim is to be debited.

The Schedule of "Accident Codes" is shown in AC 2-4 Appendix 1, 1.0

- 2.3 The Earners and Motor Vehicle Funds are credited with levies payable in respect of the two schemes. The amounts paid by way of Compensation and Rehabilitation are debited to the appropriate fund.

- 2.4 The Active Service and Supplementary Funds are financed from time to time by Government appropriation from the Consolidated Revenue Accounts. The amounts paid under each fund for Compensation and Rehabilitation are debited to the appropriate fund.
- 2.5 The Accident Compensation General Fund is financed by amounts transferred from the other four funds and incidental revenue and is debited in general with the administration expenses of the Commission.

3.0 COLLECTION OF LEVIES

Levies are collected on behalf of the Accident Compensation Commission by the Inland Revenue Department from Employers and Self Employed persons and by the Post Office from Motor Vehicle Owners. Levies are credited to the respective funds mentioned earlier.

4.0 ENTITLEMENT TO COVER

In general all persons are entitled to Compensation and/or rehabilitation assistance under the provisions of the Act in respect of personal injury by accident in New Zealand. In addition Section 60 provides cover in certain cases to New Zealand earners who are overseas for the purpose of their business or occupation.

5.0 COMPENSATION

Once entitlement to cover is established, the amount payable by way of compensation may take various forms, including Earnings Related Compensation to the injured person or his dependants; transport expenses; damage to teeth, artificial aids or clothing; medical expenses; loss of potential earnings; funeral expenses; pecuniary loss and lump sums in respect of :

Permanent loss or impairment of bodily function;

Loss of capacity for enjoying life;

Dependants following death

Widow/Widowers on remarriage

6.0 CLAIMS HANDLING

- 6.1 To provide points of contact for the public throughout New Zealand the Commission has appointed two claims handling agents, namely the State Insurance General Manager and Protection & Indemnity Services Ltd

- 6.1.1 The State Insurance General Manager is appointed as the claims handling agent for accidents occurring in New Zealand
- 6.1.2 The State Insurance General Manager through the State Insurance Office provides facilities to receive claim notifications, and for the general handling and payment of claims
- 6.1.3 To undertake this work the Office has been granted dispensation from the Inland Revenue Department to obtain certain limited information relating to earnings
- 6.1.4 Refer AC 3-3 regarding Inland Revenue Department's Certificate as to secrecy.
- 6.2 The Protection and Indemnity Services Ltd is the claims handling agent only in respect of accidents to seamen (both in New Zealand and overseas) and employees who are actually engaged in the exploration and/or development of resources on the continental shelf.
- 6.3 All claims relating to accidents which occur beyond New Zealand (See AC 2-2 2.1.2.1) which are received at a Branch are to be forwarded to the Commission without numbering or investigation.
Refer to AC 2-12 9.0 for handling instructions.

7.0 REVIEW AND APPEALS

The Act provides certain safeguards whereby an aggrieved claimant may appeal against certain decisions of the Commission or its Agents. If the Claimant is still dissatisfied an appeal may be lodged with the independent Accident Compensation Appeal Authority. Further appeal rights exist up to the Court of Appeal.

COMMISSION DECISIONS

Branches have no authority to deal with Applications for Review where the application is in respect of a Commission decision, in any way other than to forward them to the Commission for consideration. There is no objection to Branch Officers discussing the claim with the Claimant prior to the lodging of the Application for Review. However, once the application has been received the Branch has no power to give a decision on it and the application must be forwarded to the Commission without delay.

STATE INSURANCE OFFICE DECISIONS

State Managers are authorised to revise decisions made by their office at any time. This may be done even if an application for review is received. Only if the Manager feels the original decision cannot be revised is the file and the application for review to be referred to the Commission.

Refer AC 2-2 6.0
Refer AC 2-11 12.0

Delegation Mandate

ACCIDENT COMPENSATIONINSTRUCTION NO. 2PROCESSINGPART 2 - DELEGATIONS

<u>Reference</u>	<u>Contents</u>
1.0	Claims Handling Agents
1.1	State Insurance Office
1.2	P. & I. Services Ltd
2.0	Claims Handling - Claims to be referred
2.1	Immediately on receipt of notification
2.2	Immediately after receipt and registration
2.3	After registration and investigation
2.4	After registration and verification
3.0	Claims by Office Staff or their families
4.0	Claims to be referred to the Manager
4.1	Types of claims to be referred
4.2	Advances in anticipation of a claim
5.0	District Offices
6.0	Revision of original decision
7.0	Contribution towards cost of medical and First Aid Assistance
8.0	Delegations categorised Section by Section



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

Mr. Byrdan

Delegation Module

P2

CIRCULAR No. T. 202

DATE 2/6/1976

SUBJECT: Delegations to State Insurance Office

The Commission has completed a review of the delegations currently given to the State Insurance Office as shown in para. 8.0 of AC 2.2 of the Claims Manual, Volume 1. This review has incorporated not only the amendments considered necessary as a result of experience since inception, but also changes resulting from recent legislative amendments. An amendment to AC 2.2 will follow setting out the precise changes which have been made. Pending issue of this however, the following changes in delegation will take effect immediately on receipt of this Circular.

Sections 67 and 68

The category of delegation has been changed from 1 to 2. All claims arising from disease due to the nature of the employment are to be registered, investigated and reported to the Commission for a determination as on liability and for instruction on subsequent action.

Note: The comments made in AC 2.6, para. 12.0 relating to prucellosis claims will still apply. In particular, attention must be paid to comments on the necessity for prompt action (see para. 12.1).

Sections 122 - 125

The category of delegation has changed from 1 to 2. This follows the setting up in ACC Head Office of a special Fatals Section which will be responsible for the handling and payment of all Fatals Claims (including payment of funeral expenses). Work is currently proceeding on consequential amendments to the system for handling Fatals Claims in State Insurance Branches,

and instructions will be issued shortly. In the meantime, Branches are to register, investigate and report to ACC, following which instructions will be issued as to any further action required by Branch claims handlers.

Section 126 (2) - (5)

Reference under this Section to persons under 20 years of age is retained as Category 1, but persons of feeble or unsound mind have now been specifically included in Category 2. Claims for persons of this latter category must therefore be forwarded to ACC for decision.

File Referral

This opportunity is taken to stress that when a file is referred to ACC for a decision it must contain all information necessary to enable that decision to be made. In a number of cases, delay is occasioned by the necessity to ask for further information, and this of course, is both time consuming and bad for public relations.

The New delegations contain specific instructions as to when a file referred for a decision should be accompanied by a specific recommendation from the Agent. For file referrals under many Act sections, no recommendation will be necessary, nor could it be based on good grounds (e.g. a lump sum to be assessed under Section 120). In other cases however, although the decision is outside the authority delegated to the Agent, his recommendation based on his enquiries and his local knowledge will be of considerable value in arriving at the final decision.

Revision of Original Decision

Managers have been granted authority to revise decisions, where it is found the original decision was incorrect

Refer AC 2-2 6.0
AC 2-11 12.0
AC 2-1 7.0

However, in their present format these sections read together are contradictory.

A manual amendment to AC 2-1 is attached clarifying the extent of Managers revisionary powers.

In the amendment to AC 2-2 discussed above the paragraph dealing with "Revision of original Decision" (AC 2-2 - 6.0) has also been re-written to highlight the fact that in exercising their revisionary powers managers can streamline the decision making process and in some cases remove the necessity of conducting formal hearings.

Note: File at the front of AC 2-2 Claims Manual V.I.

Signed

Advisory Officer

Distribution

All Claims Manual Volume I holders



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 432
DATE 15 October 1982

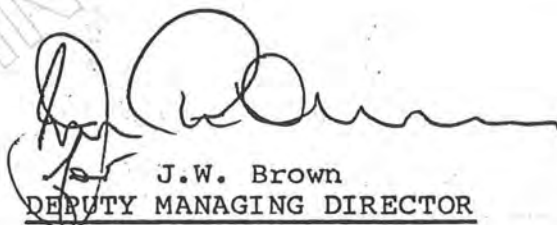
SUBJECT: DETERMINATIONS UNDER SECTION 5

An order of the High Court made on 2 March 1981 seeking a Determination by the Corporation pursuant to s.5(5) of the Act has only now been brought to the attention of the Chief Solicitor.

Notice of an Order of the High Court was conveyed to the Regional Office by letter of 1 April 1981, and in acknowledging that notice on 7 April 1981 the Regional Office indicated that a formal claim would have to be registered and that a claim form would have to be lodged together with any supporting medical documentation. This was not an appropriate response from the Corporation.

Regional Offices are reminded that they have no delegation to deal with any order for Determination pursuant to S.5(5) of the Act. The exercise of the Corporation's powers under this section are expressly reserved to Head Office.

Where an application is received by a Regional or District Office it should be acknowledged and immediately referred to the Chief Solicitor in Head Office. The applicant should be advised that this has been done.



J.W. Brown
DEPUTY MANAGING DIRECTOR

Distribution: All Claims Manual Vol I Holders
Filing Instructions: AC2-2, before page 1

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22.04.82 (195)

HEAD OFFICELEVELREGIONSS.I.O. BRANCHES

15 Sup. Records Officer	Dunedin Regional Manager (3)	S.I.O. Whangarei (2)
16 Controller Safety	Dr Rutherford R.M.O.	S.I.O. Auckland (5)
17 Documentation Librarian (2)	Auckland Regional Manager (6)	S.I.O. Tauranga (5)
Project Team	Dr Martin Finlay H.O.	S.I.O. Hamilton (4)
18 Controller Corporate Services	Mr Guise	S.I.O. Te Kuiti (2)
Sec. Corporate Services (3)	Auckland - Legal (3)	S.I.O. Gisborne (3)
19 Librarian	Palmerston Nth Regional Manager (3)	S.I.O. New Plymouth (3)
Office Services Manager (6)	Wellington Regional Manager (8)	S.I.O. Napier (4)
20 Controller Compensation	Wellington Regional Solicitor (5)	S.I.O. Wanganui (2)
29 J.M. Collins	Christchurch Regional Manager (5)	S.I.O. Palmerston North (4)
20 Super. (Payne) (6)	Regional Solicitor	S.I.O. Masterton (2)
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E.O. - Admin. - Medical	Regional Solicitor Hamilton	S.I.O. Nelson (2)
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29 Managing Director	Napier (2)	S.I.O. Greymouth (2)
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	Tauranga (2)	S.I.O. Porirua (2)
	Otahuhu (2)	S.I.O. New Lynn (4)
	Timaru	S.I.O. Riccarton (3)
		S.I.O. Head Office -
		Dir. of Claims (1)



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

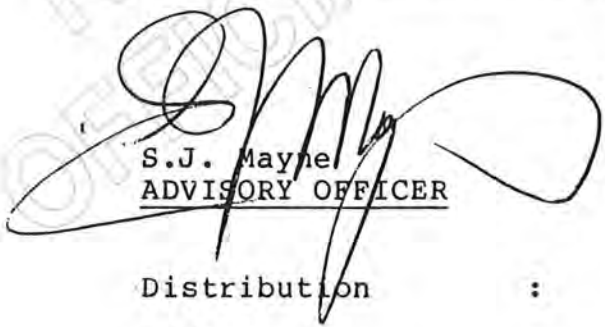
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P2

CIRCULAR No. T282
DATE 13 November 1978

SUBJECT: CLAIMS FROM MEMBERS OF COMMISSION STAFF AND THEIR FAMILIES

1. Any claim from:-
 - an employee of the Accident Compensation Commission, or
 - a member of the immediate family of an A.C.C. employeeis to be registered and handled in A.C.C. Head Office.
2. 'Immediate family' means:-
 - (a) the husband, wife and children of an A.C.C. employee, provided they are living together as a family unit; and
 - (b) any parent (or other person in loco parentis) of a single employee with whom he/she is permanently residing.
3. A.C.C. staff have been informed that such claims have to be submitted direct to Head Office. However, if a claim should be sent to a State Insurance Office by mistake, and it is recognised as being for an employee or the immediate family, it is not to be registered or investigated. It is to be sent immediately to A.C.C., Head Office under covering memo to the Chief Superintendent.


S.J. Mayne
ADVISORY OFFICER

Distribution :

All Claims Manual Volume I Holders

Filing :

AC 2-2, before page 1 and replace page 5 of the Manual Index with the new page 5 attached.

✓ To R.C.
But ~~not~~ need to
replace this TIC
at present action in Manual



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 376
DATE 19 January 1982

SUBJECT: DELEGATIONS

The Claims Manual and the Delegations Register sets out those classes of "special Category" persons whose claims are to be handled by A.C.C. Head Office. They are:

The Governor General	)	
Members of Parliament	)	and members of their
Members of the Judiciary	)	immediate family
Regional Managers	)	

There have been occasions recently where these claims have been dealt with at a local level.

Regional and District Offices and State Insurance Office Staff are reminded that they must refer claims for the above persons to A.C.C. Head Office immediately they are received. No claims action is required before the papers are referred.


H. Lynch
COMPENSATION CONTROLLER

Distribution: All Claims Manual Volume I Holders

Filing Instructions: AC2-2, before Page 1

DELEGATIONS1.0 CLAIMS HANDLING AGENTS

- 1.1 The State Insurance General Manager is appointed as the main claims handling agent of the Accident Compensation Commission.
- 1.2 P. and I. Services Limited is appointed claims handling agent but only in regard to claims by or on behalf of or in respect of
- (a) Seamen (both in New Zealand and abroad);
 - and
 - (b) Employees who in the course of their work are actually engaged in the exploration and development of resources on the Continental Shelf.

and only for claims occurring on or after 30 September 1974.

2.0 CLAIMS HANDLING

The Accident Compensation Commission has delegated to the State Insurance General Manager certain delegated authorities which are contained in Paragraph 7.0 hereunder. The extent of these delegations and the categories and conditions applicable must be carefully noted.

The Manual and the associated interpretations also contain certain conditions, limitations and instructions which relate to specific aspects of claims handling and paying procedures. Branch Offices must ensure that all actions taken are within these delegations and are in accordance with any special instructions so provided.

Consistent with these delegations Branches are to receive, verify, register, investigate and pay all claims under the Accident Compensation Act 1972, with the following exceptions.

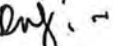
- 2.1 Refer claims immediately on receipt of the notification and without any verification, registration or investigation in the following cases:

Delegation Module

Mr. Banell

STAFF, PSE. NOTE :

PEC - 

CMG - 

MRH - 

NB -  → File (numbers) 
Subst. 8/12/78 
C.O.

1/12/78

28 November 1978

TO ALL CLAIMS MANUAL VOLUME I HOLDERS

Enclosed are two technical information circulars on the Accident Compensation Amendment Act 1978.

The Commission claims handling agents attention is drawn to Sections 2, 3, 7, 8, 9, 10 which affect them.

Particular attention must be paid to Section 8 (limitation affecting earnings related compensation) which changes the manner in which ERC is assessed in certain cases.


S.J. Mayne
ADVISORY OFFICER



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T287

DATE 28 November 1978

SUBJECT: THE DEFINITION OF NEW ZEALAND RELATING TO COVER FOR PERSONS NOT ORDINARILY RESIDENT IN NEW ZEALAND (102C) AND TO PERSONS TRAVELLING BETWEEN PLACES IN NEW ZEALAND (105A)

Section 2 now provides a definition of New Zealand. In essence this definition serves to declare the territorial limits as they were when the Principal Act came into force on 1 April 1974. (Refer to the maps attached to this TIC). The islands which are considered to be included in the territorial limits are listed in the Claims Manual (AC 2-2 2.1.2.1). The definition also includes any installation or drilling rig used to explore or exploit the Continental Shelf or its resources. By implication the Ross Dependency and its internal waters and territorial seas are excluded.

Section 102C deals with the commencement and cessation of cover for overseas visitors while Section 105A is concerned with the continuation of cover for persons travelling between places in New Zealand.

The following examples will serve to illustrate how, having regard to the "definition of New Zealand", the provisions of Sections 102C and 105A will apply.

Example 1

A person ordinarily resident in New Zealand boards a pleasure yacht or an aircraft for a joy ride, and travels no further than 12 nautical miles off the coast of New Zealand. In terms of Section 2 (definition of "New Zealand") and Section 4 (2) of the Act, that person has cover under the Act in respect of personal injury by accident suffered by him in the course of that joy ride.

Example 2

A person ordinarily resident in New Zealand boards a pleasure yacht or an aircraft for a joy ride, and in the course of a single trip he travels up to 312 nautical miles off the coast before returning to New Zealand. In terms of Section 105A of the Act, that person has cover under the Act in respect of personal injury by accident suffered by him in the course of that trip.

Example 3

On a non-stop scenic flight from Auckland to the Antarctic and return the passengers comprise the following separate categories:

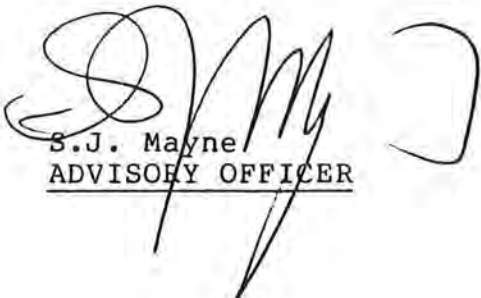
- (a) persons ordinarily resident in New Zealand;
- (b) overseas visitors who arrived in New Zealand on a cruise ship presently berthed in Auckland;
- (c) a party of journalists and photographers employed by various New Zealand news media.

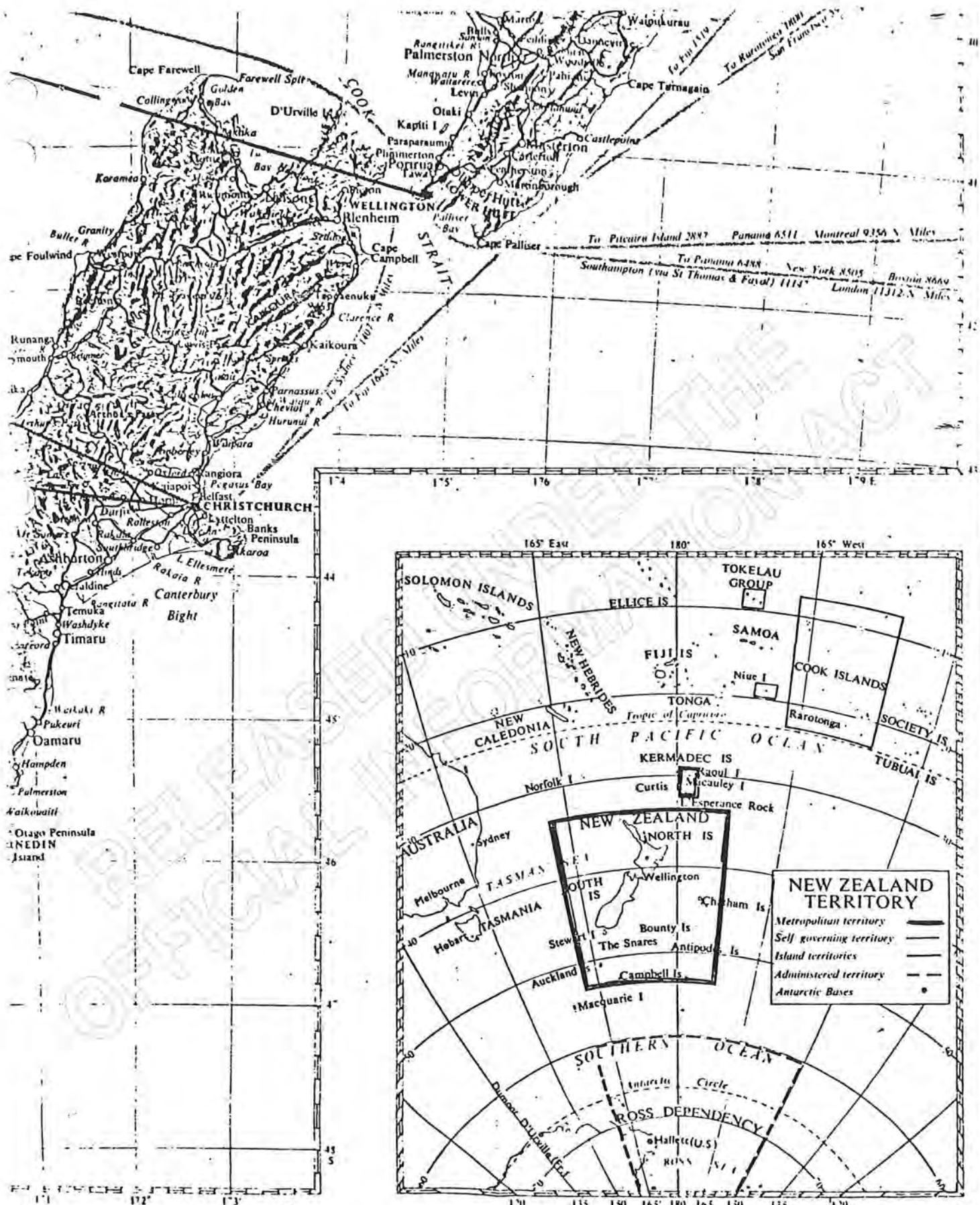
The passengers in category (a) have cover under the Act up to 12 nautical miles off the New Zealand coast, and thereafter no cover until, on the return leg of the trip, the aircraft is again within the 12 nautical miles of New Zealand. Section 105A of the Act does not apply because the travel "goes beyond a limit of 300 nautical miles from any point or points in New Zealand".

The passengers in category (b) have cover under the Act as soon as they have disembarked from their cruise ship (Section 102C). Cover ceases as soon as they embark on the aircraft for the Antarctic flight, and cover then recommences when they have disembarked from the aircraft on its return to New Zealand. For the same reason as given with respect to category (a) passengers, section 105A of the Act does not apply but in addition to this, section 102C (2) applies to this category so that their cover ceases as soon as they embark on the aircraft. These passengers again lose cover as soon as they commence to board their cruise ship (Section 102C).

The journalists and photographers will have cover under the Act for the full extent of the flight since their temporary absence from New Zealand during the flight is for the purposes of their employment in New Zealand (Section 60 (2)).

This may be contrasted with the position of the same categories of passenger on a scenic return flight to the Chatham Islands. Since the Chatham Islands form part of New Zealand and are within 312 nautical miles of the coast of the New Zealand mainland, the provisions of Section 105A will operate to allow uninterrupted cover to passengers both in category (a) and category (b). The cover of those in category (b) will of course cease as soon as they commence to board their cruise ship (Section 102C).

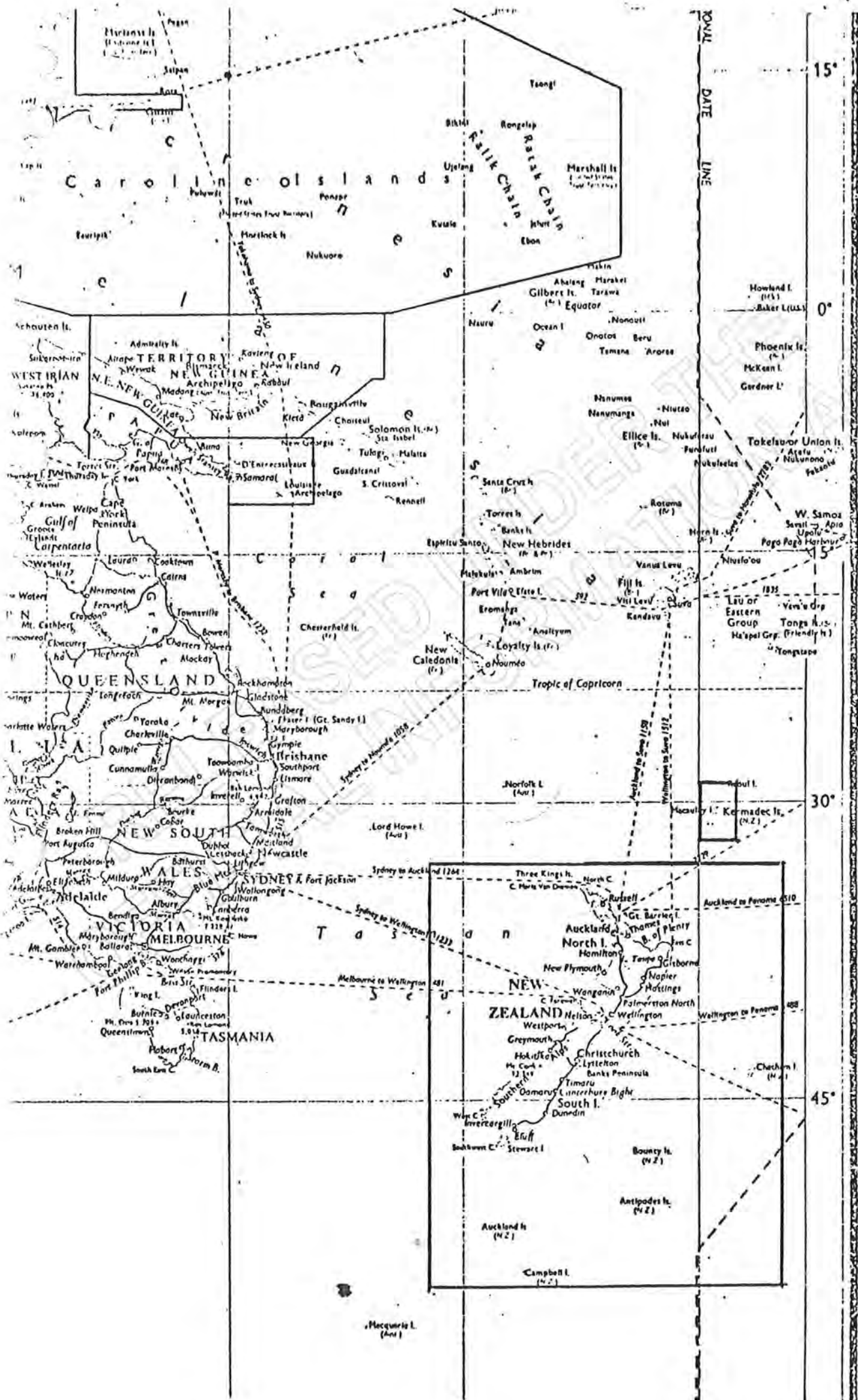

S.J. Mayne
ADVISORY OFFICER



Published by the Department of Lands & Survey,
under the authority of R. P. Gough, Surveyor-General.

NZMS 268





- 2.1.1 To P. & I. Services Limited - claims falling under the agency with P. & I. Services Limited described in paragraph 1.2 above.
- 2.1.2 To the Accident Compensation Commission - claims
- 2.1.2.1 occurring beyond New Zealand, that is
- (a) as defined in the Acts Interpretation Act 1924 (claims outside the North, South and Stewart Island of New Zealand and adjacent coastal islands and the Chatham, Bounty, Kermadec, Antipodes, Auckland, Snares, Solander, Three Kings and Raou'i Island), and the Continental Shelf of New Zealand as defined in the Continental Shelf Act 1964.
 - (b) outside limits set out in Section 105A of the Accident Compensation Act 1972.
- 2.1.2.2 in respect of members of Her Majesty's Armed Forces which relate to an injury occurring in a war or emergency.
- 2.2 Refer the following claims to the Accident Compensation Commission immediately after receipt and registration, i.e. without verification or investigation.
- 2.2.1 Any claim which requires a decision under a Section of the Act which has been listed in the Schedule to AC 2-2 7.0 as a Category 3 delegation.
 - 2.2.2 An injury to the Governor-General or a member of his or her family.
 - 2.2.3 An injury to a Minister of the Crown or a member of Parliament or a member of his or her family.
- 2.3 After registration and investigation refer the following claims to the Accident Compensation Commission:
- Note: The covering memorandum is to contain a brief summary of the file action to date and the reason for the referral.

Delegation Module



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

Delegation Module

CIRCULAR No.	T243
DATE	26 May 1977

SUBJECT: RECOMMENDATIONS ON FILES SENT TO THE COMMISSION

1. Where the Commission requires a recommendation on a file forwarded to either the Commission Head Office or Regional Office an asterisk has been inserted alongside the appropriate section of the Act (See ACC Claims Manual Vol 1 AC2-2 para 2.3 and 7.0).
2. Files coming to the Commission Head Office or Regional Offices frequently do not contain a recommendation and in a number of instances do not contain sufficient detailed information from which Commission staff could make a decision.
3. Would Managers ensure that files sent to the Commission for decision contain all the information that is necessary to make a decision and where required by the manual an appropriate recommendation.
4. If a recommendation has been influenced by local conditions or circumstances ensure that these are correctly chronicled on the file.

DISTRIBUTION: All Claims Manual Volume 1 Holders.

FILING INSTRUCTIONS: File in Claims Manual Volume 1 between pages 2 and 3 of AC2-2

Signed

ADVISORY OFFICER

Where a decision is sought under any Section of the Act for which the Category of delegation in AC 2-2 7.0 has been marked with an asterisk (*) a recommendation as to the decision to be taken is to be made.

In all other cases a comment on appropriate future action is to be included in the covering memorandum.

2.3.1 Any claim which requires a decision under a Section of the Act which has been listed in the Schedule to AC 2-2 7.0 as a Category 2 delegation.

2.3.2 Any of the following medical conditions are present

Insanity, mental disorder, neurological conditions, neurosis, neurasthenia.

A cardio-vascular or cerebro-vascular episode (immediately after the request for a full medical report from the consulting specialist).

Other heart conditions.

Exposure to radiation or radioactive substances.

Cancer.

Tetanus.

Any infection which is not a clear consequence of a clear accident.

Reaction to drugs, food, or other material entering the body.

Medical mal-practice and misadventure.

Self-administered drugs or treatment.

Ante-natal injuries.

Allergies.

Results of exposure to forces of nature.

The risk of injury has been voluntarily assumed (e.g. voluntary mountaineering in a blizzard; boxing).

Delegation Module

Unexpected developments in medical treatment (e.g. post-operative haemorrhage, post-operative sepsis, heart failure under anaesthetic, serum hepatitis caused, say, by blood transfusion, drug dependence resulting from medical use of a drug).

Effects on the body not necessarily causing damage (e.g. pregnancy from rape, humiliation or shock from assault, but without other damage).

Note: See also Category 2 delegation allocated to Section 67 - Disease arising out of employment.

- 2.3.3 A period of 26 weeks from the date of notification (or any other period specifically advised in an individual claim by the Accident Compensation Commission) has expired and the claim file has not in that period been referred to the Commission.
- 2.3.4 Where serious doubts exist concerning the bona fides of the claim or of the reliability or effectiveness of the medical advice or treatment.
- 2.3.5 Where the claimant has persistently objected to the decisions made or where unreasonable attempts have been made to bring pressure to bear on staff.
- 2.3.6 Where a decision made or to be made is likely to have far reaching effects throughout New Zealand or to seriously affect policies of the Accident Compensation Commission.
- 2.3.7 Where a serious or substantial point of law is involved.
- 2.3.8 Where a legal opinion is required.
- 2.3.9 Where legal proceedings are sought for the prosecution of an offence or the recovery of a debt due.
- 2.3.10 Where entitlement to claim or entitlement to the payment of earnings related compensation has not been established.
- 2.3.11 Where the information supplied by the Inland Revenue Department is disputed by the claimant.

Delegation Module



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 365
DATE 28 September 1981

SUBJECT: AMENDMENT TO ACCIDENT COMPENSATION ACT

1.0 The Accident Compensation Act 1972 was amended by the Family Proceedings Act 1980 (which will come into force on 1 October 1981) as follows:-

By omitting from section 135(5), (as added by section 51(2) of the Accident Compensation Amendment Act (No. 2) 1973), the words;

"101 of the Domestic Proceedings Act 1968"

and substituting the words;

"118 of the Family Proceedings Act 1980"

See Section 189(1) and First Schedule of the Family Proceedings Act 1980.

2.0 The substance of the Section remains unchanged by the amendment. Please make the appropriate amendments to all copies of the Accident Compensation Act held by your office.

L.K. Wood
ADVISORY OFFICER

Distribution : All Claims Manual Vol. I Holders
Filing Instructions : AC 2-2, 2.3.12

2.3.12 Where a deduction is to be made from the earnings related compensation payable as a result of an assignment notice or order issued pursuant to:

- (a) The Maori Housing Act 1935 (Sections 4 & 5)
- (b) The Social Security Act 1964 (Section 71)
- (c) The Domestic Proceedings Act 1968 (Section 101)

2.3.13 Where a request is made under Section 50(1) of the Children and Young Persons Act 1974 for payment of earnings related compensation in respect of any person who is under care and guardianship within the meaning of that Act.

Note: After a decision has been made the Accident Compensation Commission may subsequently request the Office to undertake normal claims handling procedures for any of the claims specified in paragraphs 2.2 or 2.3.

3.0 CLAIMS BY S.I.O. STAFF OR THEIR FAMILIES

Immediately after registration, i.e. before investigation any claim for a member of the State Insurance Office Staff or a member of his or her family is to be referred to Head Office (S.I.O.).

4.0 CLAIMS TO BE REFERRED TO THE MANAGER

4.1 The Manager (or in his absence the Assistant Manager) is to authorise the following classes of claims prior to the payment of any compensation:-

- 4.1.1 Where relevant earnings are not determinable at the time the claim application is received and an amount is assessed to represent these earnings.
- 4.1.2 Hernia claims under Section 66.
- 4.1.3 Where the injury occurred whilst the claimant was travelling to or from his place of employment (Section 85).
- 4.1.4 Where at the time of the accident the claimant was engaged in an illegal undertaking or was engaged under an illegal contract of service (Section 90).

Delegation Module

- 4.1.5 An extension of the continuous cover under Section 59 not exceeding 13 weeks is to be made.

Note: Category 2 delegation for extension beyond 13 weeks.

- 4.1.6 Where a concurrent claim exists (i.e. where the subsequent accident provisions of Section 115 apply).
- 4.1.7 The engagement of an assessor to investigate the circumstances of an accident is considered necessary.
- 4.1.8 A period of 13 weeks from the date of notification (or any other period specifically advised in an individual claim by the Accident Compensation Commission) has expired and the claim file has not in that period been referred to the Commission.

- 4.2 The Manager (or in his absence the Assistant Manager) is to approve payment for advances in anticipation of a claim to compensation (Section 134).

5.0 DISTRICT OFFICES

- 5.1 District Officers are authorised to:-

- 5.1.1 Receive notifications of accident and claim forms.
- 5.1.2 Verify entitlement to claim.
- 5.1.3 Verify entitlement to receive earnings related compensation.
- 5.1.4 Accept claims except those referred to in paragraphs 2, 3 and 4 above.

6.0 REVISION OF ORIGINAL DECISION

- 6.1 Where a decision has been made within the delegated authority of the State Insurance Office and a claimant requests a review of this decision, Managers are authorised to re-examine the facts and to revise the decision (from inception if necessary) if it is found that the original decision was clearly incorrect.

Delegation Module

This will streamline the decision making process and remove the necessity of conducting formal hearings on those occasions where an incorrect decision had been made or where subsequent evidence clearly establishes that an amendment to or reversal of the original decision is warranted.

Where the original decision has been made by the Commission, Managers have no such authority to revise and the request for a review is to be forwarded immediately to the Commission for consideration (See AC 2-11 12.0).

7.0 DELEGATIONS

Set out hereunder are the responsibilities and delegations given by the Accident Compensation Commission to the State Insurance General Manager on the basis of a sectional analysis in the following categories.

CATEGORY 1 : Authority in section delegated to agent including (where applicable) responsibility to investigate claims, make decisions and pay compensation.

CATEGORY 2 : Responsibility of agent to investigate claim and report to Commission. Commission makes decision. Compensation paid by either Commission or Agent.

CATEGORY 3 : Authority retained by Commission.

CATEGORY 4 : No question of delegation.

Delegation Module

SECTION	SUBJECT	CATEGORY
1	Short Title	4
2	Interpretation	4
2	"Financial Year"	3
3-4	Act to bind Crown, etc	4
5	Claims for damages	3
6-14	Accident Compensation Commission, etc	3
15-22	Recommendations, powers etc.	3
23 (1)	Medical Referees (Specialists to report)	1
(2)		3
(3)	Medical Referees (payment of specialist fees)	1
24	Staff	4
25	Agents	3
26	Revocation	4
27	Agents fees	3
28	Committees	3
29(1)(2) (a)	Delegations - only as provided in the Instrument of Delegation but with specific delegation to appoint "approved" Employers	1
(b)	Otherwise	3
30-34	Financial provisions	3
35	Banking	3
36	Borrowing	3
37	Loans	4
38	Unauthorized expenditure	3
39-40	Fines, etc.	4

SECTION	SUBJECT	CATEGORY
41	Expenses	3
42	Taxation	4
43	Safety	3
44	Safety Specific delegations may be made	3
45-48	Safety Divisions, etc. & Rehabilitation	3
49-50	Rehabilitation Specific delegations may be made	3
51-53	Rehabilitation Division etc.	3
54-55	Earners Scheme	3
59(1)	Extension of continuous cover	4
(2)	Extension of continuous cover (Up to 13 weeks)	1
	(Beyond 13 weeks)	2*
(3)-(6)		4
60	N.Z. Residents overseas	3
61	Seamen and Airmen	3
62	Husband and Wife	1
63	Armed Forces	3
64	Diplomats	1
65	Diseases	4
66	Hernia	1
67-68	Diseases	2*
69-72	Earners Fund, etc.	4
73	Penalty Levy Rates	3
74	Levies	3
75	Levies - Agents	3

SECTION	SUBJECT	CATEGORY	
76	Levies	3	
77	Statements		4
78-81	Statements, Levies, etc.	3	
82	Levies paid to Agent		4
83	Determining earnings	3	
84	Accidents in breach of orders		4
85	Accidents travelling to work	1	
86-89	Accidents in special circumstances		4
90	Illegal Contracts	1	
91-98	Motor Vehicle Scheme		4
99	Levies of Motor Vehicles	3	
100-102	Drivers' Levies		4
102 (A)	Supplementary Scheme		4
(B)	" "	1	
(C)	" "		4
(D)	" "		4
103	Calculation of earnings	1	
104 (1)-(5) (7)-(11) (13)	Relevant earnings		
	Note: Subject to rules applicable to self-employed persons set out in Manual Instruction AC 2-7	1	
(6)-(12)			3
104A (1) (2)(3)	Period of Earnings	1	2*
105	Working Shareholders	2	
105 (A)	Persons travelling between places in New Zealand		4
105 (B)	Criminal Injuries	2	

SECTION	SUBJECT	CATEGORY
106	Refunds	3
107-110	Related benefits	1
111(1)(2)	Medical Treatment	1
(4)(7)		
(3)(8)(9)		3
112	First Week	1
112A	Priority in Bankruptcy	3
113	After First Week (Note delegation under Section 114)	1
114	Permanent Incapacity	2
115	Subsequent Accident (Note delegation under Section 114)	1
116	Low Earnings (Note delegation under Section 114)	1
117	Under 21 etc. (Note delegation under Section 114)	1
Proviso to Subs (5)		2*
118	Potential earnings	2*
119	Schedule injuries	2
120	Other non-economic loss	2
121	Other pecuniary loss	2*
122	Funeral Expenses	3
123-124	Fatal Claim (Advice of claim to ACC within 48 hours of notification)	3
125	Lump sum payment to Widow or Widower on remarriage	3
126(1)	Minors etc.	2

SECTION	SUBJECT	CATEGORY	
126(2)-(5)	Minors etc. - persons under 20 years	1	
	" of feeble or unsound mind (Note delegations under Section 119 Section 120 and Section 124)	2*	
127-128	Dependency	4	
129	Claimant in hospital etc (Subject to rules set out in AC 2-11 2.0)	1	
130	Dependants outside New Zealand	2	
131	Overseas claims	3	
132(1)(3)-(5)	Medical examination	1	
(2)	Suspension to be decided at senior level and reported immediately to ACC	1	
(6)(7)		2*	
133	Commutation	3	
134	Advances	1	
135-136	Assignment, etc	4	
137	Self-inflicted injuries	2*	
138	Murder and Manslaughter	2*	
139	Notice of work accidents	4	
(3)	- reduction of compensation	2*	
140	Records	{ These Sections { at present not { in force.	4
141	Reports of accidents		4
142 (1)(2)	Notice of other accidents	1	
(3)	- reduction of compensation	2*	
143-145	Presentation of Claims	1	
	- acceptance otherwise than in writing reserved to ACC		3

SECTION	SUBJECT	CATEGORY
146	Particulars of Claim	4
147	Co-ordination of Claims	3
148	Claims on behalf of Incapacitated Persons	4
149	Limitation of time	2*
150	Declaration of Entitlement	2*
151(1)	Decisions and Payments	1
(1A)		4
(1B)(1C)		3
151(1D)	- Decisions and payments Subject to rules set out in AC 2-2 6.0	1
(2)	Decisions and payments	1
(3)	Decisions and payments (Interval of payments subject to ACC rules)	3
152	Regulations	3
153	Review	3
154	Hearing of review	3
155-162	Appeals	4
163	Procedure on appeals	3
164-166	Hearing on appeals	4
167	Notice of decision	3
168-169	Appeal to Supreme Court	4
170	Effect on cover	4
171(1)	Recovery of overpayment	1
(2)-(7)		3
172-173	Legal proceedings, etc.	3
174-175	Payments; view of scene	4

SECTION	SUBJECT	CATEGORY	
176	Forms		3
177	Service of notices - delegation as stated in the Section	1	3
178	Annual Report		3
179	Reduce Compensation	2	
179(A)	Ex gratia payments	2	
180	Offences - only ACC will direct Court proceedings		4
181	Regulations		4
182	Secrecy - Oath of Secrecy and register required both of ACC and Agent	1	3
182-184	Amendments		4

ACCIDENT COMPENSATIONINSTRUCTION NO. 2PROCESSINGPART 3 - NOTIFICATION AND
NUMBERING

<u>Reference</u>	<u>Contents</u>
1.0	Notification
1.1	Obligation of Injured Person
1.2	Claims by Injured Persons
1.2.1	Injury to Employees work accidents
1.2.2	Injury to Employees non-work accidents
	Injury to Self Employed Persons
	Injury to Others
1.2.3	Supplementary Claims
1.2.4	Fatal Accidents
1.2.5	Medical Expenses only Claims
1.2.6	Transport Expenses only Claims
1.2.7	Claims made by a Third Party
1.2.8	Overseas Accidents
1.2.9	Armed Services
1.2.10	Criminal Injuries
1.3	Receiving of Notifications
1.3.1	Duty of Office
1.3.2	Enquiries
1.3.3	Verbal Notification
1.3.4	Written Notification
1.3.5	Medical Certificates

<u>Reference</u>	<u>Contents</u>
1.4	Action Following Notification
1.5	Position regarding Claims reported direct to A.C.C.
1.6	Date Stamping of Claim File Documents
1.7	Preliminary Action prior to numbering
2.0	Numbering
2.1	Register of Claims
2.2	Claim Number
2.3	Numbering Transport Expenses Files
2.4	Numbering of Claims Transferred to New Branches
3.0	Action following Registration
4.0	New claims which can be opened, registered, and finalised in the same work flow

PROCEDURE SHEETS

AC 2-3A	Examination of a Notification of Accident and Claim Form
AC 2-3B	File Preparation and Registration
AC 2-3C	Examination of a Notification Claim File and Date Despatch

NOTIFICATION AND NUMBERING1.0 NOTIFICATION1.1 Obligation of Injured Person

✓ The Act requires that any person who suffers personal injury by accident as a result of which he makes or intends to make or is likely to make a claim for rehabilitation assistance or compensation shall give notice of the accident and injury in writing as soon as practicable. Para 1.4 deals with the procedure to be followed when the notification is made on other than the standard form.

1.2 Claims by Injured Persons

The Act specifies to whom and by whom notice is to be given and this varies according to the particular circumstances of the Accident.

1.2.1 Injury to Employees - work accidents

Where an accident arises out of and in the course of his employment the employee is required to notify his employer (in whose employment the accident occurred)

If he intends to make a claim for compensation or rehabilitation assistance from the Commission the employee must complete a Notification of Accident and Claim Form (ACC Form C1) and hand it to his employer with a First Medical Certificate (AC Form C14)

In these circumstances the employer must in turn forward all the necessary claim papers to the Office (See Section 143 of the Act)

1.2.2 Injury to Employees - non-work accidentsInjury to Self Employed PersonsInjury to Others

The injured person or his representative is to obtain ACC Form C1 (Notification of Accident and Claim Form) from either the Post Office or the State Insurance Office, complete it and forward it with a First Medical Certificate (Form C14) to the nearest State Insurance Office.

NOT
INCORPORATED -
BENEFITS
FOLDER HAS
ALL THIS.

P 4 G

5 149

Not included in P & G.
Benefits Folder.

1.2.3 Supplementary Claims

After completion of the basic claim form (ACC Form C1) the claimant may wish to lodge an application for consideration as to his entitlement to a specific benefit under the Act. (e.g. a lump sum under Section 119) This may be done by completion of a "Supplementary Claim Form" (ACC Form C51).

In completing this form the claimant should identify the specific benefit to which he considers himself entitled, and state brief reasons why he considers himself so entitled. p d G

Due to the wide range of circumstances which may give rise to completion of a supplementary claim form, it is not possible to outline the action to be taken by SIO personnel when the form is received. Each such claim must be considered on its merits, with reference to the relevant manual section where appropriate. If the claim is of an unusual nature or not within the Office delegations, the full file is to be forwarded to the Commission for decision in the normal manner.

Each such claim lodged on a Supplementary Claim Form completed will require a "decision" and the claimant must be formally advised of this decision in the usual way (See AC2-5 7.4).

NOTE: This supplementary claim form is not to be used in instances where a specific claim form has been provided, e.g. Form C.49 - claim for financial loss - other than injured persons (section 121).

1.2.4 Fatal Accidents

Refer AC2-11.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T200
DATE 26 May 1976

SUBJECT: FATAL CLAIMS - APPLICATION FOR A BIRTH OR DEATH CERTIFICATE
(A.C.C. FORM C34)

Supplies of the above forms have been despatched with this circular.

FACTS: The Commission has arranged with the Department of Justice that birth, death and marriage certificates required by the Commission will be issued without fee. This concession has been granted on the clear understanding that such certificates will be used solely for verification of entitlement to claim under the Accident Compensation Act and that the certificates (or copies thereof) will not be issued by the Commission to the claimant or any other person.

A new form (A.C.C. Form C.34). "Application for Birth, Death or Marriage Certificate" has been designed with a view to meeting the Department's requirements while at the same time providing a simple system for claims handling officers. Pending final printing, a small supply of xeroxed forms is being forwarded to each office. (A copy of the form is attached).

When a birth, death or marriage certificate is required, take the following action.

ACTION REQUIRED

1. Complete A.C.C. Form C.34 in duplicate.
- 2a. Forward one copy of the form to the appropriate Registrar of Births, by entry of the city or town in address box.
- b. Place the duplicate copy neatly on the claim file
3. Enter bring up date for 2 weeks to ensure receipt of certificate.
4. When certificate is received determine entitlement and handle claim as appropriate.

POINTS TO WATCH

1. The application may be addressed to the Registry Office where the Registration was made or to the Registrar General, P.O. Box 5028, Lambton Quay, Wellington.
2. Ensure that all entries are legible and that the information given is as accurate as possible, particularly as to the year of the event.
3. Place branch address stamp in box at foot of form.
1. If there is undue delay follow up by telephone or memo.

NOTE: When a form C.34 is returned with the entry "N.T." followed by a yearly sequence e.g. "1935/36" beside a name, this means no trace can be found in the registrar's records of any entry to those years. In these circumstances, it will be necessary to obtain further precise details of the birth, death or marriage and to make a further approach to the registrar when these are known.

File in Claims Manual VI,
AC 2-3 1.2.4 pending a manual
amendment.

Signed
Advisory Officer



RELEASED UNDER THE
OFFICIAL INFORMATION ACT



ACCIDENT COMPENSATION COMMISSION

APPLICATION FOR BIRTH, DEATH OR MARRIAGE CERTIFICATE

REGISTRAR OF BIRTHS

Date _____

PLEASE SUPPLY A FREE CERTIFIED COPY OF THE ENTRY FOR WHICH PARTICULARS ARE GIVEN BELOW

PLEASE PRINT CLEARLY

	Surname	Christian Names	Date and Year of Birth*	Place of Birth	Father's Name	Mother's Name and Maiden Surname
BIRTH						

	Surname	Christian Names	Date of Death*	Place of Death	To Whom Married	Names of Parents
DEATH						

	BRIDEGROOM		BRIDE		Date of* Marriage	Place of Marriage
	Surname	Christian Names	Surname before this Marriage	Christian Names		
MARRIAGE						

Give exact date if possible. If the entry is not found in the year stated, nor in the year either side of the year stated, an extended search can be made on request. 5 years to be covered in the search should be stated (e.g. 1926-1935) and search fees may be charged.

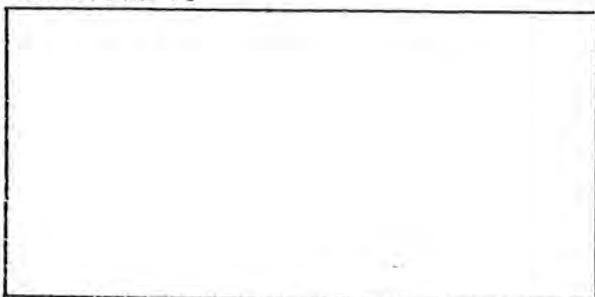
FOR OFFICE USE ONLY

Certificate No. _____

Prepared by: _____

Checked by: _____

TACK AND RETURN TO



CLAIM NO: _____

NAMES _____

1.2.5 Medical Expenses only Claims

When the only cost involved is for medical expenses a claimant is not required to complete a claim form unless he intends to claim compensation or expenses other than the general medical practitioner's fees or seeks a declaration of entitlement. The doctor's fee for the treatment of personal injury by accident is in many cases charged directly to the Commission. If however, the doctor is not on the Commission's schedule system and the injured person is debited by the doctor direct, it is then necessary for the account to be forwarded to the State Insurance Office.

Refer AC2-9 for a full explanation.

1.2.6 Transport Expenses only Claims

- (i) When the only cost involved is for transport expenses a claimant is not required to complete ACC Form C1. Instead the claimant completes either -

a "Schedule of Transport Expenses" - Form C45 or,

a "Transport Expenses - Individual" Form C46

- (ii) For the method of handling these expenses refer to AC2-8 5.0 for a full explanation.

1.2.7 Claims made by a Third Party

Where a third party (i.e. any person other than the injured person)

- (a) incurred expense as a result of giving help to the injured person during his incapacity or

- (b) suffered financial loss resulting from personal injury by accident to the injured person

a claim may be lodged by completing ACC form C49 and forwarding it to the Office.

- 1.2.7.1 All such claims are to be acknowledged by letter but are not to be numbered as a separate claim in their own right.
- 1.2.7.2 On receipt of a completed Form C49 the Office task is to verify that a claim lies within the provisions of the Act i.e. that a person has suffered personal injury by accident in circumstances giving cover under the Act as a result of which the claimant (i.e. the Third Party) has a valid claim under Section 121(2)
- 1.2.7.3 Where a claim has been lodged by the injured person and details of his claim have been verified in accordance with AC2-5 2.0 and 3.0 there is no difficulty in regard to these basic requirements. If such a claim is to hand consideration can be given immediately to verification of the claim made by the Third Party in accordance with AC 2-5 5.0 (Financial Loss not related to earnings)

PA/B
9FHS

NOTE : It may be necessary to check whether the Injured person has lodged his claim at another Branch of the Office.

The Form C49 should be attached to the original claim file for the injured person and (where necessary) payment made by entry in the Claim Record Sheet in the usual way.

- 1.2.7.4 Where however, no claim has been lodged by the injured person (or that person cannot be identified) the office must seek other means of verifying entitlement and cover before considering the claim by the Third Party. This may require all or any of the following:

- (a) Obtaining such additional details from the third party as will enable identification, clarification and further enquiry.

- (b) Approaching the injured person for completion of ACC Form C1 or for such details as will establish entitlement and cover under the Act. (See AC 2-3 1.4.2 for minimum details required to be in writing before processing.)
- (c) Approaching such other persons as may be able to clarify details e.g. Police, Ministry of Transport, Hospitals etc.

All papers and correspondence awaiting verification of entitlement and cover are to be held under an adequate bring up system.

- 1.2.7.5 In all cases the object is to number a claim in the name of the injured person and to attach the claim from the third party to this file for handling in the usual way. If after investigation this course of action is not possible all papers are to be referred to the Commission with a recommendation. Provide all possible details.

- 1.2.7.6 Where investigation indicates that the claim from the third party should be declined the file is to be referred to the Commission for decision in the usual way

If in the last resort, payment has to be made on a file registered in the name of the third party, the claim papers are to be forwarded to the Commission with a memo explaining the position. Do not register the claim. Refer AC 2-12 9.0 for despatch instructions.

IMPORTANT For any claim to be considered sufficient information must be obtained to verify that a person or persons were injured and that the injuries were the result of personal injury by accident.

NOTE : Refer to AC 2-4 5.0 for minimum information required to complete a Preliminary Data Sheet.

CLAIMS MANUAL PARTS

<u>PART NO.</u>	<u>TITLE</u>	<u>1982 ISSUE</u>
1	Preliminary and General	YES
2	Claims Handling Systems	
3	PIBA	
4	Rehabilitation	YES
5	First Week	YES
6	Relevant Earnings (Employee)	YES
7	ERC (Employee)	YES
8	Self-employed	
9	Medical, Dental, Clothing etc.	
10	Transportation	YES
* 11	Pecuniary Loss	
* 12	Overseas Claims and Visitors	
* 13	Lump Sums	
* 14	Permanent Incapacity - Earnings	YES
* 15	Fatal Accidents	
16	Review	YES
17	Standard Information	YES

The asterisked (*) Parts have been or will be issued to ACC Offices only, apart from Part 12: Overseas, which will also be issued to P & I Services.

DISTRIBUTION - CLAIMS MANUAL 198207.07.82 (182)ACC Head OfficeACC Regional OfficesAgentsLevel

15 Chief Research Officer (2)
 Records Officer
 16 Safety Controller
 17 Documentation Librarian (2)
 Project Team
 18 Controller Corporate Services
 19 Chief Training Officer
 20 Compensation Controller
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 " " Hamilton (7)
 " " Palmerston North (6)
 " " Wellington (14)
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 " " Otahuhu (3)
 " " Tauranga (2)
 " " Rotorua (2)
 " " Gisborne (2)
 " " Napier (2)
 " " New Plymouth (2)
 " " Nelson (2)
 " " Timaru (2)
 " " Invercargill (2)
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 SIO Napier (3)
 SIO Wanganui (2)
 SIO Palmerston North (2)
 SIO Masterton (2)
 SIO Lower Hutt (3)
 SIO Wellington (3)
 SIO Nelson (2)
 SIO Blenheim (2)
 SIO Greymouth (2)
 SIO Christchurch (5)
 SIO Timaru (2)
 SIO Invercargill (2)
 SIO Otahuhu (5)
 SIO Takapuna (2)
 SIO Rotorua (2)
 SIO Porirua (2)
 SIO New Lynn (4)
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 SIO Head Office -
 Dir. of Claims (1)

P & I SERVICES (2)



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 402

DATE 7 July 1982

SUBJECT:

CLAIMS MANUAL REWRITE 1982

Many of you will be aware that the Corporation has had a small team working on the rewrite of the Claims Manual, 1975. The purpose of the exercise is to amalgamate all claims-related TICs, manuals, modules and other instructions, into one Manual.

The emphasis of this rewrite has been different from previous efforts. The Corporation and its agents have been in business for a number of years now and the needs have changed. This Manual does not attempt to cover every conceivable situation. The format and style are easier to follow but it is not designed to be the sole source of information for new staff (although it will form a good adjunct to other training).

There will be 17 Parts (or chapters) in the new Manual and three of these will be issued in the near future.

Part 1 : Preliminary and General

Part 10 : Transportation

Part 14 : S.114 Permanent Incapacity (ACC only)

Each Part will be issued in booklet form and will identify what instructions are to be removed from current procedures. There is some value in placing one set of the replaced papers on a 'series file'. Although most papers will be obsolete or superseded, there will also be certain papers relating to earlier legislation or policy to which reference may have to be made from time to time. Those situations will be rare and the files may be considered 'closed'. (Attached as Appendix I is a list of approved series file numbers which have been adopted by ACC Head Office and which ACC Regional and District Managers are requested to implement.)

Legislation is currently being considered that 'rewrites' the Accident Compensation Act. When that legislation is enacted the Manual will be suitably amended and the full Manual will be re-issued in ring-binder form. The ring-binders will enable staff to use different Parts at the same time. However, Managers and others who hold personal copies (not generally used by other staff) may wish to retain the covers from the existing Claims Manual Volume I, Parts I and II for their own copies of the new Manual in preference to holding say, 7, small ring-binders.

Appendix II attached is the distribution list that will apply to the Claims Manual 1982. Please note that this is a different distribution list from that which applies to the existing Claims Manual (also used for TIC distribution). The following factors have been taken into account in the new distribution list:

- (a) S.I.O. total of 70 has been divided up to approximately reflect work volumes;
- (b) A.C.C. District Offices to receive one copy for Manager and one for the Reference Table/Senior Claims Officer(s);
- (c) A.C.C. Regional Offices to receive one copy for each Manager (and Assistant Manager Auckland); Claims Supervisor(s); Senior Claims Officers; Reference Table; and, where appropriate, Regional Solicitor. Extra copies have been provided for Offices with Hearing Officers.

All copies will be sent to Managers who should designate a person to up-date the Manuals not issued to specified positions (e.g., Reference Table, Hearing Officers) so that one person is responsible for each set. If Offices are to receive fewer copies of the new Manual than the old, Managers at S.I.O. and A.C.C. Offices (as well as A.C.C. Head Office Controllers) must withdraw 'surplus' copies of the old Manual immediately, so that confusion will be reduced to a minimum.

The range of approved and unapproved instructions available in the past has proved to be confusing. I believe that you will find this revised Claims Manual a valuable source of information.



J.W. Brown
DEPUTY MANAGING DIRECTOR

Distribution: All Claims Manual Volume I Holders

Filing Instructions: In Front of Volume I, Part I
on top of Amendment Sheets

D11TIC

SERIES 11 : CLAIMS INSTRUCTIONS : OBSOLETE

N.B.: This Series contains all instructions relating to earlier legislative provisions etc., as well as obsolete or superseded TICs, Compensation Division Circulars, instructions, manuals and modules. Current instructions and working papers are held on the 4/50 Series in Head Office.

11/3/0	Obsolete Claims Instructions	-	General Correspondence
11/3/1	" "	-	Policy & General
11/3/2	" "	-	General File Handling Systems
11/3/3	" "	-	Input Data
11/3/4	" "	-	Delegations
11/3/5	" "	-	Personal Injury by Accident
11/3/6	" "	-	First Week and "Work Accidents"
11/3/7	" "	-	Relevant Earnings/ERC/ Self-employed/Permanent Incapacity
11/3/8	" "	-	Medical Provisions and Policy
11/3/9	" "	-	Transportation
11/3/10	" "	-	Financial Loss other than ERC
11/3/11	" "	-	Damage to Teeth, Aids etc.
11/3/12	" "	-	Payments
11/3/13	" "	-	Fatals
11/3/14	" "	-	Permanent Disability
11/3/15	" "	-	Review
11/3/16	" "	-	Rehabilitation
11/3/17	" "	-	Overseas Residents and Overseas Claims

CLAIMS MANUAL VOLUME - I :

SUMMARY OF MANUAL AMENDMENTS

NO.	DATE	SECTION	SUBJECT	SIGNIFICANT CHANGE S.I.O. INVOLVEMENT
1	12/75	Index	Table of Contents	X
2	"	1.1	Contents	X
3	"	1.1	Reference to index	X
4	"	1.2	Contents	X
5	"	2.3	Contents	X
6	"	2.4	Contents	X
7	"	2.6	s. 113 (2) proviso	X
8	"	2.8	Contents	X
9	"	2.9	Contents	X
10				
11	12/75	2.9	Contact lenses (ex T177)	X
12	"	2.9	Future dental q/c (ex T168)	✓ - partially to ACC
13	"	2.9	Bruellosis (ex T93)	X
14	"	2.10	Cheques: typist instr.	X
15	"	2.10	Tax over 2 years (ex T170)	X
16	"	2.11	House modifications (ex T166)	X
17				
18	3/76	2.5	Ante natal injuries	X
19	12/75	2.11	House modifications	X
20				
21	3/76	2.6	Std. Hols. decision model	X
22	"	2.6	Cheques: over Christmas	✓ - ease work-load
23	2/76	2.6	s. 113 (4) effect of maximum	X
24	3/76	2.8	Transport: new legislation	✓ + discretion under:
25	"	2.9	Specialists reports	X
26	"	3.2	Pamphlets ordering	X
27	"	2.3	Criminal injuries	X
28	"	2.3	Claims register	X
29	"	2.6	Shareholder/employees	✓ + special rules
30	"	2.7	Accountants fees	X
31	5/76	2.11	App. Employees: tax liability	X
32	"	2.11	App. Employees: teachers	X
33	5/76, 7/76	Index	Index	X
34	6/76	2.10	Overpayments system	X

35	5/76	2.7	heavy arrears	(ex T198)	X	
36	6/76	var.	New memo forms; a/cs for postage		X	
37		2.1	C66 processing		✓	+ Manager's new's calculation
38		2.5-2.6	s.104 new legislation	(ex T178)	✓	- usually enc. C66
39		2.2	Delegations	(ex T202)	✓	- 67, 68, 122-3, 4, 124 (seeable) to Cat. 2
40	8/76	2.12B	File transfers		X	+ * recommended
41	10/76	2.3A; 2.12	Duplicate claims	(ex T206)	X	- Enc to guardian
42	9/76	2.7	S/E assessment	(ex 35)	X	59 p.to Cat. 2
43	7/76	3.2	File pin ordering		X	
44	7/76	3.1	R.O. addresses		X	
45	7/76	2.10	Cheques: codes on huffs	(T209)	X	
46		2.8	Transport files - whing	(-)	X	
47	8/76	2.10	Overpayments: debt request		X	
48		2.4	Batching system		X	
49	9/76	2.8	Ambulance transport		X	
50	10/76	2.12	CT3 (new):		X	
51		2.4; 2.6	Brucellosis: injury code		X	
52		2.9	Mch. fee payment		X	
53		2.12D	CS9 (revised)		X	
54		2.4; 2.10	PAYE: clarification	(ex T162, 164 + 139)	X	
55		3.3	Correcy.: Solicitors; interim reply		X	
56		2.5	Earnings: allowances	(ex T49)	X	
57		2.9	Medical Centre: shopping around		X	
58	11/76	2.9	Deafness claims		X	
59		2.9	Date stamping		X	
60		3.1	Rehab.: responsibilities; \$	(ex T208)	X	
61		2.9	Brucellosis: diagnostic criteria		X	
62	12/76	3.3	IRD disclosure info'		X	
63		2.11	Forecast o/s liabilities		✓	+ C29
64		2.10	Payment codes: clarify		X	
65	1/77	2.12D	CS9 no. do be on Consign Note		X	
66	2/77	3.1	s.120 reporting		X	
67		2.10	New cheque format		✓	- time saver
68		3.3	IRD disclosure info'		X	
69	3/77	2.10	IRD: IR 12s		✓	- IR 12s
70		2.9				
71	5/77	2.6; 2.7	s.112: clarification		X	
72	6/77; 8/77	2.7; 2.11	s.122 s.125: Fatal Section		✓	- Fatal claims
73	9/77	2.10	Overpayments system		✓	- R.O. checks

74	9/77	2.10	Open cheques to \$250	X	
75	-	2.7	S/E min R.E. scheme (ex T238)	X	
76	1/78	3.1	R.O. functions	X	
77	12/77	2.13	Formula open claim files	X	
78	2/78	2.3B; 2.11	File construction	X	— photography etc
79	.	2.4	Batch preparation (ex T273)	X	
80	3/78	2.10	V/E arrangements	X	
81	.	2.10	Payment rules: alt. - Super out	✓	— Superan deduc
82	5/78	2.4; 2.13	Self employed	✓	+ new booklet
83	.	2.11	P.D. S. requirements	X	
84	6/78	2.7	Sharemilkers levy liability	X	
85	.	2.11	File take-over where only P.D. 'imag'	✓	+ ex 'will'
86	6/78	2.9	Sunglasses	X	
	.	2.11	P.D. payments	✓	— P.D. payment
88	.	2.5	Earnings: burials	X	
89	.	2.4	C57 201 As	X	
90	5/79	2.9	FLC9 revision	X	
91	.	2.11	C66s to R.O.	X	
92	.	2.4	Envelopes: FDI only	X	
93	.	2.6	Medical certification	X	
94	4/79	2.11	Payments to A/E pre - 28 day hold	X	
95	1/79	2.10	Payment rules (ex T289)	X	
96	2/79	2.9	GMS benefit	X	
97	.	2.5	Pre-decisions; review n.a. if favorable	✓	+ more enquiries
	.	2.7	S/E: accidents after 7/8/78	X	
99	3/79	2.9	Viral hepatitis (ex T193)	X	
100	.	2.9	s.67 dermatitis to R.O.	✓	— after C1, C14
101	.	2.10	V/E arrangements	X	
102	4/79	2.9	C95 + C96 Hearing forms (ex T167)	✓	+ ? work-load
103	.	2.7	levy payment proof	X	
104	5/79	2.10	Physiotherapists fees (ex T303)	✓	— to ACC
105	.	2.8	M.V. allowance rate inc. (ex T260)	X	
106	.	2.11	Legal costs	X	
107	7/79	2.5	Earnings: burials	X	
108	.	2.11	s.114 reports initiation	✓	— ACC initiate
109	7/79	2.4; 2.13	Self employed	X	
110	8/79	2.10	Overpayments	X	
111	10/79	2.6	s.113 (2)	✓	+ letters etc.
112					

Amendment Check List

Accident Compensation Commission Claims Manual Volume I

no	date	int	no	date	int	no	date	int	no	date	int	no	date	int
1	23/12/75	REM	26	3/6/76	REM	51	11/10/76	REM	76	3/1/78	REM	101	2/10/78	A.E.D.
2	23/12/75	REM	27	8/6/76	REM	52	2/1/76	REM	77	2/1/78	REM	102	12/4/78	A.E.D.
3	23/12/75	REM	28	25/1/75	REM	53	2/1/76	REM	78	10/3/78	REM	103	6/4/78	A.E.D.
4	23/12/75	REM	29	25/1/78	REM	54	11/10/76	REM	79	2/8/78	PH	104	1/5/78	A.E.D.
5	23/12/75	REM	30	25/1/78	REM	55	1/10/76	REM	80	1/3/78	REM	105	✓	RMPE
6	23/12/75	REM	31	8/6/76	REM	56	12/1/76	REM	81	16/3/78	REM	106	2/11	✓
7	23/12/75	REM	32	2/1/76	REM	57	3/1/76	REM	82	16/3/78	REM	107	✓	PH
8	23/12/75	REM	33	8/6/76	REM	58	12/1/76	REM	83	16/3/78	REM	108	7/5/78	RMPE
9	23/12/75	REM	34	9/6/76	REM	59	2/1/76	REM	84	2/8/78	PH	109	10/3/78	RMPE
10	23/12/75	REM	35	15/6/76	REM	60	26/1/76	REM	85	19/6/78	MM	110	10/3/78	RMPE
11	23/12/75	REM	36	2/1/76	REM	61	2/1/76	REM	86	2/8/78	PH	111	1/10/78	3/10/79
12	23/12/75	REM	37	11/6/76	REM	62	1/12/76	REM	87	19/6/78	MM	112	10/3/80	RMPE
13	23/12/75	REM	38	30/6/76	REM	63	1/12/76	REM	88	30/11/78	MM	113	29/7/80	RMPE
14	23/12/75	REM	39	11/6/76	REM	64	1/12/76	REM	89	2/8/78	PH	114	29/7/80	RMPE
15	23/12/75	REM	40	2/1/76	REM	65	2/1/77	REM	90	2/9/78	✓	115	25/8/80	RMPE
16	23/12/75	REM	41	1/10/76	REM	66	18/2/77	REM	91	2/8/78	PH	116	2/1/80	RMPE
17			42	11/10/76	REM	67	19/2/77	REM	92	30/1/78	NB	117	4-11-80	3/2/81
18	✓ 3/6/76	REM	43	25/1/76	REM	68	2/1/77	REM	93	19/2/78	A.E.D.	118	2/11	✓
19	4/4/79	A.E.D.	44	26/1/76	REM	69	2/1/77	REM	94	3/4/78	A.E.D.	119		
20			45	26/1/78	REM	70	24/8/77	REM	95	2/9/78	✓	120		
21	✓ 5/6/76	REM	46	2/1/78	REM	71	24/8/77	REM	96	2/9/78	✓	121		
22	✓ 6/6/76	REM	47	16/9/76	REM	72	2/1/77	REM	97	1/4/79	A.E.D.	122		
23			48	NOT IN	USED	73	2/1/77	REM	98	3/1/79	A.E.D.	123		
24	8/6/76	REM	49	11/10/76	REM	74	2/1/78	REM	99	2/3/78	A.E.D.	124		
25	8/6/76	REM	50	2/1/76	REM	75	25/1/78	REM	100	15/3/78	A.E.D.	125		

A vertical line (|) to the left of the affected text indicates an amendment.

Proc. Off. Inc. 2

26 March 1979

ALL CLAIMS MANUAL VOLUME I HOLDERS

MANUAL AMENDMENT NO. 102

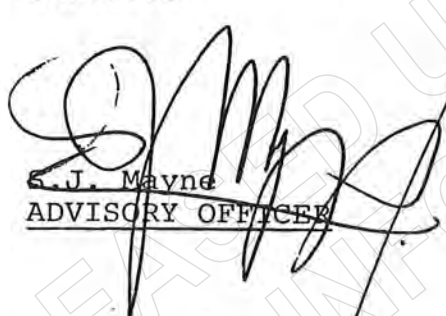
LOSS OF HEARING REPORT FORMS

This amendment contains instructions on how to use the new Forms, C.95 and C.96, Loss of Hearing report forms to be used in claims for industrial deafness.

Supplies of these forms are included with this amendment.

Please replace Page 9b of AC 2-9 with the new page attached, and Page 19 of AC 2-9 with the new Pages 19, 19a and 19b attached.

This amendment supersedes T.I.C. 167, which is now obsolete.


S.J. Mayne
ADVISORY OFFICER

Done
12/4/79 

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AC 2-4	E.D.P. : Systems and Coding
AC 2-5	Verification and Acceptance
AC 2-6	Earnings Related Compensation Employees
AC 2-7	Earnings Related Compensation Self Employed
AC 2-8	Transport Provisions and Policy
AC 2-9	Medical Provisions and Policy
AC 2-10	Finance
AC 2-11	Miscellaneous
AC 2-12	General File Handling Systems
AC 2-13	Claims Management
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AC 3-2	Stores
AC 3-3	General

C L A I M S M A N U A L 1 9 7 6

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amendment filed rear

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Copies - Duplicate

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2 & 3

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ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 334
DATE 9 February 1981

SUBJECT: DECISION PARAGRAPHS

With the exception of the requirements contained in Section 113 (9) of the Accident Compensation Act, it is no longer necessary to include the standard decision paragraph in any formal written decision to a claimant.

Because assessment of earnings related compensation is advised on form C62 the only letters requiring a decision paragraph will be assessments under Section 114 of the Act.

The standard letters used to advise Section 114 assessments will be revised to include information on rights of review and ACC Regional Offices will be given details of the new format by the Compensation Controller.

It is considered that claimants are now fully aware of the avenues open to them for the reconsideration of all other decisions.

This instruction is to be filed in the front of Claims Manual Volume I and supercedes any reference in the manual to decision paragraphs.

B.J. Davis
B.J. Davis
SENIOR ADVISORY OFFICER

Distribution: To All Claims Manual Volume I Holders

1.1.81 (208)

Head Office

Level

15 Sup. Records Officer
16 Controller Safety
17 Documentation Librarian
18 Controller - Finance
Sec. Finance (3)
19 Asst Controller - Admin
Librarian
Inspectorate (2)
20 Management Services (6)
Sen. Advisory Officer(2)

Level

21 Controller Compensation
Asst. Controller
- Compensation
Super (Payne)
Super (Lorimer)
Investigating Officer
E.O. (Line) (1 for ref.
table (3)
E.O. (PD/Fatals) (1 for
ref. table) (3)
E.O. Management
22 Controller - Medical (2)
E.O. - Admin. - Medical
Legal (11)
29 Managing Director
Deputy Managing Director
Secretary
Chief Research Officer
Public Affairs Manager

Regions

Dunedin Regional Manager (8)
Dr Rutherford R.M.O.
Auckland Regional Manager (6)
Dr Martin Finlay H.O.
Auckland - Legal (8)
Palmerston North Regional Manager (3)
Wellington Regional Manager (3)
Christchurch Regional Manager (5)
Regional Solicitor
Hamilton Regional Manager (4)
Dr B.M. Hay
Whangarei (3)
Napier (2)
Hope Gibbons Building (5)
New Plymouth (2)
Rotorua (2)
Gisborne
Nelson
Invercargill
P & I Services (2)
Tauranga

S.I.O. BRANCHES

S.I.O. Whangarei (2)
S.I.O. Auckland (5)
S.I.O. Tauranga (6)
S.I.O. Hamilton (5)
S.I.O. Te Kuiti (2)
S.I.O. Gisborne (3)
S.I.O. New Plymouth (3)
S.I.O. Napier (4)

S.I.O. Wanganui (2)
S.I.O. Palmerston North (4)
S.I.O. Masterton (2)
S.I.O. Lower Hutt (4)
S.I.O. Wellington (4)
S.I.O. Nelson (2)
S.I.O. Blenheim (2)
S.I.O. Greymouth (2)

S.I.O. Christchurch (6)
S.I.O. Timaru (2)
S.I.O. Invercargill (3)
S.I.O. Otahuhu (5)
S.I.O. Takapuna (2)
S.I.O. Rotorua (3)
S.I.O. Porirua (2)
S.I.O. New Lynn (4)
S.I.O. Riccarton (3)
S.I.O. Head Office -
Dir. of Claims (4)

CLAIMS MANUAL (1975)GENERAL INTRODUCTION

- 1.0 Manual
- 2.0 Changes in Systems, Procedures and Interpretations
- 3.0 Recommendations for Amendment

GENERAL INTRODUCTION

1.0 MANUAL

This Manual is intended to outline the systems and procedures to be implemented by the State Insurance Office in handling claims for compensation under the Accident Compensation Act 1972. It is designed for use by State Insurance staff and is not to be released outside the Office.

- 1.1 These instructions are to be read in conjunction with provisions of the Act itself and also with the interpretations on Act Sections issued by the Accident Compensation Commission.

1.2 Format

The Manual has basically been designed to follow the logical sequence which a claim would take in the handling process. Each section contains an index of paragraphs and an overall general index has been included.

Reference to this general index will give the Section number and paragraph number relating to the individual subject.

2.0 CHANGES IN SYSTEMS, PROCEDURES AND INTERPRETATIONS

- 2.1 From time to time the Commission will issue Technical Information Circulars to :

- (a) Quickly disseminate information on Commission policy and on amendments or additions to claims handling systems and procedures.
- (b) Illustrate the decision making process in relation to an interesting set of circumstances (i.e. a claim).
- (c) Circulate instructions and explanatory information in regard to the administration of the Act.

- 2.2 In addition Technical Information Circulars will be used to disseminate information as to a Commission decision which may alter the existing interpretations of Act Sections or Commission policy. These circulars are identified by the word "precedent" clearly printed at the top of the circular. Such decisions must be referred to in the decision making process as they reflect current Commission policy and may modify existing instructions or interpretations contained in the Manual.

- 2.3 These circulars are for the confidential use of State Insurance Claims Handling Officers and are not to be released to outside parties.
- 2.4 All Technical Information Circulars will be considered for subsequent permanent inclusion in this Manual by way of Manual amendment or revised interpretation. All such amendments will be by way of replacement pages each showing the date of issue so that the current page will be readily apparent.

Pending the issue of a permanent amendment the Technical Information Circular is to be filed in the appropriate place in the Manual and read in conjunction with the information contained herein.

3.0 RECOMMENDATIONS FOR AMENDMENT

- 3.1 The Commission is cognizant of the fact that the systems and procedures outlined herein have been in operation for only a limited period and accepts the fact that they may require revision and addition from time to time.

Officers in State Insurance Branches are instrumental in implementing these instructions and will therefore be in the best position to appreciate where changes are required or where new instructions are necessary. To this extent the Commission seeks their support and assistance in this area and will be happy to consider any suggestions from Branch staff.

- 3.2 The State Insurance Office already has machinery for dealing with suggestions from staff and any recommended amendments or additions to this Manual are to be submitted in the normal manner to Head Office which in turn will advise the Commission.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

Mr. Warrill
Overseas claims.
16/1/78

P2

CIRCULAR No. T 257
DATE January 16, 1978

SUBJECT: OVERSEAS ACCIDENTS

1. There are an increasing number of instances where claims, arising from accidents overseas are being incorrectly numbered and investigated by the S.I.O.
2. A further problem is that C1's are being completed and not Form C70 (a special form provided for overseas claims).
3. Claims Manual Volume I, AC 2-2 and AC 2-3 1.2.8 detail the delegations and procedures to follow where an accident occurs beyond New Zealand.
4. All such claims must be referred to the Commission immediately on receipt of the notification, without any verification, registration or investigation. Form C70 (supplied to S.I.O) is used in lieu of C1. Documents are to be transferred to ACC Head Office in accordance with AC 2-12 9.0 (Transfer of unregistered claims material).
5. However, if Form C70 has not been completed, S.I.O is to forward the claim papers without it, ACC will then take up completion of Form C70 directly with the claimant. This will avoid the delay in referral of the claim to ACC.

S. J. MAYNE
S. J. MAYNE
ADVISORY OFFICER

Distribution: All Claims Manual Volume I Holders.

Filing Instructions: AC 2-3 between pages 5 and 6.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T315
DATE 8 October 1979

SUBJECT: PERSONAL INJURY BY ACCIDENT BOOKLET

The Commission has published a booklet on PIBA, written by Mr K.L. Sandford. Copies of this booklet have been sent to:

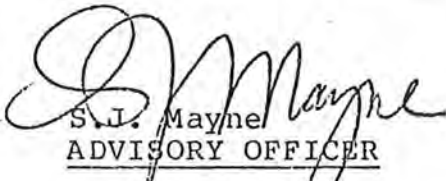
Registered General Practitioners
Registered Dental Practitioners
Registered Physiotherapists
Selected Parliamentarians
All New Zealand Legal firms
University Law Libraries

A supply will be sent to you shortly and these are to be available at all times for reference by relevant A.C.C. claims handlers.

The purpose of the booklet is:-

1. To help doctors achieve consistency in stating their views as to whether the patient has suffered PIBA or not.
2. To provide uniformity in decision making.
3. To provide a reasonably comprehensive basic statement against which future amendments and suggestions can be considered.

The booklet replaces all decision material issued to date on PIBA. Claims handlers are to use it as an interpretative manual and follow the principles within it when making a decision on PIBA.


S.J. Mayne
ADVISORY OFFICER

Distribution: All claims manual Vol. 1 holders.

Filing: Claims Manual Vol.1, AC2-5 after page 10.
Replace page 21 of the general index with the new page attached.

PAYE -		
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K.L. Sandford	AC 1-2	
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Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

Vol 1 T
AC 2-5
app J

P2

CIRCULAR No. 320

DATE 17 December 1979

SUBJECT:

PERSONAL INJURY BY ACCIDENT BOOKLET
- CONFLICT WITH PAST PRACTICE

1. T.I.C. 315 sets out the purpose of publication of the above booklet, written by Mr K.L. Sandford, and instructs that it is to be used as an interpretative manual when making decisions on P.I.B.A.
2. The Commission recognises that debate has arisen regarding some statements in the booklet and that the booklet has uncovered new dimensions to the meaning of "personal injury by accident".
3. In view of the above, delegated authority given to certain officers to decline claims is, in the meantime, modified as follows:

Where the decision-maker considers that any claim:

(i) Should be declined pursuant to a statement in the booklet, and

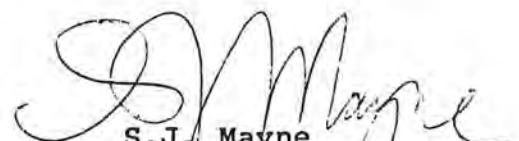
(ii) the claim would not have been declined prior to publication of the booklet:

the file is to be referred to Compensation Division, A.C.C. Head Office, with full documentation, for a decision. Reference is to be made to the statement in the booklet which appears to conflict with existing practice.

This will assist the Commission in reviewing the statements made in the booklet.

Distribution: All Claims Manual Vol I Holders

Filing: File in Claims Manual Vol I, AC 2-5, in front of Appendix 1 and after T.I.C. 315.


S.J. Mayne
ADVISORY OFFICER

APPENDIX IPERSONAL INJURY BY ACCIDENT1.0 GENERAL DEFINITION

1.1 The Commission advises that it will act in accordance with the following principles.

1.1.1 The Commission will, in each case, construe the phrase PERSONAL INJURY BY ACCIDENT in such a way as it considers advances, and is consistent with, the purpose and spirit of the Act. In doing this the Commission will interpret the phrase as follows :

PERSONAL INJURY BY ACCIDENT means :

(a) Damage to the human system which is not designed by the person injured

AND WHICH

(b) is caused by an occurrence in the nature of a mishap or untoward event. Except as provided by S.105B (Criminal Injuries) Personal Injury by Accident includes the physical and mental consequences of any such injury or of the accident but excludes damage to the body or mind caused exclusively by
(Refer to S.2(b)(i) (ii) of the A.C. Amendment Act 1974).

P15A

- 1.1.2 In addition, a person is deemed to suffer PERSONAL INJURY BY ACCIDENT in respect of the occupational diseases referred to in :

Section 66 - Hernia

Section 67 - Diseases due to the nature of employment

Section 68 - Industrial Deafness

- subject to the qualifications laid down in those sections.

- 1.1.3 It is expected that the doctor will have no difficulty, in the majority of cases, in recognising if the condition of his patient is due to PERSONAL INJURY BY ACCIDENT as above defined.

- 1.1.4 For cases that are not immediately clear the Commission advises that the following circumstances may well constitute PERSONAL INJURY BY ACCIDENT and claims should be presented. But in all such cases the tests in Paragraph 1 above must be met.

(a) Consequences of personal injury by accident

All bodily and mental consequences (traumatic or otherwise) of any such injury or of the PERSONAL INJURY BY ACCIDENT including the aggravation of a pre-existing condition, to the extent that they are direct consequences of, and provoked by, such PERSONAL INJURY BY ACCIDENT

(b) Medical treatment of accident victim

Damage to the human system that is caused by medical surgical or first-aid treatment, care or attention to a person in respect of PERSONAL INJURY BY ACCIDENT already suffered, whether or not such treatment, care or attention was proper in the circumstances.

(c) Medical or surgical misadventure

(d) Cardiac episodes

Personal Injury by Accident does not include :

- (i) Damage to the body or mind caused by cardio-vascular or cerebro-vascular episode unless the episode is the result of effort, strain, or stress that is abnormal, excessive, or unusual for the person suffering it, and the effort, strain, or stress arises out of and in

the course of the employment of that person as an employee:

(e) Forces of Nature

Consequences caused by exposure to conditions of temperature, moisture, fumes, or other similar physical factors, if such exposure is special exposure, on a particular occasion, to abnormal conditions, and is involuntary.

(f) Rescue

Personal injuries received as a consequence of participating in operations for the rescue of another person (whether or not the risk of suffering personal injury was apparent).

(g) Actual bodily harm arising in the circumstances specified in section 105B of this Act, which section was inserted by section 6 of the Accident Compensation Amendment Act 1974.

1.1.5 If cases do not clearly fall within any of the above paragraphs, that does not mean, or suggest, that the Commission will reject such claims. Any statement to that effect would amount to pre-judgement of claims yet to be presented. Each claim will be decided on its own facts and circumstances. The only generalisations that it is appropriate to make are :

- (a) claims must come within the meaning of PERSONAL INJURY BY ACCIDENT set out in Paragraph 1.1.1 above
- (b) the Accident Compensation Schemes are intended to apply to injuries from ACCIDENTS and are not to sickness or disease (except as referred to in Paragraph 1.1.2 above)

1.1.6 The Commission believes that, if the word ACCIDENT is used in its common, popular sense, most cases of PERSONAL INJURY BY ACCIDENT will be self-evident. Similarly, little difficulty should arise in identifying the majority of cases where the patient's conditions is, or is not, attributable to PERSONAL INJURY BY ACCIDENT

1.1.7 Where the doctor is in real doubt, he is not expected to make a decision or give a ruling as to whether the case is one of PERSONAL INJURY BY ACCIDENT. It is suggested that he leave the decision to the Commission by stating "Refer to Commission" in Section 4 of his First Medical Certificate.

1.1.8 If the doctor is in genuine doubt, but believes that there are reasonable grounds for regarding the case as one of PERSONAL INJURY BY ACCIDENT and refers the matter to the Commission for its ruling, the doctor's reasonable fee (over and above GMS) will be met by the Commission.

1.2 Heart Attacks/Strokes

For a heart attack/stroke to be considered personal injury by accident, as referred to in the Accident Compensation Amendment Act 1974, the following conditions must apply :

1.2.1 Work Accidents (Employees only)

Cardio-vascular and cerebro-vascular episodes (heart attacks/strokes) will not be treated as constituting personal injury by accident unless :

- (a) The heart attack/stroke is the result of effort, strain or stress that is abnormal, excessive, or unusual for the person suffering it; and the effort, strain or stress arises out of and in the course of the employment of that person as an employee;
- (b) The heart attack/stroke is itself a physical or mental consequence of an accident, (but for this purpose, mere effort, strain, or stress will not be regarded as amounting to an accident); or

(a) Non-work Accidents

(b) Work Accidents - Self-Employed

Outside the work situation as an employee, effort, strain or stress no longer constitutes "an accident". In such situations, for a heart/attack/stroke to amount to personal injury by accident, it will be necessary to establish a precipitating cause rather than an effort, strain or stress.

Cardio-vascular and cerebro-vascular episodes (heart attacks/strokes) will not be treated as constituting personal injury by accident unless :-

- (1) The heart attack/stroke is itself a physical or mental consequence of an accident, (but for this purpose, mere

PIBA

- (c) The heart attack/stroke is the physical or mental consequence of any injury already suffered by accident

effort, strain, or stress will not be regarded as amounting to an accident); or

- (ii) The heart attack/stroke is the physical or mental consequence of any injury already suffered by accident.

Examples of contributing accidental cause :

- (a) Where a person is frightened by exploding fireworks.
 (b) Where a person involuntarily falls into exceedingly cold water (e.g. a snow-fed stream or pool).
 (c) Arising from, or as a consequence of, a traffic accident.

1.2.2 Delegation

It should be noted that it is not within the S.I.O's delegated authority to accept claims concerning heart conditions or strokes. The action required is restricted to Investigate and Report.

1.2.3 Information Required

The Commission requires the following information in any claim resulting from a heart attack or stroke, at the time the claim is initiated:

- 1.2.3.1 A signed statement from the claimant, if possible, or otherwise from any witness, as to the following :

Work Accidents (Employees only)

- (a) What exactly was the claimant doing at the time of onset of his heart attack or stroke? Was he

Non-Work Accidents Work Accidents - Self-employed Non Earner

- (a) Was the heart attack/stroke in itself a physical or mental consequence of an accident (but for this

AC 2-5

following his usual employment duties, or was there any unusual effort or strain, such as lifting heavy objects, etc? ("Unusual" means outside his normal, usual work, or beyond the effort, strain or stress that usually accompanies his work)

purpose, mere effort, strain or stress will not be regarded as amounting to an accident)? If not, ascertain the full circumstances surrounding the mishap.

- (b) If there was nothing unusual at the time, had there been any unusual circumstances present shortly before the heart attack or stroke occurred?
- (b) If the heart attack/stroke was the physical or mental consequence of any injury already suffered by an accident, ascertain the full circumstances surrounding the accident.
- (c) Were there any other circumstances to suggest mishap or untoward event?

1.2.3.2 Any history of previous heart attack/stroke episodes - if so, in what circumstances?

1.2.3.3 Where is the patient at present - is he at home, was he sent to hospital and, if so is he at home again?

1.2.3.4 Ascertain the name of any specialist or hospital department to which the patient was referred and request from the relevant specialist or hospital a full medical report as soon as possible, containing full information and confirmation of diagnosis, including diagnostic tests.

At this stage, do not wait for a reply but send the file to the Commission.

As soon as the medical report is to hand, forward it on to the Commission.

1.2.4 General Comment

- (a) Although effort, strain or stress outside the work situation as an employee will no longer amount to "an accident" - in relation to heart attacks/strokes - effort, strain or stress could still, nevertheless, constitute an accident in relation to other types of injury, e.g. hernia, torn muscles or ligaments, back injuries.

PIBA

- (b) It is essential that the required information be provided as soon as possible so that the claim may be given full consideration without unnecessary correspondence and undue delay.

1.3 Assault Victims

The question has been asked as to whether the action of one person striking another can be compensated under the Accident Compensation Act as being "personal injury by accident"

In administering the Act, the Commission interprets the word "accident" from the point of view of the injured person. If that person suffers injury as a result of an act that is neither expected nor designed by him, then it will be accepted by the Commission that he has suffered "personal injury by accident" for the purposes of the Act, notwithstanding that he may have been the victim of the wilful act of his assailant.

1.4 Mental or Nervous Shock

Section 2(1)(a) of the Accident Compensation Amendment Act 1974 defines the expression "personal injury by accident" to include "the physical and mental consequences of such injury or of the accident" (This definition applies in respect of accidents occurring on or after 8 November 1974).

Where therefore an incapacity is due to a mental consequence of the accident in which he was involved, it can be said that he has suffered personal injury by accident.

EXAMPLE

On 20.12.74 the claimant, a self-employed taxi driver, was involved in an accident in which a young child was killed. The claimant, as a result of this accident suffered from severe depression to the extent that he was incapacitated in respect of driving his taxi for a short period of time.

The claimant's incapacity, which was caused by nervous shock, was established by medical evidence to have been a direct mental consequence of the motor vehicle accident. Therefore the claimant suffered personal injury by accident for the purposes of the Act.

This claim illustrates the manner in which the mental consequences of the accident may constitute personal injury by accident, notwithstanding the fact that the claimant has not suffered any physical bodily injury in the accident.

PIBA



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 471

DATE 11 January 1983

SUBJECT: MEDICAL MISADVENTURE - RETROLENTAL FIBROPLASIA

Retroleental fibroplasia (RLF) is the name given to one of the known causes of blindness. It is often associated with the administration of oxygen to premature infants or those of low birth weight. The supplemental oxygen is given to avoid the infant's death or damage to the brain.

We have become aware that a number of "RLF" cases are being submitted to the Corporation on the basis of alleged medical misadventure. A recent letter from the Royal New Zealand Foundation for the Blind indicates that further claims may be pending.

An authoritative report has been obtained from Professor H. J. Weston, Head of the Department of Paediatrics and Child Health at the Wellington Clinical School of Medicine. His report indicates that "RLF" cases are neither PIBA nor a form of medical misadventure unless there is evidence of a failure to adequately monitor the supplemental oxygen therapy. (It should be noted that there may be other aspects on a particular claim that bring it within the definition of PIBA.) Extracts from Professor Weston's report are attached.

The following comments from the judgment of Speight J., in the High Court case A.C.C. v. Auckland Hospital Board and "M" (M630/78) are also relevant:

"... All treatment, whether medical or surgical, has a chance of being unsuccessful. There is an expected failure rate in all these matters and such failure may be because no matter how correct the treatment, nature does not always respond in the desired way. It would be quite beyond the intention or wording of the Accident Compensation Act that cover should be granted on the basis of personal injury by accident merely because medical treatment was not 100 percent effective. Certainty cannot be underwritten ... Where there is an unsatisfactory outcome of treatment which can be classified as merely within the normal range of medical or surgical failure attendant upon even the most felicitous treatment, it could not be held to be a misadventure ..."

The Royal New Zealand Foundation for the Blind has been informed of our approach regarding "RLF" claims. By way of separate memorandum ACC Managers will be advised of certain cases pending, if any, within their area. However, until further notice all "RLF" claims should be referred to the Compensation Controller, ACC Head Office, after ensuring that all relevant background information, particularly regarding the monitoring of oxygen tension, is on file.



J. W. Brown
ACTING MANAGING DIRECTOR

Distribution: All Claims Manual Volume I Holders
Filing Instructions: File in AC2-5 after Appendix I.

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EXTRACTED PARAGRAPHS FROM REPORT RECEIVED FROM PROFESSOR H.
J. WESTON, F.R.C.P., F.R.A.C.P.

"... The pathogenesis of retrolental fibroplasia (RLF) has been recognised since the early 1950's and has been shown to be inversely related to birth weight and gestational age and there is a strong association between supplemental oxygen therapy and RLF. There are also case reports of RLF showing in fullterm infants and even in cyanotic heart disease! It has also occurred in Indomethacin treatment for patent ductus arteriosus.

On other occasions it has not occurred in small pre-term infants with sustained documented hyperoxemia so there are other factors probably involved. Vitamin E deficiency and transfusion of adult haemoglobin has been implicated too. Septicaemia in the baby has been a significant association probably because of endotoxin action on the retinal vessels.

Apnoeic attacks in premature infants will require oxygen and can cause considerable acute rises in arterial oxygen concentration. A Canadian study by Gunn et al showed that oxygen dose, severe apnoea, septicaemia and severe illness were the factors strongly associated with cicatricial RLF in infants of low gestational age. The length of time that immature retinal vessels are subjected to supplemental oxygen appears to be crucial. Despite vigorous monitoring during oxygen therapy there has been a rise in incidence of RLF in very low birthweight infants...

Dr Yu at Queen Victoria Medical Centre in Melbourne ... says "Oxygen therapy for pre-term infants remains a balanced risk .. death or brain damage from too little oxygen or blindness from too much. With currently available technology, even the most impeccable monitoring of arterial oxygen tension with serial samples complemented with transcutaneous oxygen measurements does not guarantee against RLF. As RLF continues to be an unavoidable risk of neonatal intensive care the need remains for vigilance on oxygen therapy and associated risk factors with pathogenesis."

22. 1.82 (195)

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ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 366
DATE 14 October, 1981

SUBJECT: PERSONAL INJURY BY ACCIDENT & MEDICAL MISADVENTURE

- 1.0 The Managing Director has recently approved the issue of Medical Information Bulletins on personal injury by accident and medical misadventure. These Bulletins will issue shortly to members of the medical profession. The text of the Bulletins is set out below. In considering claims where personal injury by accident or medical misadventure are in issue, the claims are to be decided on the basis of the comments set out in the Bulletins.

Head
L. B. Wood
ADVISORY OFFICER

Distribution : All Claims Manual Vol. I Holders.

Filing Instructions : AC 2-5 in front of Appendix I.

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MEDICAL INFORMATION BULLETIN

PERSONAL INJURY BY ACCIDENT

October 1981

No.

The basis of entitlement to benefits under the Accident Compensation Act 1972 is that a person must have suffered personal injury by accident.

The purpose of this Bulletin is to set out the principles which determine in a general sense whether a person has suffered personal injury by accident. Other Bulletins will deal with particular types of personal injury for which special statutory rules exist modifying these general principles - such as hernia (section 66), occupational disease (section 67), industrial deafness (section 68), medical misadventure, heart attacks and strokes.

There is no all-embracing definition of personal injury by accident in the Act. However, section 2 contains a partial definition in the following terms -

"Personal injury by accident" -

(a) Includes -

- (i) The physical and mental consequences of any such injury or of the accident:
- (ii) Medical, surgical, dental, or first aid misadventure:
- (iii) Incapacity resulting from an occupational disease or industrial deafness to the extent that cover extends in respect of the disease or industrial deafness under sections 65 to 68 of this Act:
- (iv) Actual bodily harm arising in the circumstances specified in section 105B of this Act ...

(b) Except as provided in the last preceding paragraph, does not include -

- (i) Damage to the body or mind caused by a cardiovascular or cerebro-vascular episode unless the episode is the result of effort, strain, or stress that is abnormal, excessive, or unusual for the person suffering it, and the effort, strain, or stress arises out of and in the course of the employment of that person as an employee:

- (ii) Damage to the body or mind caused exclusively by disease, infection, or the ageing process:'

This definition is clearly not exhaustive. It states only that the expression personal injury by accident includes certain types of circumstances and excludes other types of circumstances. The application of this partial definition is probably best understood by looking first at the exclusive portion of it - paragraph (b). That portion states that personal injury by accident does not encompass certain kinds of injury except to the extent that they are provided for -

- (i) either in the inclusive portion of the definition - paragraph (a), or
- (ii) in the wording of the exclusive portion itself - paragraph (b).

Thus, for example, there is no entitlement under the Act in respect of a heart attack (or stroke) unless -

- (a) The heart attack (or stroke) can be shown to be a physical consequence of some other form of personal injury by accident: clause (i) of paragraph (a) of the definition; or
- (b) The heart attack (or stroke) is suffered by an employee (but not by a self-employed person) as the result of abnormal effort etc., arising out of and in the course of employment: clause (i) of paragraph (b) of the definition.

And, so too, there is no entitlement in respect of disease or infection unless it can be shown that the disease or infection comes within one of the clauses of paragraph (a) of the definition as being either -

- * A physical consequence of some other form of personal injury by accident; or
- * An occupational disease within the requirements of section 67; or
- * A form of bodily harm within the requirements of section 105B. [Section 105B relates to the consequences of certain criminal offences which are deemed to be personal injury by accident - rape, sexual intercourse with a girl under 12, and infecting with disease.]

Where injury arises in circumstances covered by the words of the definition in section 2 of the Act, entitlement to benefits will be determined in accordance with the words of that statutory definition. Where, however, the injury occurs in circumstances not covered by the words of the statutory definition, entitlement will be determined in accordance with the general principles as stated in this Bulletin.

As a matter of general principle personal injury by accident means any form of damage to the human system which is unexpected and which was not designed by the person injured.

The two key elements are (i) unexpectedness so far as the injured person is concerned and (ii) lack of intention to cause self injury. In addition, the damage must be suffered with a degree of suddenness so that it can be said to be unexpected and therefore by accident in contrast with developing over a period of time as happens often with the spread of disease or illness or the ageing process or the gradual weakening of the body through pressure of daily work and living.

Thus, a wilfully self-inflicted injury, or an injury which a person, with intent to injure himself, causes to be inflicted upon himself is excluded from being personal injury by accident. These particular types of "self" injury are expressly excluded (section 137 of the Act). Also expressly excluded is injury arising from disease or infection except as already outlined.

As a general principle determination of personal injury by accident must be assessed from the viewpoint of the person injured. It embraces two broad types of situation (frequently referred to popularly as "accidents"), namely -

- (a) The occurrence of an injury which was not intended by the person who suffers the misfortune - for example, the occurrence of a hernia from intentionally attempting to lift an object which was found to be heavier or more awkward than expected; and
- (b) The occurrence of an injury as the result of the deliberate or intentional act of another person - for example, injury suffered when assaulted (provided, of course, the evidence does not show in this type of situation that the person injured "consented" to that injury being inflicted upon himself: section 137).

Personal injury by accident may therefore occur from any of the following kinds of situation -

- (a) An occurrence external to the injured person, for example, a blow, a motor accident, a fall, etc., or
- (b) Some form of bodily activity which would be perceptible to an observer if one were present when it occurred, for example, and injury from bending, or a hernia from lifting or straining at a heavy object, or a ruptured tendon from running etc., or
- (c) Unanticipated injury occurring within the body due to factors originating from outside, for example, medical or surgical misadventure.

In his day-to-day work the practitioner will not encounter any difficulty with obvious "accidents" in the ordinary and popular sense of that word which cause personal injury. In a small number of cases, however, he may be in a little doubt as to how to proceed. In such cases provision is made on the FIRST MEDICAL CERTIFICATE (C.14) to refer the question to the Corporation for determination, and it is hoped that the practitioner will do this. Also, in such cases, the practitioner should not hesitate to contact the Corporation's local Regional Medical Officer to discuss whether or not the patient may have an entitlement under the Act.


J.L. Fahy
MANAGING DIRECTOR

MEDICAL INFORMATION BULLETIN

MEDICAL MISADVENTURE

October 1981

No.

The Accident Compensation Act specifically provides that the term "personal injury by accident" includes ... "medical, surgical, dental, or first aid misadventure."

The meaning of this phrase has been considered in various cases, both by the Corporation and by the Courts. In one case, when the definition was later approved by the High Court, it was said that a medical misadventure included -

"a mischance or accident, unexpected and undesigned, relating to medical treatment and arising out of a lawful act."

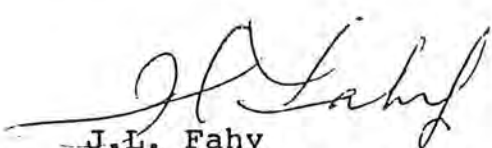
The effect of the definition is that it is not necessary to show that there has been negligence on the part of a medical practitioner before a claim will lie for medical misadventure. The definition embraces the cases where the correct procedures are carried out but where a mischance or accident, unexpected and undesigned, occurred.

All treatment, whether medical or surgical, has a chance of being unsuccessful. There is a natural and expected failure rate. The Act does not provide a guarantee of complete success in medical treatment. Where there is an unsatisfactory outcome of treatment which can be classified as merely within the normal range of medical or surgical failure, this would not be held to be a medical misadventure.

Kindly note that not all cases of medical negligence come within the scope of medical misadventure. While acts of operational negligence will obviously be included, an act of omission in failing to respond to a call for treatment would not be included. Public liability insurance cover should be maintained to cover this type of situation.

Medical practitioners should be prepared fully to document the circumstances of any cases which could be regarded as medical misadventure. In cases of doubt, they should also be prepared to discuss prospective claims with the Corporation's local Regional Medical Officer.

Although the above comments are made in relation to the expression "medical misadventure" they apply equally to the other forms of misadventure referred to in the Act.


J.L. Fahy

MANAGING DIRECTOR

Appendix 1.

AC 2-5

1.5 ANTE NATAL INJURIES

1.5.1 The Commission will consider claims in respect of ante-natal injuries subject to the criteria outlined below.

(a) Is it a case of "personal injury by accident" within the meaning of that term under the Accident Compensation Act? and

(b) Did the "accident" occur before, on, or after 1 April 1974?

1.5.2 It is the Commission's view that, however difficult it may be to answer these questions in individual cases, they are essentially questions of fact, and if it is established that an "event" occurred to the mother during pregnancy, and

(a) that "event" could be described as an "accident" within the generally accepted meaning of the word, and

(b) medical evidence can substantiate that the "accident" resulted in injury to the foetus causing abnormality in the child subsequently born alive, and

(c) the "accident" occurred on or after 1 April 1974

then a claim for compensation would and should be accepted and compensation become payable.

PIBA

APPENDIX IIEXTENSION OF COVER UNDER EARNERS
SCHEME1.0 AUTOMATIC EXTENSION

Section 59 provides an injured person with an automatic extension of cover under the Earners Scheme for a period of up to 13 weeks following the date that person ceased to be an earner.

The actual period of this automatic extension is computed as follows :-

- (a) Cover during the period of 7 days following the date on which he ceased to have cover under the Earners Scheme is given in every case, and in addition
- (b) a further period of 7 days is allowed for each completed 30 days in respect of which he would have had cover under the Earners Scheme during the 12 months prior to the date he last ceased to have cover under the Earners Scheme.

Example 1.01 An earner in continuous employment for the full 12 months prior to 30th April, 1975, ceases work on that date. He suffers an accident on 30th June 1975, and has not worked in the intervening period. The calculation of the period of automatic extension would be as follows :

- (i) A period of 7 days under para (a) above i.e. 1.5.75 to 7.5.75.
- (ii) A period of 7 days for each complete 30 days for which he had cover as an earner in the 12 months prior to the date he last ceased to have cover under the Earners Scheme that is 30th April 1974 to 30th April 1975.
In this period he had worked continuously for 12 months - that is 12 complete 30 day periods which entitles him to an extension of cover of 12 weeks - that is, 8.5.75 to 30.7.75.

As the accident occurred 30.6.75 and his automatic extension would have continued until 30.7.75 he is entitled to cover under the Earners Scheme in respect of that accident.

Example 1.02 An earner in seasonal employment worked continuously from 1st October to 28th April, in each year. He did not undertake paid employment in the intervening period. He suffered an accident on 14th June 1975. The calculation of the period of automatic extension would be as follows :-

- (i) A period of 7 days under para (a) above, i.e. 29.4.75 to 5.5.75
- (ii) During the period 28.4.74 to 28.4.75 he was in continuous employment from 1.10.74 to 28.4.75 a total of 210 days i.e. 7 complete 30 day periods giving him an extension of 7 weeks from 5.5.75 until 23.6.75.

As his accident occurred within the period of extension he would have automatic entitlement cover.

Example 1.03 An earner in continuous employment for the full 12 months prior to 30 June 1975, ceases work on that date. He suffers an accident on the 30th September 1975 and has not worked in the intervening period. The calculation of the period of automatic extension would be as follows :

- (i) A period of 7 days under para (a) above - that is, 1.7.75 to 7.7.75
- (ii) A period of 7 days for each complete 30 days for which he had cover as an earner in the 12 months prior to the date he last ceased to have cover under the Earners Scheme. In this period he had cover under the Earners Scheme from the 30.6.74 to 30.6.75 a total of 12 months i.e. 12 complete 30 day periods which entitles him to an extension of cover of 12 weeks from 8.7.75 until 29.9.75

As the accident occurred on the 30th September 1975, and his automatic extension would only have continued until the 29th September 1975 he is not entitled to be classified as an "earner" under Section 59 (2). However the Commission could consider extending the period of cover for such further period as the Commission in its discretion may consider reasonable.

(See discretionary extension para 2.0 below).

1.1 It will be apparent from the examples above that two dates are foremost in calculating the automatic extension.

- (i) The date of the accident and -
- (ii) The date he last ceased to have cover under the Earners Scheme.

- 1.1.1 If (i) and (ii) above are within 13 weeks of each other and the claimant has been in continuous employment during the whole of the 12 months prior to the date when he last ceased to have cover, section 59 (2) automatic extension of cover operates and confers cover as at that date of the accident;
- 1.1.2 If (i) and (ii) above are within 13 weeks of each other but the claimant has not been in continuous employment during the whole of the 12 months prior to the date when he last ceased to be an earner, it will be necessary to calculate whether Section 59(2) automatic extension of cover operates up to the date of the accident. If not, consider possible application of discretionary powers under proviso:
- 1.1.3 If (i) and (ii) above are more than 13 weeks apart, then the automatic extension of cover cannot operate and consideration will have to be given to the discretionary powers under the proviso to Section 59(2). (See discretionary extension para 2.0 below)

NOTE

- (i) For calculating the amount of automatic entitlement please note that the 30 day periods are calculated from the date the claimant last ceased to have cover under the Earners Scheme - not from the date of the accident,
- (ii) Cover under the earners scheme is not calculated with regard only to periods of paid employment. Cover continues during periods of unpaid leave or sick leave as well as periods of paid employment, however cover ceases when the contract of service is terminated by dismissal or resignation.

Periods of paid employment are of course important in calculating relevant earnings but not for determining the continuance of cover.

RE, ERC

2.0 DISCRETIONARY EXTENSION

- 2.1 In addition to the above automatic extension, Section 59 gives a discretionary power to extend the period of cover "for such further period as the Commission may consider reasonable". This power has not been delegated to the State Insurance Office but its officers must investigate and provide such information as will enable the Commission to exercise its discretion in appropriate cases.
- 2.2 The section itself specifies certain criteria which are to be taken into account in considering this extension namely :
- The person's employment history
 - The person's state of health
 - The person's age
 - The circumstances under which he ceased to be an earner.
- 2.3 The age of the injured person will normally be available from the A.C.C. Form C1 but other criteria will need to be ascertained by specific enquiry. In particular the following details should be obtained :
- 2.3.1 The total period during which the claimant has been an earner e.g. 10 years, 20 years or 40 years.
- NOTE : Do not include full details of employment history over this period. However, ascertain whether there were any substantial breaks in that employment because of sickness, vacation, service in the armed forces etc., together with the reason why.
- There could well be instances where a person although having become an earner 40 years or more before, may not, in fact, for a variety of reasons, have been an earner for a substantial portion of that period. If such facts became known it could be material whether or not the discretion to extend cover should be exercised.
- 2.3.2 Full details of the claimant's employment history over (say) the last 4 years prior to the date of ceasing to be an earner.
- NOTE : Where there have been significant breaks in the total period of employment (and the last four years) not only should the reasons for those breaks be ascertained but, where the breaks were occasioned through illness, determine whether such illness resulted from employment.

RE, ERC

A lengthy period of illness occasioned through employment will not necessarily debar a person from having a discretionary extension of cover exercised in his favour.

If the breaks were occasioned through illness, work related or not, obtain an authority from the claimant to enable medical details to be provided by the doctor.

- 2.3.3 The reasons for the claimant not being an earner at the time of the accident.
- 2.3.4 The reasons why the claimant ceased employment. Some tact may be required here but full details should be sought. Confirmation from the previous employer may be necessary.
- 2.3.5 Details of any efforts to secure other employment since cessation of work (or reasons for not doing so)
- 2.3.6 Any other relevant information which may assist the Commission in its determination.

RE, ERC.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

REFERC P2

CIRCULAR No. T244
DATE 14 June 1977

SUBJECT: VALUE OF ALLOWANCES FOR PURPOSE OF ASSESSING E.R.C.

Appendix III of AC2-5 Claims Manual Volume 1 sets out the various aspects to be considered in assessing E.R.C. in cases where relevant earnings include an "allowance" (e.g. free house) paid or provided in addition to salary or wages. In particular, paragraph 2.8 of this appendix indicates that the amount of any "benefit allowance" as determined by Inland Revenue Department for tax purposes is not necessarily the amount the Commission will accept for the purpose of determining relevant earnings.

The matter of "benefit allowances" was recently the subject of a legal opinion which indicated that the approach detailed in the manual may be in error. The Commission has therefore determined that in any case where such an allowance is included in an injured employees' earnings, the value of such benefit, for the purpose of assessing relevant earnings, is to be that amount which the employer negotiates with the Commissioner of Inland Revenue for the purpose of determining the employees overall taxable earnings.

The information is obtained initially from the earnings certificate supplied by the employer. If the employer only fills in, say, "Free House" without further clarification enquire from the employer:-

- (a) What value is placed on the house when calculating P.A.Y.E. deductions for the employee and,
- (b) If this value has already been included in the weekly wage shown on the earnings certificate.

This matter will be the subject of further study but in the meantime, all copies of Claims Manual Volume 1 are to have Appendix III of AC2-5 clearly noted "superceded by TIC 244".

REMINDER: If the employee continues to enjoy the benefit while he is incapacitated then the value of the benefit is to be treated as "earnings during incapacity".

FILING INSTRUCTIONS: Please file this TIC in Claims Manual Volume 1 on top of Appendix III.

Signed

ADVISORY OFFICER

1.0 Where a claimant's earnings include various allowances paid in addition to salary or wages e.g. a farm labourer's free house, consideration should be given to whether the allowance is a reimbursing allowance or a benefit allowance.

1.1 Where the allowance is a benefit allowance an employer or the Commission is obliged to include it in the calculation of compensation BUT -

Where the allowance is a reimbursing allowance an employer or the Commission is not obliged to include it in the calculation of compensation.

2.0 In order to classify allowances into either benefit or reimbursing allowances apply the criteria set out below:

2.1 Earnings as an employee for the purposes of Section 103 of the Accident Compensation Act are defined to include any "allowances" paid to an employee.

2.2 Under the Land and Income Tax Act 1954 (section 88 (1) (b)) all allowances (whether in cash or otherwise) paid "in respect of or in relation to the employment or service of an employee" form part of his assessable income for tax purposes.

2.3 Allowances which are received "in relation to the employment or service of an employee" are those which bestow a monetary gain on the recipient. They may be regarded as additional salary or wages and for this reason the value of such allowances are subject to taxation in the hands of the employee. These allowances are termed "benefit allowances".

2.4 Examples of "benefit allowances" include:

- allowances paid for working under difficult conditions, e.g. dirt, dust, dampness.
- shift allowances.
- the value of a free house or food or coal
- the value of free board.

RE, ERC

- 2.5 "Benefit allowances" therefore form part of the "earnings" of an employee for the purpose of first week compensation and the assessment of compensation after the first week of incapacity.
- 2.6 A "benefit allowance" should be distinguished from a "reimbursing allowance" which is paid by an employer where the employee, in the course of his employment, incurs certain expenses which may reasonably be regarded as being the liability of the employer. Payment of a reimbursing allowance is generally made to compensate the employee for the use of his tools, clothing, motor vehicle or whatever, for the purposes of his employment. It does not form part of the person's salary. Examples include:

- motor vehicle allowance
- uniform allowance
- meal allowance
- tool allowance

Reimbursing allowances are non-taxable and therefore not included in calculating earnings under the Accident Compensation Act.

- 2.7 It will be seen that in determining whether we include an allowance when calculating compensation under the Accident Compensation Act, the test is to ascertain whether the allowance is subject to taxation. If the allowance is subject to tax it is a benefit allowance and accordingly included in the first week's compensation and in relevant earnings' calculations.

- 2.8 However, the amount of the allowance determined by the Inland Revenue is not necessarily the amount the Commission will fix for the purpose of determining relevant earnings. The Commission having determined that the allowance is beneficial, may then having regard to the facts of the case, fix the value of the allowance at a figure that is considered appropriate in the circumstances. e.g. the Inland Revenue may for tax purposes declare the value of a farm employee's free house at \$4 per week. The Commission having accepted that it is a benefit allowance may fix the value of the house at \$20 per week.

RE,ERC

2.9 Wherever there is doubt as to the nature of an allowance:

- (i) Ask the employer if the allowance is being taxed, it may generally be assumed that the allowance is a "benefit" allowance.
- (ii) If the matter is still in doubt, the advice of the Inland Revenue should be sought.

RE,ERC

ACCIDENT COMPENSATIONINSTRUCTION NO. 2PROCESSINGPART 6 - EARNINGS RELATED
COMPENSATION - EMPLOYEES

<u>Reference</u>	<u>Contents</u>
1.0	General
2.0	First Week
3.0	Relevant Earnings
4.0	Loss of Earning Capacity
5.0	Assessment of Earnings Related Compensation
6.0	Duration of Week in Which ERC is Payable
7.0	Effect of Statutory Holidays on ERC
8.0	Annual Holidays
9.0	Compensation to Dependants
10.0	Refund of Social Welfare Benefits and the Calculation of Tax on ERC
11.0	New Zealand Superannuation Act
12.0	Brucellosis - Freezing Workers Supplemental Assistance Scheme
13.0	Shareholder Employees of Private Companies
APPENDIX	Examples 1 - 19
Procedure Sheet - AC 2-6A Earnings Related Compensation	



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

RE, ERC P2

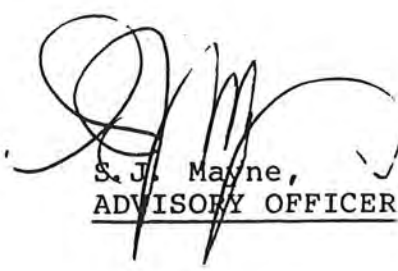
CIRCULAR No. 302
DATE 1 April 1979

SUBJECT: INCREASE IN TOTAL ERC PAYABLE

An Order in Council (1979/16) has been issued which will increase the prescribed maximum for the purposes of Section 113.

Effective from 1 April 1979, the maximum amount of ERC payable is increased from \$240.00 to \$288.00.

This increase will apply for the purposes of calculating ERC for any period of incapacity which occurs on or after the effective date of the Order in Council, whether the accident occurred before, on or after that date.


S. J. Mayne,
ADVISORY OFFICER

Please file this circular in Claims Manual Volume I at the front of AC2-6

Distribution: To All Claims Manual Volume I holders



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T286

DATE 28 November 1978

SUBJECT: THE ACCIDENT COMPENSATION AMENDMENT ACT 1978

Introduction

The Accident Compensation Act has been amended. The Amendment Act came into force on 11 October 1978. However, special provisions as to implementation dates apply to Sections 8 and 10 of the Amendment Act. (See page 3 & 4 below)

The purpose of this Technical Information Circular is to provide a brief explanation of the changes to the principal Act.

Commentary -

The Amendment Act of 1978 is as follows:

Section 1 - Short Title

Section 2 - Definition of New Zealand -

Section 2 (1)

The Act now has a restricted definition of New Zealand for the purposes of the Accident Compensation Legislation.

This definition serves to declare the territorial limits of New Zealand as they were when the Act came into force on 1 April 1974. The manual (AC 2-2 2.1.2.1) gives a list of those islands which are included within the boundaries of New Zealand. Refer also to the maps which accompany TIC 287, "The definition of New Zealand relating to cover for persons not ordinarily resident in New Zealand (102C) and to persons travelling between places in New Zealand (105A) "enclosed with this circular.

In addition, the definition includes any installation or drilling rig that is constructed, placed or used in, on or above the Continental Shelf that belong to the land territories for the purpose of exploration or exploitation of the Continental Shelf or its resources.

By implication, this definition excludes the Ross Dependency and its internal waters or territorial seas from being a part of New Zealand for the purposes of the Principal Act.

For examples of the relationships and applications of this Section to Sections 102C and 105A, refer to TIC 287.

SECTION 3 - Extension of Cover Under
the Earners Scheme

Section 59 (2)

There is no change to the existing method of calculating the extension of cover. The rewording of the subsection is to clearly show that the period of the extension runs from the date on which the cover would have ceased, that is, the date the person ceased to be an earner.

The manual instructions (2-5 Appendix 2 1.0) interpret the extension of cover in the correct manner.

SECTION 4 - Penalties and Bonuses on Employers and Self Employed Persons Section 73

This Section repeals Section 73 and substitutes a new Section. In addition to the original provisions of the Section, the Commission is now able to pay cash bonuses or to impose cash penalties on employers and self employed persons according to their accident experience.

This will give the Commission greater flexibility and will widen the scope of an adjustment system based on employers' and self employed persons' accident records.

SECTION 5 - Statements of Earnings and Payment of Levies by Self Employed Persons Section 78

The provisions relating to the dates for delivery of statements of earnings and payment of levies by self employed persons have been changed. In essence:

- (a) The date for delivery of statements of earnings now coincides with the date for furnishing the income tax return for the same period and;
- (b) The date for payment of the levy now coincides with the time for payment of the terminal tax for the same period.

SECTION 6 - Deduction of Levy from Payment Due to Defaulters Section 81A

This new Section, 81A, provides that, where an employer or self employed person has made default in payment of any levy (including penalty, if any), the Commission can, by notice in writing, require any person to deduct from any amount payable by that person to the defaulter, such sum as may be specified, and to pay that sum deducted to the Commission.

SECTION 7 - Persons not ordinarily resident in New Zealand Section 102C

This amendment serves to clarify the circumstances in which overseas visitors to New Zealand obtain cover under the Act.

Non-residents do not obtain cover until they have actually set foot in New Zealand. Furthermore, whenever such persons return to the ship or aircraft for any reason, they lose cover while they are on board.

For illustrations of the relationships and applications of this Section to the definition of New Zealand and Section 105A, refer to TIC 287.

SECTION 8 - Limitation Affecting ERC - Various Sections
see below

The statutory maximum of relevant earnings is discontinued for periods of incapacity occurring on or after 1 December 1978.

Prior to 1 December 1978, those persons who continued to receive earnings which were equal to or greater than the maximum relevant earnings (\$300-00) were not entitled to ERC.

However, this amendment makes it possible for persons with continuing post accident earnings to receive earnings related compensation, up to the maximum limits, for periods of incapacity occurring on or after 1 December 1978.

From 1 December 1978 the maximum ERC payable will be \$240-00 per week. However, it should be noted that an Order in Council is forthcoming which will increase that maximum to \$288-00 effective from 1 April 1979. A TIC will be issued prior to that date.

Examples of calculations in the case of employees, both before and after 1 December 1978 are given in Appendix I attached.

The amendment is equally applicable to self employed persons. See the examples in Appendix II attached.

A breakdown of Section 8 is set out below.

Subsection (1):

This subsection has the effect of removing from Section 104 (13) the previous system of a maximum prescribed amount of relevant earnings for the purpose of calculating earnings related compensation payable in respect of any period after the 1st day of December 1978.

Subsection (2):

This subsection amends Section 113 by adding to that Section a new subsection which provides for a maximum amount of earnings related compensation that may be paid to any person in respect of any period of incapacity that occurs on and after the 1st day of December 1978, irrespective of the date of the accident. This maximum amount may be varied from time to time by Order in Council.

Subsection (3):

This subsection revises subsection (10) of Section 114 to incorporate the new limitation referred to in (now) Section 113 (13). The same operative date of the 1st day of December 1978 is included.

Subsection (4):

This subsection amends the First Schedule to the Act by prescribing as the maximum weekly rate of earnings related compensation the sum of \$240-00.

Subsections (5) and (6):

These subsections make the necessary amendments consequential on the introduction of the new limitation referred to in subsections (2) and (3) above.

SECTION 9 - Persons Travelling Between
Places in New Zealand

Section 105A

Because of the incorporation of the definition of New Zealand (Section 2(1)), it has been necessary to delete the references to "territorial sea of New Zealand" which appeared in Section 105A. However, the scope of the amended Section remains the same as the original.

Section 105A deals with the continuation of cover and can be contrasted with Section 102C which deals with the commencement and cessation of cover.

Examples of the relationships and applications of 105A to the definition of New Zealand and Section 102C can be found in TIC 287.

SECTION 10 - Conveyance by Ambulance -

Section 109A

Section 109A is a new Section which is deemed to have come into force on 1 April 1977. This Section now makes the Commission liable for the payment of all reasonable costs resulting from necessary transport of the injured person in an ambulance.

For the purposes of the practical operation of this Section the Commission has adopted the term "ambulance" as meaning any motor vehicle designed and used principally for the carriage of sick or injured persons. The use of an aircraft or a sea vessel for the carriage of a sick or injured person will not be considered an "ambulance" for the purposes of Section 109A but the cost of using such a craft for the transport of an injured person may still be considered under Section 107 (conveyance of employees injured in course of employment) Section 108 (conveyance in other cases) and Section 109 (subsequent conveyance for treatment).

In view of the specific provisions of Section 109A "ambulance" costs cannot be considered under any other Section.

Payment of "ambulance" costs do not involve the Commission's agents. Ambulance organisations and hospital boards currently submit schedules of individual accounts to the Department of Health. The Commission will make periodic payments to the Department of Health based on the number of ambulance calls involving accident victims and at a rate for the calls which the Commission accepts as reasonable. Should any individual accounts be misdirected to the Commission or its agents they are to be returned to source with the advice that the account be directed to the Department of Health. ✓

Under this arrangement it will be most unlikely that ambulance organisations request a donation from the injured person. However, if that is not the case and an injured person claims reimbursement for a donation made, the receipted account is to be referred to Accident Compensation Commission Head Office. ✓

SECTION 11 - Payments to Minors and Persons Section 126
Under Disability or Needing
Protection

Section 126 has been replaced.

The replacement Section relates to payments made to trustees and guardians of minors and persons under disability or needing protection.

The main changes are:

- (a) The Section now includes those persons who are suffering from a physical infirmity as well as those suffering from a mental infirmity.
- (b) Individuals and trustee corporations (not only the Public Trustee) may be appointed as Trustees to handle compensation payable in such cases.
- (c) The Commission may now exercise the power contained in this section without the prior need for formal application being made to the Commission.

In practice, the changes in this Section have been implemented. However, any TIC's or Manual Amendments will be issued as soon as practicable.

SECTION 12 - Compensation Under Act in Section 131
Cases Where Claim Lies Overseas,
etc

Since 1 April 1974 a number of instances have occurred where a person has had an accident in New Zealand and, in addition to receiving compensation under the Accident Compensation Act, has been able to initiate a claim for damages overseas.

By inserting the words "either within or" before the words "outside New Zealand" in Section 131 (1), the provisions of the Section are extended to those situations described above.

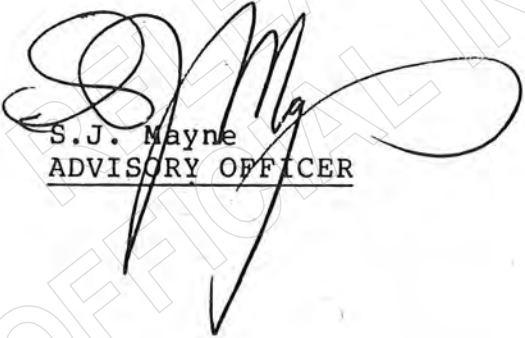
Thus, for accidental injuries occurring in or out of New Zealand, the Commission may:

- (a) Deduct from the compensation under the Act any compensation or amount recovered by enforcement of any claim overseas,
- (b) Require, as a condition precedent to the granting of compensation under the Act, that all reasonable steps be taken to pursue any overseas damages or compensation, and
- (c) Meet all or some of the expenses involved in pursuing such a claim.

SECTION 13 - Regulations

Section 181

This Section provides for consequential amendment to Section 181 flowing from the amendments in Sections 4 and 5 of the Amendment Act.


S.J. Mayne
ADVISORY OFFICER

APPENDIX I

1.0 WHERE EMPLOYER PAYS BENEFITS OR ALLOWANCE TO EMPLOYEE FOR ANY PERIOD THE EMPLOYEE IS UNABLE TO WORK IN EMPLOYMENT - EFFECT OF MAXIMUM RELEVANT EARNINGS INCAPACITY BEFORE 1 DECEMBER 1978

1.1 This example shows the effect of Section 113(4) where earnings exceed \$300-00.

1.2 The maximum applies when establishing loss of earning capacity.

1.2.1	Average weekly earnings =	\$450-00
1.2.2	Allowance paid by employer	\$210-00
1.2.3	ERC (if employer had made no payment) maximum applies i.e. 80% of \$300-00	\$240-00
		\$450-00

* Excess over loss of earning capacity (maximum \$300-00) \$150-00

* Deduct excess from \$240-00

* Gross ERC payable \$ 90-00

2.0 Where employer pays benefits during total incapacity or there are post accident earnings - effects of maximum earnings related compensation.

2.1 This example shows the effect of Section 113(4) on or after 1 December 1978.

2.1.1	Average weekly earnings	\$450-00	400
2.1.2	Allowance paid by employer (or post accident earnings)	\$210-00	80
2.1.3	Loss of earning capacity	\$240-00	320
	Earnings related compensation x .80		
	Payable to claimant	\$192-00	

2.3 Considering a higher rate of post accident earnings the calculation is as follows:

2.2.1 Average weekly earnings \$450-00

2.3.2 Allowance paid by employer (post accident earnings) \$450-00

Incorrect with regard to 113(4) This calc applies to actual wage loss.

2.4.3	Loss of earnings capacity	Nil
		x .80
	ERC payable to claimant	Nil

- 2.3 However, under the Approved Employer Scheme the Commission may, by recognising that its liability for ERC has been assumed by the employer, reimburse the employer up to the maximum earnings related compensation i.e. \$240-00.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX II

1.0 Effect of maximum earnings related compensation on self employed high earners.

- 1.1 Issue: Prior to 1 December 1978, the ceiling on relevant earnings (\$300-00) precludes payment of earnings related compensation to those self employed persons whose continued earnings during the period of incapacity exceeds \$300-00 per week. This occurred even though the actual earnings were below the pre-accident earnings because of the accident injuries.

The Amendment Act 1978, effective from 1 December, 1978, has removed the ceiling on the relevant earnings which are used in the calculation of ERC.

- 1.2 Effect: Because the maximum will now relate to the amount of ERC (\$240-00), the relevant consideration will be the loss of earnings rather than the amount of post accident earnings.

- 1.2.1 For those cases where an entitlement to ERC exists prior to 1 December 1978, the calculation will continue as in the past.

e.g. Pre-accident self employed earnings	\$600 per week
Maximum relevant earnings	\$300 per week
Post accident earnings	\$300 per week
Loss of earning capacity	Nil

Thus, because the post accident earnings equal (or exceed) the maximum relevant earnings, there is no entitlement to ERC.

- 1.2.2 For entitlement on or after 1 December 1978, the following examples will apply:

e.g. Self employed relevant earnings	\$600 per week
Post accident earnings	\$300 per week
Loss of earning capacity	\$300 per week
	x .80

Earnings related compensation \$240 per week

e.g. Self employed relevant earnings	\$600 per week
Post accident earnings	\$200 per week
Loss of earning capacity	\$400 per week
	x .80
	\$320

But the maximum amount of
ERC payable is \$240
therefore pay:

\$240 \$288

- 1.8 Thus, from 1 December 1978, because the bar on relevant earnings no longer exists, the earner will be able to receive earnings related compensation based on the loss of earning capacity, subject to the maximum ERC of \$240-00 rather than being limited to the loss based on the statutory limitation of his relevant earnings, i.e. \$300-00.

Please file this circular in Claims Manual Volume I at the front of AC 2-6.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

EARNING RELATED COMPENSATIONINTRODUCTION

This section deals with claims from employees (and potential or former employees) only. Refer to AC 2-7 for claims in respect of wholly or partly self employed persons.

1.0 GENERAL

Earnings related compensation (E.R.C.) applies only to claims from "earners" (including potential earners and non-earners who have cover under the Earners Scheme by virtue of the application of Section 59) and their dependants.

2.0 FIRST WEEK

- 2.1 Earnings related compensation in respect of the first week under Section 112 is payable only to an employee who suffered personal injury by accident "arising out of and in course of his employment"

The term "arising out of and in the course of" has been expanded to include certain circumstances both within and away from the work place and particular care must be taken when considering "first week" payments to give full weight to the relevant sections of the Act, i.e.

Section 66	Hernia
Section 67	Diseases arising out of employment
Section 68	Industrial Deafness
Section 84	Acting in breach of Act, regulations or orders
Section 85	Travelling to or from work
Section 86	Meal and rest times
Section 87	Travel between place of employment and premises to which there is a right of access
Section 88	Waterside workers awaiting engagement
Section 89	Certain accidents deemed to arise out of employment

REFERC

FW

Compensation for the first week is to be paid by the employer, in respect of work accidents except that in the circumstances described hereunder the Office is responsible for the payment, where

- (a) The employee is engaged in more than one occupation i.e. dual employment and the earnings lost are related to employment as an employee, other than in the employment in which the accident arose, or

NOTE: Where the employee is engaged in more than one occupation and the accident arose out of and in the course of his employment as a self employed person the office is liable to pay for the earnings lost as an employee in his other employment.

- (b) the duration of the work accident employment was less than seven days, or
- (c) the work accident employment was to terminate within six days after the date of the accident.

NOTE: Refer to Appendix - Examples 1.0 for the application of the proviso to subsection 2(b) of section 112 and the proviso to subsection 1, where the injured person is engaged as an employee in more than one occupation. See AC2-7, 2.0 for cases where the injured person is both an employee and a self employed person.

- 2.2 Where an employee (or his representative) advises that his employer refuses to pay "first week" in circumstances where it is alleged that the incapacity arose from a "work accident" the Office is to make such investigations as are necessary to clarify the situation. In this regard it is necessary to establish that the incapacity resulted from personal injury by accident arising out of and in the course of the employment (Refer para 2.1).

- 2.2.1 If the facts clearly indicate a liability on the employer to pay "first week" compensation and he refuses to do so, the Office is to pay the employee in accordance with the provisions of Section 112. The Office will then approach the employer with a request for reimbursement of the amount so paid but if he still refuses the file is to be referred to the Commission for consideration of legal action.

- 2.2.2 If the investigation indicates that the accident did not arise out of and in the course of the employment or for any other reason there is no obligation to pay the "first week" compensation refer the file to the Commission with a recommendation that this aspect of the claim be declined. This enables a decision to be notified to the claimant who if he disagrees can then proceed to review and appeal.

2.3 Obtain A.C.C. Form C5 (Earnings Certificate - first week) when a prima facie entitlement to first week's compensation is established from A.C.C. Form C1 (Notification of Accident and Claim Form) and supporting papers. There is provision for sufficient detail on these forms to enable a final check on the entitlement to cover during the first week of incapacity and to establish responsibility for the payment of first week compensation.

2.4 The A.C.C. Form C5 (Earnings Certificate - first week) contains details of :

2.4.1 the time worked in the employment (excluding overtime) together with the rate of remuneration.

NOTE : If the time so lost cannot be determined obtain the time lost (excluding overtime) in the seven days immediately preceding the accident and relate this to the average hourly rate of remuneration which again is excluding overtime

2.4.2 any payment other than in respect of the time so lost, made by the employer during the period of incapacity.

2.5 Section 112 contains the rules for determining the basis for assessment of earnings related compensation for the first week, i.e. the total time (exclusive of overtime) that the injured employee loses from work as a result of the incapacity. The time so lost is multiplied by the rate of remuneration to establish the actual amount the injured employee loses in that employment. Carefully note the following provisions of Section 112.

2.5.1 the term "first week" applies only to incapacity occurring within the period during the day of the accident and the six days thereafter.

2.5.2 any payment to any employee by his employer other than in respect of time so lost is to be taken into account in establishing the amount to be paid for compensation either by the employer or the office. (See the provisos to sub-section 1, Section 112)



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 430

DATE 13 OCTOBER, 1982

SUBJECT: REQUEST FOR PRE-INCAPACITY EARNINGS DETAILS

The Corporation has a discretionary power to adjust and update relevant earnings in appropriate cases where any period of incapacity does not commence on the date of accident.

The instructions in TIC 369 require a new C3 to be completed showing updated earnings details. However, the existing wording of the form is not altogether suitable for pre-incapacity earnings. To date Regional and District Offices have been using a number of methods to obtain the new information. In order to maintain consistency a standard letter wording has been prepared to send out with a suitably amended C3 (example attached). The attached letter can be produced on a Word Processor or typed onto a Regional or District Office letterhead and photocopied.

Following the passing of the new legislation a review of a number of forms, including the C3, will be required.

J.W. Brown
DEPUTY MANAGING DIRECTOR

Distribution : All Claims Manual Volume I Holders

Filing Instructions : File in AC 2-6 Between Pages 3 and 4,
and in front of TIC 369

D150REQUEST1

.....

.....,
.....,
.....,
.....,

Dear,

RE: _____

The Corporation is dealing with a claim from the above named.

We understand that between the date of the accident and the date of the commencement of the latest period of incapacity on / / , there has been a permanent change in the earnings of the above named. We believe this may have been due to a change in job position or rate of pay.

To allow the Corporation to consider the correct compensation entitlement, would you please complete and return the attached certificate giving details of earnings in the 12 months prior to / / .

Please note that the attached certificate has been amended to show information prior to the date of incapacity rather than the date of accident.

Yours sincerely,

CLAIMS HANDLER



Earnings Certificate... Employee

Accident Compensation Commission.

Claim Number

C3

THE INJURED PERSON

1	Christian or first names Mr Mrs Miss	Surname, or last name
2	Date of Accident	3 Occupation or position whilst in your employment
4	Is he under 21 years of age ... or an apprentice or improver ... or a trainee required to undergo training or instruction to become qualified? NO ☐ YES ☐ If 'Yes' state due date of next increment ...	
5	Is the injured person either a shareholder of the employing company or the husband or the wife of the employer? NO ☐ YES ☐	

PRIOR TO THE

6a	Give the Average number of hours usually worked each week by the injured person in your employment prior to the accident ... hours	
6b	Days of week normally worked: 5 days Monday to Friday ☐ 5½ days Monday to Friday (including half day Saturday) ☐ Variable shifts or other circumstances (show full details on separate sheet) ☐	
7a	What were the gross taxable earnings of the injured person in your employment? (Include all overtime, taxable allowances and taxable benefits. Do not include non-taxable items.)	
1	during each of the 4 weeks immediately before the accident	
2	Note: If rate of remuneration changed during this period of 12 months show details for each period separately.	
7b	Do these earnings include: 1 any substantial variations from his normal taxable earnings, eg. abnormal overtime or sickness? 2 any 'extras' earned in a period other than those shown, eg. bonuses, backpay, director's fees? 3 any amount earned by way of commission?	
		NO ☐ YES ☐ If 'yes' state period, description and value below
		NO ☐ YES ☐ If 'yes' and the injured person receives any non-taxable allowance, state period, description and value

AFTER THE ACCIDENT

8	Since the accident what has been his capacity to work in your employment? a Unable to work at all from ... (answer also question 8b) Able to do normal work from ... Able to do light or partial work from ... (If C6 Earning Certificate, Partial Incapacity, is not enclosed, it will be sent to you) b Do you consider any factors other than the injury have affected his capacity to work? NO ☐ YES ☐ If 'yes' state what they are ...	
9	Have you any reason to expect that his earnings would have changed significantly within 5 weeks from the date of the accident? eg. because of seasonal variations, wage increase due, or employment termination? NO ☐ YES ☐ Reason for change ...	
10a	Did the incapacity arise from a work time accident in your employment or while travelling directly to or from your work? NO ☐ YES ☐ (If 'yes', you should have received the Employee's Notification of Accident and Claim Form)	
10b	Have you any comment on the statements made in the C61 Claim Form? NO ☐ YES ☐ (If 'yes' show details on a separate sheet)	
10c	If you have not already shown these numbers on the C61 Claim Form show your employer's A.C.C. number ... and the Industrial Activity Class Number ... and how long the employee had worked for you on that day or shift before he was injured ... hours	
11a	Are you making (or do you intend to make) any type of taxable payment or allowance to the injured person during his incapacity which does not relate to work done, such as continued wages, free house, sick leave etc? NO ☐ YES ☐ If 'yes' show details ...	
11b	Do you intend to claim reimbursement from A.C.C. for any of these amounts? NO ☐ YES ☐ Have you made prior arrangements with A.C.C. for reimbursement? NO ☐ (If 'no' obtain and complete Form C43) YES ☐ (If 'yes' request Reimbursement Form C42 to be sent to you)	
12	Under any Award or Agreement are you required to make any payment to the injured person for any statutory holiday occurring during the probable period of incapacity? NO ☐ YES ☐ If 'yes' show details ...	

THE EMPLOYER

13	Employer's Name and Address (Company Stamp)	
14	Person to whom enquiries should be directed.	
		I declare that to the best of my knowledge, the information given above is complete, true and correct.
		Signed ...
		Date ... Position ...

DISTRIBUTION - CLAIMS VOLUME 1

22.04.82 (195)

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LEVEL

REGIONS

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 17 Documentation Librarian (2)
 Project Team
 18 Controller Corporate Services
 Sec. Corporate Services (3)
 19 Librarian
 Office Services Manager (6)
 20 Controller Compensation
 29 J.M. Collins
 20 Super. (Payne) (6)
 Super. (Lorimer) (3)
 Controller - Medical (2)
 E.O. - Admin. - Medical
 Legal (6)
 29 Managing Director
 Deputy Managing Director
 Miss L.D. Kennington
 Chief Research Officer
 Public Affairs Manager
 Personal Asst - Management
 Chief Management Auditor (2)

Dunedin Regional Manager (3)
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 Auckland Regional Manager (6)
 Dr Martin Finlay H.O.
 Mr Guise
 Auckland - Legal (8)
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 Wellington Regional Manager (8)
 Wellington Regional Solicitor (5)
 Christchurch Regional Manager (5)
 Regional Solicitor
 Hamilton Regional Manager (4)
 Dr B.M. Hay
 Regional Solicitor Hamilton
 Whangarei (3)
 Napier (2)
 New Plymouth (2)
 Rotorua (2)
 Gisborne (1)
 Nelson
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 P & I Services (2)
 Tauranga (2)
 Otahuhu (2)
 Timaru

S.I.O. Whangarei (2)
 S.I.O. Auckland (5)
 S.I.O. Tauranga (5)
 S.I.O. Hamilton (4)
 S.I.O. Te Kuiti (2)
 S.I.O. Gisborne (3)
 S.I.O. New Plymouth (3)
 S.I.O. Napier (4)
 S.I.O. Wanganui (2)
 S.I.O. Palmerston North (4)
 S.I.O. Masterton (2)
 S.I.O. Lower Hutt (4)
 S.I.O. Wellington (4)
 S.I.O. Nelson (2)
 S.I.O. Blenheim (2)
 S.I.O. Greymouth (2)
 S.I.O. Christchurch (6)
 S.I.O. Timaru (2)
 S.I.O. Invercargill (3)
 S.I.O. Otahuhu (5)
 S.I.O. Takapuna (2)
 S.I.O. Rotorua (3)
 S.I.O. Porirua (2)
 S.I.O. New Lynn (4)
 S.I.O. Riccarton (3)
 S.I.O. Head Office -
 Dir. of Claims (1)

1.2.8 Overseas Accidents

Accidents occurring overseas are to be reported to the nearest representative of the New Zealand Ministry of Foreign Affairs or where there is no such representative to the nearest overseas local officer of the Department of Trade and Industry. Subject to there being no undue delay in notification, claims can also be reported direct to the ACC on the person's return to New Zealand. A special Form (C70) is provided for overseas claims. Such claims are not handled by the State Insurance Office.

*Overseas
claims*

Refer AC 2-12 9.0 for disposal instructions.

NOTE : Under no circumstances are claims arising from Overseas Accidents to be processed by the Office under the Employers' Reimbursement Scheme.

FHS

1.2.9 Armed Services

Under normal circumstances members of the Armed Services of New Zealand are treated as all other employees and are entitled to the same benefits under the Act following personal injury by accident.

1.2.9.1 Accidents arising during normal service in New Zealand will be notified to the office and will be handled in the usual way.

NOTE : Overseas Accidents will be handled by the Commission. Refer AC 2-3 1.2.8.

FHS

1.2.9.2 Accidents arising during service in a war or emergency however are to be reported through the Ministry of Defence directly to the Commission. The State Insurance Office will not be involved in handling such claims.

The question as to whether a member was in fact serving in a war or emergency for the purposes of section 63 is a difficult one and is largely one for determination by the Minister in Charge of War Pensions. If, however, a claim is received by the Office in respect of an accident to a member of the Armed Forces in which there is any doubt whatsoever as to whether it arose during a war or emergency, the claim papers are to be referred to the Commission immediately.

1.2.10 CRIMINAL INJURIES

- 1.2.10.1 (a) Given below are crimes which are listed as offences under section 17 of the Criminal Injuries Compensation Act 1963:

Rape

Attempt to commit rape

Sexual intercourse with girl under twelve

Indecency with girl under twelve

Indecent assault on girl between twelve and sixteen

Indecent assault on woman or girl

Indecent assault on boy

Indecent assault on a male

Murder

Attempt to murder

Manslaughter

Wounding with intent

Injuring with intent

Injuring by unlawful act

Aggravated wounding or injury

Aggravated assault

Assault with intent to injure

Assault on a child, or by a male on a female

Common assault

Disabling

Discharging firearm or doing dangerous act with intent

Acid throwing

Poisoning with intent

Infecting with disease

Endangering transport

Abduction of woman or girl

Kidnapping

- 1.2.10.1 (b) Where a person suffers injuries as a result of any of the criminal activities mentioned above, the injured party has the following rights of redress:-

- (1) If the criminal injury occurred before 1.4.74 the injured person's entitlement to compensation may be dealt with by -

- (a) civil action in the courts against the wrong-doer. The normal procedure for civil actions will be followed and the injured person must, therefore, seek legal advice; or

- (b) under the Criminal Injuries Compensation Act. If the injured person wishes to seek an award under this Act he must make enquiries from the Secretary, Crimes Compensation Tribunal, Dept. of Justice, Private Bag, Wellington.

NOTE: The Accident Compensation Commission acts as Tribunal in respect of claims lodged under the Criminal Injuries Compensation Act in such circumstances.

- (ii) If the criminal injury occurred at any time between 1.4.74 - 31.3.75 inclusive, the injured person has a choice of procedures. He may apply for compensation under the Criminal Injuries Compensation Act (see (i)(b) above) or he may claim under the Accident Compensation Act.

If, however, he lodges a claim under both Acts, the fact that the Accident Compensation Commission acts as Tribunal under the Criminal Injuries Compensation Act, and also administers the Accident Compensation Act, will ensure that double payment is not made.

- (iii) If the criminal injury occurred on or after 1.4.75, the injured person has no option but to claim under the Accident Compensation Act.

- (iv) Where the injured person claims under the Accident Compensation Act, complete an ACC form C1 in the normal manner and, provided that the claim is one which the SIO has a delegation to action, proceed accordingly. (Exception: see (c)(ii)(a) below.) In all other cases where the claim is under the Accident Compensation Act, investigate the claim and not later than 10 days after the claim was reported, forward the file to the Commission. Advise the claimant that the file has been forwarded to the ACC.

1.2.10.1 (c) PROCEDURE

- (i) Where the injured person claims or wishes to exercise the right to claim under the Criminal Injuries Compensation Act, his enquiry or claim is to be addressed to the Dept. of Justice (see (i)(b) above). The Office can take no action in these matters.

- (ii) Where the injured person claims under the Accident Compensation Act, complete an ACC Form C1 in the normal manner.

- (ii) (a) If the criminal injury was sustained at any time between 1.4.74 - 31.3.75 (inclusive) investigate the circumstances as far as possible and forward the file to the A.C.C. for a decision under the heading "Criminal Injuries Compensation". This will then enable the Commission to check whether a claim has also been lodged under the Criminal Injuries Compensation Act. The A.C.C. will issue instructions appropriate in the circumstances.
- (b) If the criminal injury was sustained on or after 1.4.75, handle the claim as for other A.C.C. claims, in the normal manner in accordance with the Delegations provided in AC 2-2.

PIBA

1.3 Receiving of Notifications

1.3.1 It is the duty of the office to receive notifications of accidents. These may take many forms and may in fact simply be in the nature of an enquiry. Each such enquiry must be handled on its merits.

1.3.2 Enquiries

Where the matter is simply an enquiry for clarification it may be handled verbally. If the circumstances indicate that it is clearly outside the scope of cover provided in the Act a claim form need not be completed. The enquirer should be tactfully informed of the requirements necessary to constitute a claim and advised in what manner his case does not fall within Act provisions. If the enquirer insists that notification be accepted and considered, arrange completion of ACC Form C1 and refer the file to the Commission (after numbering) with an explanation on memo supported by a file note on FLC39 or FLC40.

1.3.3 Verbal Notification

Where notification takes the form of a verbal advice at the counter the informant is to be handed a Notification of Accident and Claims Form (ACC Form C1) for completion. Where notification is by telephone a Form C1 is to be posted for completion but in either case the caller is to be clearly advised that no action can be taken until the fully completed form is returned to the Office. A file memorandum is to be taken and retained in the ACC filing system as a means of overcoming possible difficulties in late reported claims where an allegation of verbal notification is made. The claim cannot be processed until notified in writing.

FHS

1.3.4 Written Notification

It does not matter whether the initial notification is on the prescribed form (ACC Form C1) or is simply an advice by letter. If it contains sufficient basic information it may be processed (See para 1.4.2 below). If however the written notification does not contain sufficient information to enable the initial steps to be taken see para 1.4.3 below.

1.3.5 Medical Certificates

(ACC Form C14) which are not supported by ACC Form C1 or a satisfactory letter are to be returned to the claimant under cover of FLC43. This will give him the opportunity to proceed with his claim if the circumstances warrant.

Refer also AC 3-3 4.0

FHS

1.4 Action following Notification

1.4.1 Claims may be notified to any branch, district office or agency of the State Insurance Office.

1.4.2 The basic information required in a notification of accident is

- the name and address of the injured person
- the cause of the injury
- the date time and place at which the accident happened.

1.4.2.1 If this basic information is contained in writing (whether in the form of a letter or an ACC Form C1) it must be numbered. Any missing information may be obtained by sending the appropriate form letter (FLC41 or FLC42) to the claimant or by making such other enquiry as is necessary.

1.4.2.2 If the basic information is not available or if the notification is illegible steps are to be taken to clarify the situation and to obtain all the necessary information by forwarding ACC Form C1 for completion or by the use of form letters as appropriate.

See also special provisions in regard to notification in connection with

- claims made by a Third Party
AC 2-3 1.2.6
- Transport Expenses only AC 2-8
- Medical Expenses only AC 2-9

1.4.3 The notification document must be date stamped. If the claim is numbered (See 1.4.2.1 above) the document will be held on the claim file. If however numbering cannot proceed (See 1.4.2.2 above) the document is to be held on a backing sheet with clear file memoranda as to the action taken. These papers are to be filed in the ACC series filing system and subjected to a regular review.

FHS

1.5 Position Regarding Claims Reported Direct to A.C.C.

Any claims received by the Accident Compensation Commission and within the Office's delegated authority to handle are to be forwarded to the Branch of the State Insurance Office closest to the claimant's place of residence.

The Commission will write to the claimant informing him of the Branch to which the claim has been referred and a copy of this letter will be forwarded to the Branch concerned, together with the relative claim documents.

1.6 Date Stamping of Claim File Documents

As all claim files are micro-filmed once finalised and received at the Commission, all claim documents must be datestamped on receipt on a clear space on the information side of the document. It is essential that this instruction be adhered to as the date sequence may be important for Claims handling or any subsequent legal proceedings.

1.7 Preliminary Action Prior to Numbering

1.7.1 Refer to the Procedure Sheet - AC 2-3A for the preliminary examination of a claim form to be undertaken prior to numbering.

- 1.7.2. File preparation is in accordance with Procedure Sheets - AC 2-3B

2.0 NUMBERING

Use the claims register supplied by the Accident Compensation Commission. Refer Procedure Sheets AC 2-3B.

2.1 Register of Claims

- 2.1.1 Each year ending 31 March the Commission supplies a register of claims numbers for each branch. Sufficient numbers are printed for each branch to provide for the anticipated number of claims to be handled in the ensuing year.

- 2.1.2 If it appears that the numbers allocated may be exceeded in any one year, make early application to the Commission by letter for a further series of numbers, advising :

- (1) the last number used to date
- (ii) the estimated additional numbers required.

Forward the application at least one month before the estimated date on which the new series of numbers is required.

- 2.1.3 The computer that is used by the Commission prints the Register of Claims for each Branch Office as the initial step in creating its master file of claims. Thus it is essential that the exact copy of the appropriate claim number be used when processing all relevant papers and input data for the E.D.P. system. The computer will always reject any input document which has an error in the claim number of the particular document.

NOTE : The pads which comprise the Claims Register are to be treated as serially numbered accounting forms for purposes of security.

- (1) Unissued pads are to be held in locked storage and a new pad is to be issued only when the current pad has been filled.

When a complete pad of registration pages is completed show the last completed page to the Officer responsible for the custody/issue of numbered forms and the pad containing the next consecutive numbers is to be issued and signed for.

The numbering sequence must be maintained and while this is the responsibility of the Officer issuing the new pad it must also be checked by the Registration Section. On receipt of a new pad the Registration Section will also check to ensure that the pad contains a full set of 2000 numbers in consecutive sequence. Any variation is to be reported immediately to A.C.C.

- (2) The current pad is to be held in the yellow wallet provided and is to be kept in a secure place especially outside normal office hours.

2.1.4 The yellow plastic wallet serves three purposes:

- a. Registration staff will be able to locate the Claims Register easily on desks - it will not just be another pad of white paper.
- b. Only the pad in the wallet is to be used for registering new claims - this will minimise the chance of using two pads concurrently.
- c. The wallet will protect unused pages from wear and tear.

2.1.5

REGISTRATION

- Claim files will be registered in accordance with AC 2-3B.
- When all registration action has been taken the numbered files will be held in a secure place to await collection by Claims Section.
- As pages in the Register are completed they are to be removed and held pending acknowledgment of the receipt of numbered files by Claims Section. See 2.1.6 below.

NOTE: Under no circumstances are incomplete pages to be removed from the Claims Register pad.

2.1.6

NUMBERED CLAIM FILES

- The numbered claim files are to be collected from the Registration Section by Claims staff at regular intervals of at least once daily.
- Before removing the files from the location of the Registration Section the Claims Officer is to identify the files received and signify receipt by bracketing the appropriate entries on the Register Page and placing his initials and the date of receipt adjacent to the left hand column.

- The Claims Section will then action these numbered claim files as per A.C. 2-3 3.0 and proceed to normal claims handling.

2.1.7.

COMPLETED REGISTER PAGES

- When the Claims Section has acknowledged receipt of each claim file listed on a completed Register page, the page is to be released to the Officer responsible for the custody of the completed Register pages.
- The Manager is to nominate a responsible Officer to have custody and control of the "completed" claims Register. His responsibilities will be to:
 - (a) Receive the completed Register pages.
 - (b) Check to ensure that the pages are received in strict consecutive order.
 - (c) Check to ensure that all numbers have been used
 - (d) Check that a Claims Officer has signified receipt for all files listed on the page.
 - (e) Report immediately to the Assistant Manager (Claims) or the Claims Supervisor any deficiency shown up by checks (b), (c) and (d) above.
 - (f) Neatly file the completed page in strict consecutive order in the binder provided for this purpose and keep the resultant Register in good order and repair. FHS
 - (g) Keep the Register in a secure place when not in use.

2.1.8.

INTERNAL CHECK

- Before work ceases for the day the Senior Claims Officer in each Branch is to check that the top page in the uncompleted Claims Register is next in sequence to the last page in the "completed" Register held by the Claims Section.

2.1.9.

GENERAL

- This system is to operate irrespective of the size of the Branch, the operating arrangements and the volume of registrations.

In smaller Branches it may well be that Registration and Claims Section duties are carried out by one section and that the completed and uncompleted Register pages are therefore held together but even in these circumstances the steps outlined above are to be followed.

2.2 Claim Number

2.2.1 Each Claim Number allocated comprises the following :

- (i) Agency Branch Code
- (ii) Check Letter
- (iii) Year of Lodgement Code
- (iv) Numerical sequence

Example : 14/A/75/1234

2.2.2 The following explains the various segments of this composite Claim Number :-

- (i) Agency Branch Code - This is the current branch identification code used by the State Insurance Office. The Branch identification code is to conform with the existing branch codes set out in the S.I.O. Business Instruction No. 2 Part 5 with the exception that each branch code which is a single unit is to be prefixed by a "0" e.g. Whangarei "02".
- (ii) Check Letter - This is allocated by the Computer and is used to verify the accuracy of the claim number quoted.
- (iii) Year of Lodgement Code - This code is represented by the last two digits of the year ending 31 March in which the claim is lodged.

Example :

- (i) Accident occurs October 1974 and claim lodged

June 1975

Code 76

- (ii) Accident occurs March 1975 and claim lodged

April 1975

Code 76

- (iv) Numerical Sequence - The numbering sequence commences at "1" on the 1st April of each year, but the numbers 1 to 1000 are reserved for special purposes such as Transport Expenses. The first ordinary compensation file commences with "1001". Each file is registered with the next available number in the preprinted register provided.

2.3 Numbering of Transport Expense Files

See AC 2-3

2.4 Numbering an Existing File Received From Another Branch

See Procedure Sheet AC 2-12B

FHS

3.0 ACTION FOLLOWING REGISTRATION OF CLAIMS - OTHER THAN 'SEVEN-DAY-FINALS' (REFER AC 2-3 4.0)

NOTE ; This instruction should be read in conjunction with the relevant Sections of AC 2-4

- 3.1 The officer responsible for checking the registered file must verify the accuracy of the coding entries and that as far as possible, forms are fully completed. The checking officer must also ensure that the photocopies of ACC Forms C1 and C14 are completely legible. If details are fully completed distribute forms as follows:

- 3.1.1 Copy of C1 and C14 to Coding Section, A.C.C.
- 3.1.2 Preliminary Data Sheet (201N) to A.C.C.
- 3.1.3 Acknowledgement Letter to claimant

- 3.2 Where forms are incomplete obtain further information by despatching FLC42 together with the acknowledgement letter to the claimant. The incomplete forms i.e. copy of C1 and C14, and/or subsequent Data Sheet 201M must be retained on the file together with a duplicate of FLC42 pending a reply. (The Preliminary Data Sheet 201N must have been despatched immediately to bring the file onto the computer record).

AC 2-3

If the copy of Form C1 and the C14 are forwarded in an incomplete state, the Commission's Statistics Coding Section will communicate with the Branch to obtain the missing data.

Refer AC 2-4 9.0

- 3,4 Where any data on the C1 or C14 is to be amended after the copy of the C1 and the C14 have been despatched to the Commission, either a 201M or a Form F68 is to be prepared and despatched to the Commission.

Refer AC 2-4 6.0

Refer AC 2-4 9.0

FH'S



Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 328

DATE 9 September 1980

SUBJECT: MISSING INFORMATION ON FORMS SENT TO COMMISSION

(print) X The computer stores vital information supplied from carbon copies of the C1 claim form, C14 Medical certificate and C55 claim record sheet.

Unless all questions relating to details in the C1, C14 and C55 are clearly answered on the carbon copy sent to the Commission it will not be possible to obtain the necessary information the Commission needs to fulfil its function.

The current method has been to send the branches hand written forms. This has not proved successful and is expensive.

(print) X Therefore the Commission's E.D.P. system is being extended to produce computer listings of the information which is missing from each claim record. The listings will be sent to branches and controlled to ensure that all the information is captured.

The full programme and system testing will be undertaken in the next two months and the listing will be produced about October next.

It has been noted that some branches have a considerably higher rate of missing information than others.

(print) * At this stage (Managers and Senior Staff of branches which have a high rate of missing information are requested to analyse the reasons and institute remedial action. This will minimise requests from the Commission to supply the missing information which in turn will reduce duplication of work at branches and unnecessary work at ACC Head Office.

Grammar (Tug) Procedure sheets are attached to assist in training or retraining staff who are receiving claims from the public, ~~or who are accepting~~ ^{and/or accepting} claims.

(print) X It will be seen these procedure sheets contain some cross references. The reason for this is that they will eventually form part of a new ^(M) manual currently being produced.



S.J. Mayne

SENIOR EXECUTIVE OFFICER (ADVISORY)

Filing instructions

(print) Please file this circular under page 14 of AC2-3 pending issue of the new ^(M) manual.

* EMPLOYERS ACC NUMBER MISSING FROM C1 OR EARNINGS CERTIFICATE

Look in the microfiche listing of employers.

- Only in the case of a work accident to an employee.

* *What for?*

If the number is there, enter it on the carbon copy of the C1.

- Note the file that the number has been obtained from the alpha listing.

If the number is not there, contact the employer.

* *Repetitive*

Enter the number on the carbon copy of the C1.

- Note the file that the number has been obtained from the employer.

What is this doing here?

If the employer does not supply the number, contact the Inland Revenue.

* *Repetitive*

Enter the number on the carbon copy of the C1.

- Note the file that the number has been obtained from the Inland Revenue.

INDUSTRIAL ACTIVITY CLASS NUMBER MISSING FROM CLAIM FORM

Contact the employer.

- Only the employer can supply this number.

Enter the number on the carbon copy of C1.

- Note the file that the number has been obtained from the employer.

EARNINGS CERTIFICATE MISSING

Send an Earnings Certificate to the claimant's employer.

- Only when the claimant is an earner.

Request that the employer complete and return it.

Date stamp the C80 with the date earnings certificate requested.

Accident Compensation Commission			
PRELIMINARY DATA SHEET			
TYPE	INJURY	DESCRIPTION	ACCIDENT CODE
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

2. If the basic information has been supplied
- Basic information is:-
 - name and address of the injured person
 - cause of the injury
 - date, time and place of accident
- but other information is missing go to step 3. Send C1 and C14 immediately.

- The claim must be registered first and a 201A sent to the Commission, batched in the usual way (See Module 3)

3. Prepare a 201M (Subsequent Data Sheet)

- Enter claim number on 201M

C57



ACCIDENT COMPENSATION COMMISSION

SUBSEQUENT DATA SHEET

TITLE	INITIALS	SURNAME	201	ACTION CODE	
				☐	
ADDRESS					

Where any one of the fields on the left is to be altered, (i.e. title, initials, surname or address), all four must be completed.

0278

75 CLAIM NUMBER	SEX	
88 CHRISTIAN OR FIRST NAMES		
102 DATE OF BIRTH	FUND INDICATOR	PREVIOUS CLAIMS
111 DATE OF ACCIDENT	INJURY CODE	TAX CODE

REJECT NO.

Prepared by
Checked by

4. Indicate by a cross (X) on the 201M any information which is missing.

- in pencil

5. Attach 201M to the file pin.

- make sure it is the top document.

Steps

6. If any information cannot be obtained, write "NOT AVAILABLE" in appropriate place on the carbon copy of the C1.

Points to Watch

- Place a memo on file detailing information missing and action taken.
- This also applies to Employers ACC number and industrial activity class number.

7. Attach the FLC42 to the claim file.

8. Complete Form F68, Statistics Amendment Sheet....

- ... only if the C1 and C14 have been sent to ACC Head Office earlier.

F 68



Accident Compensation Commission

STATISTICS AMENDMENT SHEET

TO: STATISTICS CODING SECTION

CLAIMANT: _____ CLAIM No.: _____
The following information regarding the above claim was obtained after the dispatch of C1 and C14 copies to A.C.C. for coding.

Date _____ SIGNED: _____
FOR A.C.C. AGENCY

DETAILS OF INJURED PERSON

☐ MARITAL STATUS
☐ NUMBER OF DEPENDANTS
SPOUSE ☐ CHILDREN ☐ OTHERS ☐

DETAILS OF ACCIDENT

☐ ACCIDENT TIME
☐ DAY OF WEEK
☐ LOCATION: ADDRESS
ENVIRONMENT
☐ WHAT INJURED PERSON WAS DOING
☐ WHAT HAPPENED
☐ MOTOR VEHICLE CODE
A.M. / P.M.
(N.B. CHANGE OF DATE REQUIRES FORM C.57)
(ON WAY TO/FROM WORK ETC.)
1. ☐ Motor Car 2. ☐ Rental Car 3. ☐ Taxi 4. ☐ Truck 5. ☐ Bus 6. ☐ Tractor 7. ☐ Motor Cycle

DETAILS OF OCCUPATION OR STATUS

☐ EMPLOYMENT STATUS
☐ EMPLOYER'S ACC NUMBER OR NAME
☐ EMPLOYER'S INDUSTRIAL ACTIVITY CLASS
☐ EMPLOYER'S INDUSTRY
☐ OCCUPATION
☐ EXPERIENCE
☐ PRIOR TIME ON SHIFT
☐ NON-EARNER STATUS
☐ EARNINGS OVER \$380
☐ CLAIMANTS I.R.D. No.
1. Employee ☐ 2. Self-employed ☐ 3. Combined 1 & 2 ☐ 4. Unemployed ☐
(YEARS AND MONTHS)
(HOURS)
(HOUSEWIFE, ETC.)
Yes ☐ No ☐

DETAILS OF MEDICAL CONDITION

☐ NEW DIAGNOSIS
☐ PERIOD INCAPACITATED (Total period since first unfit)
Attach copy of new Medical Cert.

9. Attach the completed FLC42 to the C1 on the claim file.
-

10. Complete 201M and send to ACC Head Office.

- Batched in the 'EDP only' envelopes.
(See Module 3).

11. Date stamp Check List, C80, with the date the 201M was sent.
-

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

2.2 INFORMATION MISSING FROM REGISTERED CLAIM

<u>Steps</u>	<u>Points to Watch</u>
1. Check that all answered questions have been clearly transposed on the carbon copy of the C1. If they have not, write the answers in on the carbon copy clearly.	Ensure that only a hard surface is used when filling in the form.
2. Send the carbon copy of the C1 and photocopy of the C14 to EDP as soon as possible.	- in the EDP envelopes in the usual way.
3. Complete Form FLC42, request for further information, in every case.	- telephone the claimant/employer if this is easier, - note FLC42 of telephone conversation, date and result.
4. Note the ACC check List, C80, with the date the FLC42 was sent, or phone call made.	- Note C80 of phone call in comments panel.
5. On return of the FLC42, or after information is supplied by phone, amend the carbon copy of the C1.	- do not amend the body of the original C1 - Place a note in red in the margin showing where the variation or omission is recorded. E.G. See FLC42 30/9/80.
	N.B. Any document which is completed must under NO circumstances be altered in the body of the document. An endorsement in red is to be placed in the margin of the document showing where the omission or variation is recorded.

6. Complete Form FLC42, Request for further information and leave loose inside file.



Accident Compensation Commission

REQUEST FOR FURTHER INFORMATION — CLAIM FORM

CLAIMANTS NAME
CLAIM NUMBER / /

IF ENQUIRING PLEASE ASK FOR:

DATE: _____

A number of questions in your Notification and claim form were not completed and in order that your claim may be processed as quickly as possible further details are required.

As your claim cannot be fully considered until this information is received please answer the questions ticked (✓) below and return this form as soon as possible in the reply paid envelope.

If you require any assistance or are in any doubt please do not hesitate to enquire from the Commission's claims handling agent — the State Insurance Office at the address shown above.

() My date of birth is:		For Office Use Only 201 in to ACC / /	
() My P.A.Y.E. tax code is:			
() My Inland Revenue Taxpayer's number is:		F.89 to ACC Coding Section / /	
() The name and address of my Employer in whose employ the accident occurred:			
() The above employers industry is:			
() My occupation in this industry is:			
() My experience in this occupation is: _____ years _____ months			
() The hours I worked on this shift immediately prior to the accident were: _____ hours.		No Stats. Action	
Show details of any paid employment or self employment in the past 12 months:			
EMPLOYER'S NAME (if self employed, state "self")	EMPLOYER'S ADDRESS		PERIOD OF EMPLOYMENT From To
() Did you have to cease work in paid employment as a result of the accident?		State Yes or No	
		If "YES" state time and date a.m. p.m. on day of 197	

I declare that to the best of my knowledge the above particulars are true and correct and I have not withheld any information likely to effect this notification or claim.

Date Signed: _____ Claimant's (or Agent's) Signature: _____

7. Pass to senior officer for checking and despatch of FLC42

- Note C80 with date FLC42 sent. This is essential as no duplicate of the FLC42 is kept.

8. When the FLC42 is completed amend the carbon copy of the C1.

- Do not amend the body of the original C1
- Place a note in red in the margin showing where the variation or omission is recorded. e.g. See FLC42 30/9/80.

N.B. Any document which is completed must under NO circumstances be altered in the body of the document. An endorsement in red is to be placed in the margin of the document showing where the omission or variation is recorded.

Steps

9. Send a copy of form F68 to ACC Head Office in the 'EDP ONLY' envelopes.

Points to Watch

- Finance Division will request any information missing from an incomplete C1 and C14, by sending



Accident Compensation Commission CLAIM DETAIL QUERY

Nº 49876

TO THE MANAGER	Query No.
	Date
	Claim No.
	Comments

Statistical information cannot be coded for this claim for the reasons indicated below. Please amend the forms attached or, if further explanation is required, comment in the space provided below.

- | | |
|--|--|
| ☐ C1 COPY ILLEGIBLE | ☐ C14 COPY ILLEGIBLE |
| ☐ NO C1/C14 ATTACHED | ☐ INSUFFICIENT DETAIL, SEE C1/C14 |
| ☐ OTHER (SPECIFY) _____ | |

RETURN THIS FORM WITH YOUR REPLY	SIGNED: _____ FOR DIRECTOR OF FINANCE
FOR STATISTICS COORDS SECTION	
COMMENTS: _____	

DATE: _____	SIGNED: _____ FOR A.C.C. SECRETARY

Form F69, Claim Detail Query, with the incomplete document attached.
(This will subsequently be replaced by a computer listing)

ON RECEIPT OF THE F69

10. Correct the form attached to the C69 in RED.

- If the returned document cannot be clearly amended, in RED.
- Transfer the error number from the "ACC use only" panel on the returned document onto the new document.

11. Return all documents with form F69 to ACC Head Office.

- Use the 'EDP ONLY' envelopes.
- Return both original and new documents if a new one had to be prepared.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. T312

DATE September 6, 1979

SUBJECT:

SEVEN DAY FILES

Agreement has been reached to terminate the system where files can be opened, registered and finalised in the same workflow.

The minimal use of this system by State Insurance Offices meant that it was no longer fulfilling the purpose for which it had originally been designed. Those offices still using the system have already been advised individually by letter.

Please destroy pages 15, 16 and 17 of AC 2-3 which deals with the seven day file system.

S. J. Mayne
S. J. Mayne
ADVISORY OFFICER

Distribution: All Claims Manual Vol. 1 Holders
Filing: AC2-3, Behind page 14.

DISTRIBUTION - CLAIMS VOLUME I

27.07.79 (190)

Head Office

Level

15 Inspectorate (2)
Sup. Records Officer
Publications Manager
16 Director Safety
17 Documentation Librarian
18 Director - Finance
Sec. Finance (3)
19 Asst. Director - Admin
Librarian
Management Services (6)
20 Ref. Table (Review)
E.O. Review
E.O. (Line 2)
Ref. Table (Line 2)
Super. (Line 2)
Ref. Table (Line 1)
Super (Line 1)
Fatals (Ref. Table)
Chief Superintendent

S.I.O. Whangarei (2)
S.I.O. Auckland (5)
S.I.O. Tauranga (6)
S.I.O. Hamilton (5)
S.I.O. Te Kuiti (2)
S.I.O. Gisborne (3)
S.I.O. New Plymouth (3)
S.I.O. Napier (4)

Level

21 Dir. Compensation
Asst. Director
- Compensation
Management Section
Advisory (8)
Ref. (Manage/Advise)
Super. (P/D)
E.O. (P/D)
Ref. Table (P/D)
Investigating Officer
22 Director - Medical

E.O. - Admin. - Medical
Legal (9)
29 Chairman
Commissioner - Fahy
Commissioner - Walker
Secretary
- Director - R & P

S.I.O. BRANCHES

S.I.O. Wanganui (2)
S.I.O. Palmerston North (4)
S.I.O. Masterton (2)
S.I.O. Lower Hutt (4)
S.I.O. Wellington (4)
S.I.O. Nelson (2)
S.I.O. Blenheim (2)
S.I.O. Greymouth (2)

Branches

Dunedin Branch R.E.O. (3)
Auckland Regional R.E.O. (6)
Dr Martin Finlay H.O.
Palmerston North R.E.O. (3)
Wellington R.E.O. (3)
Christchurch R.E.O. (5)
Hamilton R.E.O. (4)
Dr B.M. Hay
Whangarei (2)
Napier (2)
Hope Gibbons Building (2)
New Plymouth (2)
Rotorua (2)
Gisborne
Nelson
Invercargill
P & I Services (2)

S.I.O. Christchurch (6)
S.I.O. Timaru (2)
S.I.O. Invercargill (3)
S.I.O. Otahuhu (5)
S.I.O. Takapuna (2)
S.I.O. Rotorua (3)
S.I.O. Porirua (2)
S.I.O. New Lynn (4)
S.I.O. Head Office -
Mr Stirton (4)

4.0 NEW CLAIMS WHICH CAN BE OPENED, REGISTERED AND FINALISED IN THE SAME WORK FLOW

TO BE
ABOLISHED

4.1 New claims which can be opened, registered, paid and finalised in the same work flow are to be processed in the normal manner with the following exceptions :

- . Do not photo-copy the left hand page of A.C.C. Form C1.
- . Do not dispatch a duplicate copy of the A.C.C. Form C14 to the Commission
- . A file backing sheet only is to be used in lieu of a claim file cover
- . A tag is not required on the file.

The files are to be retained at the branch for only 7 days after completion before dispatch to the Commission as final files.

4.2 To action the claim files in this manner, all necessary claims documents must be fully completed and they must be received at the branch together and it must be absolutely clear that one payment and one payment only will allow the claim to be finalised.

If there is any data missing, or if a clearance medical certificate or other evidence of return to work is not received with the other claim documents the file must not be treated as a 'seven-day-final file'

If it is necessary to despatch FLC5 or any of the form letters used by branches to obtain missing or unclear data, the file must not be treated as a 'Seven-day-final'

NOTE

- (i) The registration of a claim notification is not to be delayed until other supporting claim papers are received.
- (ii) Claims which require to be referred to the Commission after payment, e.g. a decision regarding a Section 119 settlement, do not qualify in the above-mentioned category of claims.

4.3 Because the claims when completed are to be held at the branch for only 7 days it will be necessary to provide within the existing filing system, five pigeon holes or divisions (one for each working day of the week) to file these final files for dispatch to the Commission.

4.4 The following action is to be undertaken during the daily work flow :

- 4.4.1 Prior to claims registration action each day, the officer responsible for examining and accepting new claims is to extract those claims which fall into the category referred to in para 4.1 above. and is to hand them to the numbering clerk in a separate folder, with other claims for numbering.
- 4.4.2 The numbering clerk is to register the special category claims after other claims for the day have been registered.
- 4.4.3 The claims are to be processed in the normal manner except.
- (a) photocopying of Form C1 is not required
 - (b) the duplicate of form C14 need not be sent to the Commission
 - (c) a file tag is not required
 - (d) a file backing sheet only is required
 - (e) the claim papers are to be stapled to the backing sheet.
- 4.4.4 Compensation is to be assessed and the claim and the payments authorised immediately after the registration action is completed. The files are then to be passed to the typist for the preparation of cheques.
- 4.4.5 After the payment action is completed the files are to be finalised in the normal manner and a separate A.C.C. Form C59 prepared in triplicate for each days claims so processed.
- 4.4.6 The triplicate copy of the Form C59 is to be placed on the appropriate series file and the other two copies of the form, together with the final files of this category, placed in a canvas bag and filed in the pigeon hole for the particular day of the week.
- 4.4.7 Under no circumstances are these files to be placed in the main filing system without the backing sheet having been removed and a normal file cover substituted and the xerox C1 and copy of C14 despatched to the Commission. (Failure to follow through these steps will cause extreme difficulty at the Commission when such files are forwarded for finalising in the normal manner).

- 4.4.8 One week after the files have been filed, the canvas bag is to be extracted, the files checked with those recorded on the Form C59, any amendments made, and the bag dispatched to the Commission. The triplicate copy is to be noted with the date the files are dispatched.
- 4.4.9 A very high standard of checking is required for these files. The check step at the Commission has been eliminated and, because substantial amounts of compensation may be involved, the Claims Supervisor must take a personal interest in this, the final check.

TO BE
ABOLISHED



AC2-3A

TOPIC: EXAMINATION OF A NOTIFICATION OF ACCIDENT
AND CLAIM FORM

INTRO: THIS PROCEDURE IS THE FIRST ACTION AFTER RECEIPT
OF FORM C1 (OR SATISFACTORY LETTER IN LIEU)
AT THE BRANCH OR DISTRICT OFFICE

Steps

Points to Watch

- | | |
|--|---|
| 1. Ensure document is date stamped. | (a) Refer Para. 1.6 |
| 2. Consider the type of claim. | (a) Overseas, Armed Services, Seamen's claims refer AC2-12 9.0 for despatch details. |
| | (b) Refer delegations AC2-2 2.1 |
| 3. Check that the injured person's address is within the branch territory. | (a) If not forward the papers to the branch concerned for registration and handling. Do not register the claim. |
| | (b) Refer AC2-12 9.0 : for despatch claims. |
| | (c) Exception - some Approved Employers claim. Refer AC2-11 15.0. |
| 4. Check that the documents contain sufficient information to enable registration to proceed as per Procedure Sheet AC2-3B. | (a) Refer 1.4.2. |
| | (b) Complete FLC41 or FLC42 (in duplicate) if appropriate and pin to Form C1 for subsequent checking. Refer AC2-3 3.2. |
| 5. Check alpha printout for duplicate claims if there is any doubt. | (a) Date of Birth |
| | (b) Date of Accident |
| 6. If it is discovered that a claim already exists, do not register the new C1 claim form, but investigate the reason for the subsequent claim and take action as appropriate. | (a) In the event of a duplicate claim being overlooked and another claim file is raised for the same accident, the Commission |

FHS

***TOPIC: FILE PREPARATION AND REGISTRATION**

(FOR TRANSPORT EXPENSES ONLY FILES SEE AC 2-8)

(FOR TRANSFER OF FILES TO NEW BRANCH SEE AC 2-12B)

INTRODUCTION

To speed up the whole process of claims handling it is important that the claims file be constructed in a tidy and orderly fashion. This will obviously make the information on file as accessible as possible and the progress of the claim immediately apparent. The primary decision-maker can quickly refresh his memory as to the circumstances of the claim when it has to be looked at again and any person subsequently handling the file can readily follow the primary decision-maker's approach. This is extremely important particularly if the claim becomes the subject of an application for review.

N.B The following steps are to be actioned within one working day of notification:

Steps**Points to Watch**

1. Prepare Claim Record Sheet Form C55

(a) Complete all fields for which information is available.

(b) Refer AC 2-4 Appendix I for codes.

(c) If information is missing for any fields, prepare 201M indicating with an "X" the fields requiring completion and pin to Form C1.

2. Enter A.C.C file check dates.

Dates are:-
(a) 3 months after notification for check by Manager or A.C.C Regional Offices which have these expanded duties, and

(b) 6 months after notification for the 6 month Regional Office check.

3. Prepare folder and staple to it an identification tag appropriate to day of accident.

(a) Use a coloured tag for all files (other than those involving reimbursement to an approved employer) as follows:

as a control measure has arranged for a periodic computer list of assumed duplicated claims, Branches will be advised of those pertaining to their particular branch on Form F85, and on receipt of this form they are to proceed according to AC2-12 10.0.

FHS

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 324
DATE 3 April 1980

SUBJECT: REPRINT OF CLAIM RECORD SHEET - C.55

1. The claim record sheet (C.55) has been reprinted to include review rights on the acknowledgement slip. Supplies of this new form have been sent to you.

Dear Sir/Madam,

Details of your claim have been received and are being attended to at this office.

Please check that the Tax Code and Personal Details shown above are correct. If any change is required or you have any further information, please advise - quoting the claim number shown.

Once your entitlement to compensation has been accepted you or your family may qualify for one or more of the benefits shown below.

During the course of the handling of your claim a number of decisions will be made in writing and any person who is dissatisfied may, under section 153, apply in writing to the Commission for a review of that decision. The application must be made within one month of the date of the decision notice and must briefly state the grounds upon which the application is made. Review application forms (C66) are available from any branch of the State Insurance Office and from Accident Compensation Commission Offices.

If you are in any doubt please advise and we will enquire into the matter for you.

Yours faithfully

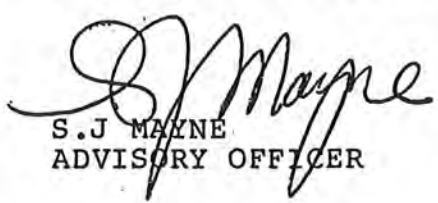
Handling Officer

2. The reprinted form is to be used for all registrations on or after 1 April 1980
3. Use of the old print is to be discontinued from 31 March 1980 and remaining stocks of the old print are to be sent to:

Accident Compensation Commission
Private Bag
WELLINGTON

DISTRIBUTION:
FILING INSTRUCTIONS:

All holders of Claims Manual, Volume I
Volume I, behind page 1 of AC2-3B.


S.J. MAYNE
ADVISORY OFFICER

StepsPoints to Watch

Monday	Blue
Tuesday	Salmon
Wednesday	Green
Thursday	Pink
Friday	Yellow

Weekend Accidents to receive blue or yellow tags according to volumes at the direction of the Claims Supervisor.

Note: Use white tags for all employer reimbursement claims.

- (b) Print surname only of claimant on the file tag.

Note: For employer reimbursement claims also print the employer's name in red.

4. Enter claimant's name and initials in claims register beside the pre-printed claim number.

- (a) Refer AC 2-3 2.2 for rules re claims year and numbering series.
- (b) Show date alongside the first entry for the day.
- (c) Transport Expenses: Refer AC 2-3 for general instructions and for numbering procedure.
- (d) Files transferred from other branches: Refer AC 2-12 for numbering procedure.

5. Enter claim number on Forms C1, C14, C55 and FLC 41/42 if applicable.

Ensure entries are neat and legible.

6. Take a photo copy of Form C1 and Form C14 if a legible duplicate is not provided.

<u>Steps</u>	<u>Points to Watch</u>
7. Staple together copies of Form C1 and Form C14 and place loose inside file for subsequent checking.	Refer AC 2-3 3.1
8. Detach Preliminary Data Sheet (201N) and claimant's acknowledgment letter from the Claim Record sheet and place loose inside file for subsequent checking.	Refer AC 2-3 3.1
9. Place original papers on the claim file in the following sequence (from the base upward)	(a) If a document, e.g. C3, is received some time after the initial construction of the file, ensure that it is interleaved in accordance with the sequence shown in Step 9 opposite.
(i) Form C1	
(ii) Forms C3 or C4 and C8	
(iii) Any other forms for a particular claim e.g. hernia questionnaire	(b) All additional papers are to be placed on the file in strict date order i.e "date stamp of receipt" order.
(iv) First medical certificate C14.	
10. Attach Claim Records Sheet C55 to the file so that it remains the top paper on the file at all times.	(a) Any supplementary running sheets, C56, are to be attached to the original C55.
	(b) If for any reason a further form C55 is prepared, the original C55 is to remain immediately below this further copy and both are to be retained on the top of the file.
11. All papers are to be securely and tidily attached by means of the file pin. (Do not use staples).	(a) Care is to be taken that any papers torn at the pin hole are repaired and replaced in the correct order.
12. Place files in the area specified for collection by Processing Section Staff.	

FHS

TOPIC: EXAMINATION OF A NUMBERED CLAIM FILE AND DATA DESPATCH

INTRO: This procedure must follow procedures AC 2-3A and AC 2-3B in all cases.

STEPSPOINTS TO WATCH

FHS

1. Ensure all steps specified in AC 2-3A and AC 2-3B have been followed.

2. Ensure that all codes and statistical data appear on the Form C. 1, Medical Certificate (Form C. 14) and Preliminary Data Sheet (Record Type 201 N).

Check that:

- . Codes are correct
- . Originals and photocopies are complete and legible.
- . Missing data has been requested (i.e. FL C. 41, FL C. 42 and/or 201 M has been completed as necessary).

3. Despatch photocopy of Form C. 1 and copy of Form C. 14 to the Commission together.

- . If C. 1 and C. 14 are not both to hand and complete in every detail, do not despatch but refer to Step 4.

- . Always retain original documents on the Claim File.

4. If Form C. 1 is not to hand. or there are missing fields on the 201 N, pin the photocopy of the C. 1 and/or C. 14 above the C.55 together with a copy of the FL C. 44 or FL C. 42.

5. Pin partially completed subsequent Data Sheet (201M) above Form C1 and/or C14 pending reply for FLC42.

6. Despatch acknowledgement letter to the claimant together with FLC41 or FLC42.

Retain copies on file (see 3 above).

FHS

7. Despatch Preliminary Data Sheet (201N) to the Commission

Ensure subsequent data sheet 201M is on file to follow up missing fields (if applicable).

8. On return of FLC42 from the claimant amend photocopy and despatch to the Commission (see 2 above)

Do not amend original C1 but securely attach the completed C42 to this form.

9. Enter data on C55 and note panel date of despatch of Forms C1 and C14.

10. Complete subsequent data sheet (201M) if applicable and despatch to the Commission after noting date of despatch in the memoranda panel of the Form C55.



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 467

DATE 23 December 1982

SUBJECT:

**REDESIGNED C93
(CLAIM FILE COVER)**

The C93 (Claim File Cover) has been redesigned and now has a condensed version of the C80 printed on the inside cover. Form C80 has been withdrawn. However continue to use the C80 until existing supplies of the old C93 covers run out. Any unused C80's can then be destroyed.

The "Final File Action" block printed on the new file cover has been expanded to include a condensed check list. This must be completed in all cases by the officer recommending closure, and checked by the Authorising Officer.

**J.W. Brown
DEPUTY MANAGING DIRECTOR**

Distribution:

All Claims Manual Volume I Holders.

Filing Instructions:

File in the rear of AC 2-3 in front of TIC 185.

D150ANCF1

DISTRIBUTION - AIMS VOLUME 1

22.04.82 (195)

HEAD OFFICE

LEVEL

15 Sup. Records Officer
 16 Controller Safety
 17 Documentation Librarian (2)
 Project Team
 18 Controller Corporate Services
 Sec. Corporate Services (3)
 19 Librarian
 Office Services Manager (6)
 20 Controller Compensation
 29 J.M. Collins
 20 Super. (Payne) (6)
 Super. (Lorimer) (3)
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 E.O. - Admin. - Medical
 Legal (6)
 29 Managing Director
 Deputy Managing Director
 Miss L.D. Kennington
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S.I.O. BRANCHES

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 S.I.O. Rotorua (3)
 S.I.O. Porirua (2)
 S.I.O. New Lynn (4)
 S.I.O. Riccarton (3)
 S.I.O. Head Office -
 Dir. of Claims (1)



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

FHS

P2

CIRCULAR No. T.185
DATE 17 March 1976

SUBJECT: NEW FORM: A.C.C. CHECK LIST C80

Attached to this circular is a copy of a new check list for use during claims handling. It has been developed in order to assist the claims handling process and to reduce the number of files being finalised before all action has been completed. The check list is to replace the three "Action" panels currently included on the C55 Claims Record sheet.

The check list is to be stapled into the inside front cover of every new claim file during registration, and also to each three-month review file when due. In this way all claims current during July will have check lists attached. The check list is there to be completed during the lifetime of the claim.

Most sections of the form require no special explanation, but the following points should be made:

1. Provision for comments or remarks is made in several panels. It is intended that any insertion should be of a nature to assist in subsequent processing of a claim, e.g. the comment under 201N that "Date of Birth not shown", would imply that this date must be given subsequently by way of 201M.
2. File Action Required. This is to be used for other than normal weekly "Bring-ups", e.g. obtaining a medical report or three-month file check due.
3. File to A.C.C. Insert in this panel the date(s) of dispatch and receipt.
4. S.I.O. Final File Action. Before final file action ensure through an examination of the check list and the file that all action is complete.
5. Re-opened Files. Where a file has been re-opened, a new check list should be used. Do not use the old check list.

An interim supply of the check lists is being sent to each S.I.O. Branch, to P. & I. Services, and to Compensation Division Line Staff, and the new form is to be put into use as soon as it is received. Further stocks are to be requisitioned in the usual way.

NOTE: Please file in the Claims Manual, Volume 1, at the rear of AC 2-3.

(Signed)
Advisory Officer

Distribution

ALL and SIG Claims Manual Holders

C80

[illegible]

PERMANENT DISABILITY				
Is a Permanent Disability likely? (including loss of permanent teeth)	Yes		No	
Has a specialists report been obtained?	Yes		No	
Has the specialists account been paid?	Yes		No	

FILE TO A.C.C.									
For decision :	/	/	.	Returned	/	/	.		
	/	/	.		/	/	.		
For review :	/	/	.	Returned	/	/	.		
	/	/	.		/	/	.		
Referred to : Regional Exec. Officer									
Liaison Officer									
					/	/	.		
					/	/	.		

S.I.O. FINAL FILE ACTION

File Closed by _____

_____ / ____ / ____

Authorising Officer to sign verifying
that all action required has been completed.

_____ / ____ / ____



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 288
DATE 18 December 1978

SUBJECT:

A.C.C. CHECK LIST, C80 - A REMINDER

It has been noted that some claims handling officers record the dispatch of an A.C.C. form or form letter by taking a carbon copy for the file.

In some instances, this is obviously the correct action in order that the individual content of the communication may be captured, e.g. the assessment details included in forms C42 and C62.

Where, however, the only information shown on the form prior to dispatch is the name and address of the intended recipient and the date of dispatch, it is an extravagant use of stationery to retain a file copy by means of a duplicate form, e.g. forwarding an Earnings Certificate or Hernia Questionnaire for completion. In this case, the correct approach is to enter details of the addressee, only on the original form and to note this dispatch in the second panel of the checklist (form C80).

Will all Section Heads please ensure that their staff have read and understood T.I.C. 185 (filed at the rear of AC 2-3, Claims Manual Volume I) and that the excessive and unnecessary use of stationery is stopped.


S.J. Wayne
ADVISORY OFFICER

File next to TIC 185 in AC 2-3 Claims Manual Volume I.



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 369
DATE 21 OCTOBER 1981

SUBJECT: RELEVANT EARNINGS
WHERE INCAPACITY DOES NOT COMMENCE ON DATE OF
ACCIDENT

1.0 INTRODUCTION

- 1.1 The Act has been amended to give the Corporation further discretions in the determination of relevant earnings. By the addition of subsections 10(A) and 10(B) to Section 104, the Corporation now has a discretionary power to adjust and update relevant earnings in appropriate cases where any period of incapacity does not commence on the date of the accident.
- 1.2 Copies of the Accident Compensation Amendment Act 1981 will be supplied as soon as they come to hand. In the meantime the wording of the new subsections is set out in the annexure to this T.I.C.
- 1.3 The purpose of the amendment is to give power to re-assess relevant earnings in those situations where a person -
 - (i) Is not immediately incapacitated for work from the date of the accident, or
 - (ii) After returning to work, suffers a further period of incapacity for work -

and between the date of the accident and the date of commencement of incapacity there has been a change in his level of earnings. Experience has shown in these situations that assessment of relevant earnings in the normal way as at the date of the accident (even when updated by subsequent Orders in Council etc.) no longer effectively represents the actual earnings lost by the injured person as a result of the accident. The amendment is designed to overcome this so as to ensure that the injured person receives a realistic level of ERC taking into account his true loss of earning capacity at the time he becomes incapacitated for work.

2.0 GUIDELINES

- 2.1 In scope, this legislative change may apply to any case where the date of commencement of incapacity is other than the date of accident. It includes therefore cases where a claimant -
 - is not immediately incapacitated for work from the date of the accident but does become incapacitated later,

Original AgreementBRUCELLOSIS ERADICATION PROGRAMMEFREEZING WORKERS' SUPPLEMENTAL ASSISTANCE (BRUCELLOSIS)
SCHEME

WHEREAS the Government has decided in the national interest that the disease of brucellosis in cattle should be eradicated and has therefore launched a Brucellosis Eradication Programme in which freezing workers are particularly involved. It is Hereby Agreed between the freezing workers' unions and the Government that, as from Tuesday, 19 October 1971 :

1. There shall be a scheme, to be known as the Freezing Workers' Supplemental Assistance (Brucellosis) Scheme to enable freezing workers suffering from clinical brucellosis contracted during the duration of the Scheme to receive a payment supplemental to workers' compensation.
2. The Scheme will apply to all workers employed by Freezing Companies or abattoir authorities at any freezing works or abattoir.
3. The Scheme will apply until the end of one calendar year after the end of the year in which all cattle are brought under test. At that time the Scheme will be reviewed by the parties.
4. To claim under the Scheme a worker will have to produce acceptable medical evidence that his incapacity is attributable to clinical brucellosis. Medical certificates are to be produced to cover all absences for which supplemental payment is claimed. Payment under the Scheme will be made only where liability for workers' compensation has firstly been established, and will continue while liability under the Workers' Compensation Act remains.
5. During any period of incapacity the worker shall be entitled to 50% of the new weekly earnings he would have earned if he had not been incapacitated. In the case of a worker where employment has been terminated his weekly earnings shall be the average of his earnings for the last four weeks of his employment.
6. The parties agree in recognition of this agreement, to handle all reactor animals and co-operate in all respects to ensure the proper and satisfactory completion of the Brucellosis Eradication Programme.
7. The parties also agree that the Brucellosis Supplemental Assistance Scheme shall in no way be regarded as creating a precedent.

NOTE:

Once the Scheme is implemented, those covered by it will include those incapacitated while the Scheme is in effect, even if the disease was contracted by them before the Scheme was implemented.

RE ERC

Prime Minister's Office
WELLINGTON

CM 71/46/30

Minister of Labour

Copies to :

Minister of Agriculture
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FREEZING WORKERS' SUPPLEMENTAL
ASSISTANCE (BRUCELLOSIS) SCHEME

At the meeting on 22 November 1971 Cabinet agreed that employees of contractors employed at freezing works or abattoirs should be covered by the Freezing Workers' Supplemental Assistance (Brucellosis) Scheme subject to suitable safeguards to ensure that the employees to be covered are those whose conditions of work are comparable with the particular conditions of freezing companies' employees which formed the basis for the adoption of the Scheme.

Secretary of the Cabinet

RE ERC

BRUCELLOSIS ERADICATION PROGRAMME
FREEZING WORKERS' SUPPLEMENTAL ASSISTANCE
(BRUCELLOSIS SCHEME)

Amendment to Principal Agreement

1. This agreement amends the Principal Agreement made between the freezing workers' union and the Government which came into force on 19 October 1971, and is to be read together with and deemed part of the Principal Agreement. The provisions of this agreement replace the corresponding provisions of the Principal Agreement.
2. During any period of incapacity the worker shall be entitled to 100% of the net weekly earnings he would have earned if he had not been incapacitated. In the case of a worker whose employment has been terminated his weekly earnings shall be the average of his earnings for the last 4 weeks of his employment.
3. The Government considers that provision for lump sum payments to workers who suffer permanent loss arising from brucellosis is made within the Accident Compensation Scheme. The unions agree that the position will be tested by placing an appropriate case before the Accident Compensation Commission.
4. The Accident Compensation Commission will take over the responsibility of paying compensation and supplemental payments to all workers entitled under the Principal Agreement, including those who at the date of this agreement are covered by the previous Workers Compensation Scheme.
5. This agreement shall come into force on

RE ERC

13.0 SHAREHOLDER/EMPLOYEES OF PRIVATE COMPANIES

13.1 Accountants usually employ one of the three methods listed below to establish earnings for shareholder/employees of private companies:

- (a) The shareholder/employees receive regular amounts from the company to meet their personal living costs but these are not regarded as salary or wages and no tax is paid on them at the time of payment. Once the company's profit for its financial year is established, and without any reference to those amounts already taken out by the shareholder/employees, a shareholders' minute is passed transferring the profit to the shareholder/employees as salary or wages. The result is that the company then amends its accounts to show no profit and the shareholders pay tax on the amounts allocated as salary or wages in the same way as provisional taxpayers.
- (b) The wages are established for each shareholder and paid out regularly, with PAYE deductions being made during the financial year. At the close of the financial year when the profit for the company is known, an additional amount is minuted to the shareholder/employees and again the company makes no profit. The additional amount is regarded as provisional income subject to provisional tax payments.
- (c) Wages are established for shareholders at proper rates for the work involved and any amount of profit the company makes may then be paid out partly as bonuses, partly as Directors' fees, and partly as dividends.

NOTE: Levy payments are made by the company on the amounts finally shown in the accounts as salaries, wages and Directors' fees.

13.2 Because the methods employed by accountants vary considerably it is not possible to adopt a consistent approach when handling claims for this class of employee. See also 13.3 below.

13.3 In every case, on receipt of a claim from a shareholder/employee of a private company, obtain ACC form C2 or C3 from the employer, despatch ACC form letter C16 to Inland Revenue Dept, requesting separately information on:

- (1) Wages and salaries
- (2) Director's fees
- (3) Bonuses
- (4) Dividend payments

13.3.1 (a) If the I.R.D. certify earnings of wages or salaries for the financial year last ended prior to the accident, or

(b) if the I.R.D. certify earnings of wages or salaries, for the financial year prior to that last ended -

RE ERC

assess ERC at 80% of this figure.
Payments of the ERC may be made in the normal manner.

13.3.2. In cases where there is any question of -

- (a) Director's fees during incapacity, or
- (b) additional salary or bonus relating to the period of incapacity is to be declared later, or
- (c) difficulty in determining the amount or earnings during incapacity -

obtain full details of the extent of the loss or likely additional earnings and refer the file to ACC for assessment.

- 13.4 Because the wages for this class of employee cannot normally be established until the end of the financial year, the earnings during the financial year last ended prior to the accident are to be used to ensure uniform settlement regardless of the method of accounting.
- 13.5 If figures for the financial year last ended prior to the accident are not currently available, the figures for the preceding financial year may be used as long as they reflect current earning rates.
- 13.6 If the claimant receives from the Company, Director's fees in addition to salary or wages, enquiry is to be made whether there will be any loss of Director's fees as a result of the period of incapacity. If not, there can be no claim for loss under this heading.

RE ERC



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 449
DATE 24 November 1982

SUBJECT: INFLATION ADJUSTMENT OF 5.5% EFFECTIVE 15 DECEMBER 1982

1.0 INTRODUCTION

By Gazette Notice an Order in Council has been promulgated authorising a 5.5% increase in compensation payable on or after 15 December 1982, in respect of accidents which occurred on or before 15 May 1982.

2.0 APPLICATION OF THE ORDER

2.1 Those persons who will benefit under the provisions of this Order are as detailed hereunder:

2.1.1 Claimants whose relevant earnings are assessed in accordance with section 104, where the accident occurred on or before 15 May 1982 and where incapacity continues or occurs (whether or not for the first time) on or after 15 December 1982.

In considering the application of this Order it is necessary to ensure that a claimant assessed under section 104(10A) does not obtain the increase from two sources, i.e.

- from an assessment based upon earnings at the time of incapacity which includes increases taken into account in establishing the amount of this Order;

AND

- application of the 5.5% Order on this increased income level.

Where section 104(10A) has been applied a comparison of relevant earnings established under that sub-section and relevant earnings determined under section 104 (including this Order) must be made. E.R.C. beyond the effective date is to be assessed on the higher figure of the two UNLESS section 104(10A) has reduced relevant earnings in accordance with para 2.3.3 of T.I.C. 369 - in which case refer to Head Office for determination.

2.1.2 Claimants, where an assessment of permanent loss of earnings capacity under section 114 has been made prior to 15 December 1982, and the accident occurred on or before 15 May 1982.

2.1.3 Dependants, whose entitlement assessed in accordance with section 123 (1), commences or continues on or after 15 December 1982 in respect of an accident which occurred on or before 15 May 1982.

Dependants ERC is not to be increased if an increase has already been applied to relevant earnings or ERC in accordance with paragraphs 2.1.1 or 2.1.2 above if death occurs some time after an accident.

3.0 CONSIDERATION OF SECTION 116, 117 & 118

3.1 There will be some cases wherein the assessment of relevant earnings and calculation of ERC is controlled by the conditions of one of the above sections. Such claims will require closer scrutiny in order to determine the effect of the Order.

3.1.1 Section 116

Where payment is presently being made at 90% of relevant earnings, it may be necessary to increase payment to the amount prescribed for section 116.

In cases where the prescribed amount represents the current level of compensation, it may be that 80% of the increased relevant earnings now provides a higher level of ERC.

Note that the Order in Council does not affect the amount prescribed for the purpose of section 116. The prescribed amounts are currently \$154.50, \$11.60 and \$5.80.

3.1.2 Section 117

This Order is an inflation adjustment brought about by the need for the Corporation to update payments of ERC to a level which reflects movements in earnings and the origin of same is to be found in negotiated increases within awards and industrial agreements, the nett effect of which is to gradually lift the average wage. Because the cumulative effect does not immediately become apparent, there is the need for restrospective adjustment.

In considering the application of this Order to assessments under section 117, therefore, it is necessary to ensure that a claimant does not obtain the increase from two sources, i.e.

- From an assessment based upon an incremental stage which would automatically include award increases negotiated to that date; AND
- Application of the 5.5% Order on this increased income level.

The following rules are to be followed in all cases where section 117 controls the assessment of relevant earnings.

3.1.2.1 Completion of Stages Before 15.05.82

In all cases where current E.R.C. is based upon relevant earnings assessed under section 117 (2) (a) and the final incremental adjustment (completion stage) was reached prior to 15.05.82, apply the 5.5% increase from the effective date. (These claimants will not have received any benefit from award etc. increases subsequently negotiated).

3.1.2.2 Increments Continue Beyond 15.05.82

Where the rate of ERC has been adjusted since 15.05.82 as a result of consideration of further stage increments under section 117 (2) (a) falling due after that date, the 5.5% increase is not to be applied. (Any stage increments applied after 15.05.82 will include and reflect award increases subsequently negotiated).

3.1.2.3 Incremental Stages Continue Beyond 15.12.82

In all cases where ERC is currently assessed under section 117 (2) (a) it will again be necessary to do a comparison of entitlements under section 117 and section 104. ERC under section 117 is to be assessed in accordance with the rules set out above and relevant earnings under section 104 as at 15 December 1982 is increased by 5.5%. The two results are then compared and ERC beyond 15 December 1982 is to be assessed on the higher of the two figures.

3.1.3 Section 118

The Order does not apply to claims admitted under this section except where the relevant earnings are ascertained in accordance with section 104 rather than on the basis of the prescribed amount. Such an assessment would have been allowed in accordance with the second proviso to section 118 (5).

4.0 CONTINUOUS PAYMENTS SYSTEM - ACC ACTION ONLY

4.1 All payments actioned under continuous payment voucher F91 will have the 5.5% increase applied automatically except:

- Vouchers coded "X" in box 39
- Claims on which no accident date can be found.

- 4.2 The increase will be applied to those F91 vouchers which are received in Head Office on or before 3 December 1982. To ensure that the vouchers arrive in Head Office before 3 December 1982 the final batch must be despatched on Tuesday 30 November 1982. A telegram is to be sent to Head Office as follows:

"Compensate
Wellington

Attn : Ops Manager

Last batch of C.P. vouchers for O.I.C. is (No.)

Regional/District Office"

- 4.3 Several printouts will be provided to you which are to be filed on the claim file and the following action taken:

- Report 215 Claimants with status "X". These claims must be examined individually and the necessary changes made by cancelling the existing voucher (by means of F.32) and submitting a new voucher at the new rates. Any backpay which may result must be calculated and paid manually.
- Report 232 Claims on which no accident date can be found

Take the same action as for Report 215 and input the date of accident by completing form C57.

- Report 168 O.I.C. and backpay calculation report

This report provides details of the old and new ERC rates. No action required on this report other than placement on the claim file.



J.W. Brown
DEPUTY MANAGING DIRECTOR

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Filing: File in AC 2-6, behind page 54.

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ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 424
DATE 22 September 1982

SUBJECT: ORDER IN COUNCIL INCREASING PRESCRIBED AMOUNTS FOR
THE PURPOSES OF SECTIONS 116 AND 117

1.0 INTRODUCTION

An Order in Council increasing certain prescribed amounts has been gazetted.

2.0 APPLICATION OF THE ORDER

In respect of the increased prescribed amounts under section 116 and 117, the Order applies for the purpose of calculating earnings related compensation payable for any period of incapacity which occurs on or after 1 October 1982, whether the accident occurred before, on, or after that date.

Note: This Order has no application to any ERC which is payable under:

- Section 114 as a result of any assessment made prior to 1 October 1982.
- Section 123 to dependants of any person whose death occurred prior to 1 October 1982.

3.0 INCREASED AMOUNTS

3.1 For the purposes of section 116 of the Act, the prescribed amount shall be the total of:

- \$154.50 in respect of the worker; and
- \$11.60 in respect of the spouse of the worker, while the spouse is totally dependent on the worker; and
- \$5.80 in respect of each child of the worker while that child is for the time being totally dependent on the worker.

3.2 For the purposes of section 117 of the Act, the prescribed amount shall be \$386 per week.

PROCEDURE SHEET

<u>STEPS</u>	<u>POINTS TO WATCH</u>
1. Identify relevant claims from listing provided.	Where and whenever possible check other claims on which ERC is currently being paid (or to be paid) to ensure that: - An assessment under S.116 or S.117 is warranted but has been overlooked or entitlement exists under S.116 or S.117 but has not yet been assessed or paid. - ERC payments have not been incorrectly coded.
2. Examine the claim file and check: - ERC. Reassess if the new S.116 rates apply. - Relevant earnings. Amend if the current prescribed amount has been applied.	Apply the new tax rates applicable from 1 October 1982. Remember to complete a C57 (201M) if a person's tax code has changed.
<u>ACC OFFICES ONLY</u>	
3. Cancel any continuous payment vouchers affected by the O.I.C. for the week ended 28.9.82.	
4. Make a manual payment for the period 29.9.82 to 5.10.82.	New tax rates apply.
5. Complete a new continuous payment voucher at the new rate for the week commencing 6.10.82.	The last date for acceptance of these vouchers in Head Office is <u>4.00 p.m., Monday 4 October 1982.</u> Ensure adequate time is allowed for cancellation and new voucher input to enable the deadline to be met.

4.0 ACTION REQUIRED

A listing has already been provided of opened claims on which payments of ERC have been made where entitlement has been assessed under Section 116 and 117. Although the listing is numerical only it will provide the claim number for the majority of current claims affected by the increases.

Refer to the attached Procedure Sheet for the action required to adjust ERC payments.



J.W. Brown
DEPUTY MANAGING DIRECTOR

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ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 405
DATE 5 July 1982

SUBJECT: INFLATION ADJUSTMENT OF 6.45% EFFECTIVE 30 JUNE 1982

1.0 INTRODUCTION

By Gazette Notice an Order in Council has been promulgated authorising a 6.45% increase in compensation payable on or after 30 June 1982, in respect of accidents which occurred on or before 15 November 1981.

2.0 APPLICATION OF THE ORDER

2.1 Those persons who will benefit under the provisions of this Order are as detailed hereunder:

2.1.1 Claimants whose relevant earnings are assessed in accordance with section 104, where the accident occurred on or before 15 November 1981 and where incapacity continues or occurs (whether or not for the first time) on or after 30 June 1982.

In considering the application of this Order it is necessary to ensure that a claimant assessed under section 104(10A) does not obtain the increase from two sources, i.e.

- from an assessment based upon earnings at the time of incapacity which includes increases taken into account in establishing the amount of this Order;

AND

- application of the 6.45% Order on this increased income level.

Where section 104(10A) has been applied a comparison of relevant earnings established under that sub-section and relevant earnings determined under section 104 (including this Order) must be made. E.R.C. beyond the effective date is to be assessed on the higher figure of the two UNLESS section 104(10A) has reduced relevant earnings in accordance with para 2.3.3 of T.I.C. 369 - in which case refer to Head Office for determination.

2.1.2 Claimants, where an assessment of permanent loss of earnings capacity under section 114 has been made prior to 30 June 1982, and the accident occurred on or before 15 November 1982.

2.1.3 Dependants, whose entitlement assessed in accordance with section 123 (1), commences or continues on or after 30 June 1982 in respect of an accident which occurred on or before 15 November 1981.

Dependants ERC is not to be increased if an increase has already been applied to relevant earnings or ERC in accordance with paragraphs 2.1.1 or 2.1.2 above if death occurs some time after an accident.

3.0 CONSIDERATION OF SECTION 116, 117 & 118

3.1 There will be some cases wherein the assessment of relevant earnings and calculation of ERC is controlled by the conditions of one of the above sections. Such claims will require closer scrutiny in order to determine the effect of the Order.

3.1.1 Section 116

Where payment is presently being made at 90% of relevant earnings, it may be necessary to increase payment to the amount prescribed for section 116.

In cases where the prescribed amount represents the current level of compensation, it may be that 80% of the increased relevant earnings now provides a higher level of ERC.

Note that the Order in Council does not affect the amount prescribed for the purpose of section 116. The prescribed amounts are currently \$115, \$8.60 and \$4.30.

3.1.2 Section 117

This Order is an inflation adjustment brought about by the need for the Corporation to update payments of ERC to a level which reflects movements and the origin of same, is to be found in negotiated increases within awards and industrial agreements, the nett effect of which is to gradually lift the average wage. Because the cumulative effect does not immediately become apparent, there is the need for retrospective adjustment.

In considering the application of this Order to assessments under section 117, therefore, it is necessary to ensure that a claimant does not obtain the increase from two sources, i.e.

- From an assessment based upon an incremental stage which would automatically include award increases negotiated to that date; AND
- Application of the 6.45% Order on this increased income level.

The following rules are to be followed in all cases where section 117 controls the assessment of relevant earnings.

3.1.2.1 Completion of Stages Before 15.11.81

In all cases where current E.R.C. is based upon relevant earnings assessed under section 117 (2) (a) and the final incremental adjustment (completion stage) was reached prior to 15.11.81, apply the 6.45% increase from the effective date. (These claimants will not have received any benefit from award etc. increases subsequently negotiated).

3.1.2.2 Increments Continue Beyond 15.11.81

Where the rate of ERC has been adjusted since 15.11.81 as a result of consideration of further stage increments under section 117 (2) (a) falling due after that date, the 6.45% increase is not to be applied. (Any stage increments applied after 15.11.81 will include and reflect award increases subsequently negotiated).

3.1.2.3 Incremental Stages Continue Beyond 30.06.82

In all cases where ERC is currently assessed under section 117 (2) (a) it will again be necessary to do a comparison of entitlements under section 117 and section 104. ERC under section 117 is to be assessed in accordance with the rules set out above and relevant earnings under section 104 as at 30 June 1982 is increased by 6.45%. The two results are then compared and ERC beyond 30 June 1982 is to be assessed on the higher of the two figures.

3.1.3 Section 118

The Order does not apply to claims admitted under this section except where the relevant earnings are ascertained in accordance with section 104 rather than on the basis of the prescribed amount. Such an assessment would have been allowed in accordance with the second proviso to section 118 (5).

4.0 CONTINUOUS PAYMENTS SYSTEM - ACC ACTION ONLY

- 4.1 All payments actioned under continuous payment voucher F91 will have the 6.45% increase applied automatically except those with an "X" shown in box 39, (refer Module 12, 12.1.4).

- 4.2 After the continuous payments system has been programmed, a series of computer printouts will be provided to you and these will reflect the new rates. Computer printouts have already been forwarded to you for those payment vouchers coded "X". Printouts will also be forwarded for those claimants who receive maximum ERC or the account code is not affected by the Order.
- 4.3 Any payment coded "X" must be examined individually, and the necessary changes made by cancelling the existing voucher (by means of F.32) and submitting a new voucher at the new rates. Any back pay which may result must be calculated and paid manually.



J.W. Brown
DEPUTY MANAGING DIRECTOR

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2.0 APPLICATION OF THE GENERAL WAGE ORDER

2.1 Claim payments which will require adjustment under the provisions of this General Wage Order are as detailed hereunder:

- 2.1.1 Claimants whose relevant earnings are assessed in accordance with section 104, where the accident occurred before 11 June 1981 and where incapacity continues or occurs (whether or not for the first time) on or after that date.
- 2.1.2 Claimants, where an assessment of permanent loss of earning capacity under section 114 has been made prior to 11 June 1981.
- 2.1.3 Dependants, whose entitlement assessed in accordance with section 123 (1), commences or continues on or after 11 June 1981, in respect of an accident which occurred on or before that date.

3.0 CONSIDERATION OF SECTIONS 116, 117 & 118

3.1 There will be some cases wherein the assessment of relevant earnings and calculation of ERC is controlled by the conditions of one of the above Act sections. Such claims will require close scrutiny in order to determine the effect of the increase.

3.1.1 Section 116

Where payment is presently being made at 90% of relevant earnings, the amount of the increase may be limited to the ceiling imposed by the prescribed amount.
i.e. Pre G.W.O. RE \$125 x .9 = \$112.50
Post G.W.O. RE \$131.25 x .9 = \$118.13
But the prescribed amount is \$115.
Therefore ERC is limited to \$115.

In cases where the prescribed amount represents the current level of compensation, it may be that 80% of the increased relevant earnings now provides a higher level of ERC.

Note that the General Wage Order does not affect the amount prescribed for the purpose of section 116. The prescribed amounts are currently \$115, \$8.60 and \$4.30.

3.1.2

Section 117

The General Wage Order does not affect the assessment of relevant earnings where these are assessed at the stages mentioned in section (2) (a) (i). Persons in this category will have their increases applied by their appropriate agreement or award at the stage next reached after 11 June 1981. It does, however, apply to the relevant earnings assessed under section 117 (2) (a) (ii) by reference to the amount that the person would have been earning on or before 11 June 1981. (This is by reason of the proviso to subsection (2) (a) (i) introduced by section 20 (1) of the 1975 Amendment Act.) The prescribed amount (which currently stands at \$175.00 for section 117, limits the effect of the increase.

It must be remembered, however, that where any adjustment is made to relevant earnings assessed under section 117 (2) (a) (ii), they must also be reassessed in terms of section 104 (for which purpose overtime is taken into account).

For Example:

General Wage Order effective on 11.6.81
Apprentice had accident on 21.12.80
Assessed under Section 117 (2) (a) (i) and
had stage increment on 16.1.81 Would have
completed apprenticeship on 2.6.81.

As at 2.6.81 relevant earnings are fixed under section 117 (2) (a) (i) at the amount he would have been earning had he not had the accident but had completed his apprenticeship.

Apprentice claimant still incapacitated on 11.6.81. Therefore General Wage Order operates to increase relevant earnings assessed under section 117 (2) (a) (ii) as from that date.

3.1.3

Section 118

The increase does not apply to claims admitted under this section except where the relevant earnings are ascertained in accordance with section 104 rather than on the basis of the prescribed amount. Such an assessment would have been allowed in accordance with the second proviso to section 118 (5).

4.0 CONTINUOUS PAYMENTS SYSTEM - ACC ACTION ONLY

- 4.1 All payments actioned under continuous payment voucher F91 will have the 5% increase applied automatically except those with an "X" shown in box 39, (refer Module 12, 12.1.4)
- 4.2 After the continuous payments system has been programmed, a series of computer printouts will be provided to you. These will reflect the new rates or will indicate those claims on which the new rate was not applied, i.e. "X" coded, reached maximum, account code not affected by Order etc.
- 4.3 Any payment coded "X" must be examined individually, and the necessary changes made by cancelling the existing voucher (by means of F.32) and submitting a new voucher at the new rates. Any back pay which may result must be calculated and paid manually.



D.V. Hannah
Advisory Officer

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ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 338
DATE 25 March 1981

SUBJECT: ORDER IN COUNCIL INCREASING PRESCRIBED AMOUNTS FOR THE PURPOSES OF SECTIONS 116 AND 118

1.0 INTRODUCTION

An Order in Council increasing certain prescribed amounts was gazetted in March 1981.

2.0 APPLICATION OF THE ORDER

In respect of the increased prescribed amounts under section 116 and 118, the Order applies for the purpose of calculating earnings related compensation payable for any period of incapacity which occurs on or after 1 April 1981, whether the accident occurred before, on, or after that date.

3.0 INCREASED AMOUNTS

3.1 For the purposes of section 116 of the Act, the prescribed amount shall be the total of:

- 3.1.1 \$115 in respect of the worker; and
- 3.1.2 \$8.60 in respect of the spouse of the worker, while the spouse is totally dependent on the worker; and
- 3.1.3 \$4.30 in respect of each child of the worker while that child is for the time being totally dependent on the worker.

3.2 For the purposes of section 118 of the Act, the prescribed amount shall be \$145 but subject to the power of the Corporation to increase this amount within the limits specified in section 118(5) of the Act.

4.0 STATE INSURANCE OFFICE ACTION

- 4.1 All files within each branch office are to be checked for the basis of relevant earnings and amended where the calculation of ERC is based on the prescribed amount of relevant earnings under sections 116 or 118.
- 4.2 Dummy files on which payments are being made are to be reassessed in the SIO branches. If insufficient information is contained on the dummy file, request the main file from the Regional Office.
- 4.3 Approved employer files must be checked as a separate exercise. In cases where adjustments are to be made, the employer is to be advised by letter. A copy of this letter is to be sent to the claimant with the new assessment sheet (C62).

5.0 REGIONAL OFFICE ACTION

5.1 Files within Regional Offices, which are to be returned to SIO branches, are to be considered in the light of these increases. Where it is apparent that changes in relevant earnings must be made, point this out to SIO staff when returning the file.

5.2 Files registered and domiciled in Regional Offices for continued handling are to be checked and reassessed where appropriate. It is to be noted however that this Order will have no application to any earnings related compensation which is payable under:

- Section 114 as a result of any assessment made prior to 1 April 1981.
- Section 123 to dependants of any person whose death occurred prior to 1 April 1981.

6.0 HEAD OFFICE ACTION

6.1 Files retained within Head Office for continued handling and payment are to be checked by claims handlers for the relevance of these increases in prescribed amounts.

7.0 G.W.O. AND O.I.C. CHART

7.1 Attached to TIC 313 is a chart of all compensation increases. Please update the chart from the details provided in this instruction. The number of this O.I.C. is 1981/45.



D.V. Hannah
ADVISORY OFFICER

Distribution: To All Claims Manual Volume I holders
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Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 327
DATE 26 August

SUBJECT: INFLATION ADJUSTMENT OF 4.7% EFFECTIVE 03.09.80

1.0 INTRODUCTION

1.1 By Gazette Notice to be dated 28 August 1980, an Order in Council will be promulgated authorising a 4.7% increase in compensation payable on or after 3 September 1980, in respect of accidents which occurred on or before 30 September 1979.

1.2 DO NOT ACT ON THIS TECHNICAL CIRCULAR UNTIL YOU RECEIVE A TELEGRAM FROM A.C.C. HEAD OFFICE CONFIRMING THE GAZETTING OF THIS INCREASE.

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08.08.80 (209)

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Dir. of Claims (4)

2.0 APPLICATION OF THE ORDER

2.1 Those persons who will benefit under the provisions of this Order are as detailed hereunder:

2.1.1. Claimants whose relevant earnings are assessed in accordance with section 104, where the accident occurred on or before 30 September 1979 and where incapacity continues or occurs (whether or not for the first time) on or after 3 September 1980.

2.1.2. Claimants, where an assessment of permanent loss of earning capacity under section 114 has been made prior to 3 September 1980, and the accident occurred on or before 30 September 1979.

2.1.3. Dependants, whose entitlement assessed in accordance with paragraphs (a), (b) or (c) of section 123 (1), commences or continues on or after 3 September 1980, in respect of an accident which occurred on or before 30 September 1979.

Dependants ERC is not to be increased if an increase has already been applied to relevant earnings or ERC in accordance with paragraphs 2.1.1. or 2.1.2. above.

3.0 CONSIDERATION OF SECTIONS 116, 117 & 118

3.1 There will be some cases wherein the assessment of relevant earnings and calculation of ERC is controlled by the conditions of one of the above sections. Such claims will require closer scrutiny in order to determine the effect of the Order.

3.1.1. Section 116

Where payment is presently being made at 90% of relevant earnings, it may be necessary to increase payment to the amount prescribed for section 116.

In cases where the prescribed amount represents the current level of compensation, it may be that 80% of the increased relevant earnings now provides a higher level of ERC.

Note that the Order in Council does not affect the amount prescribed for the purpose of section 116. The prescribed amounts are currently \$80.00, \$6.00 and \$3.00.

3.1.2. Section 117

This particular Order is an inflation adjustment brought about by the need for ACC to update payments of ERC to a level which reflects movements in salaries and wages in the work force. The prime reason for these movements, and the origin of same, is to be found in negotiated increases within awards and industrial agreements, the nett effect of which is to gradually lift the average wage. The cumulative effect does not immediately become apparent therefore the need for restrospective adjustment.

In considering the application of this Order to assessments under s.117 therefore, it is necessary to ensure that a claimant does not obtain the increase from two sources, i.e.

- From an assessment based upon an incremental stage which would automatically include award increases negotiated to that date; AND
- Application of the 4.7% Order on this increased income level.

The following rules are to be followed in all cases where s.117 controls the assessment of relevant earnings:

1. COMPLETION OF STAGES BEFORE 30.09.79

In all cases where current E.R.C. is based upon relevant earnings assessed under s.117 (2)(a) and the final incremental adjustment (completion stage) was reached prior to 30.09.79, apply the 4.7% increase from 03.09.80. (These claimants will not have received any benefit from award etc. increases subsequently negotiated).

2. INCREMENTS CONTINUE BEYOND 30.09.79

Where the rate of ERC has been adjusted since 30.09.79 as a result of consideration of further stage increments under 117 (2)(a) falling due after that date, the 4.7% increase is not to be applied. (Any stage increments applied after 30.09.79 will include and reflect award increases subsequently negotiated.)

3. INCREMENTAL STAGES CONTINUE BEYOND 03.09.80

In all cases where ERC is currently assessed under s.117 (2)(a) it will be necessary to again do a comparison of entitlements under s.117 and s.104. ERC under s.117 is to be assessed in accordance with the rules set out above and relevant earnings under s.104 as at 03.09.80 is increased by 4.7%. The two results are then compared and ERC beyond 03.09.80 is to be assessed on the higher of the two figures.

3.1.3. Section 118

The Order does not apply to claims admitted under this section except where the relevant earnings are ascertained in accordance with section 104 rather than on the basis of the prescribed amount. Such an assessment would have been allowed in accordance with the second proviso to s.118 (5).


S.J. MAYNE
ADVISORY OFFICER

DISTRIBUTION: To all holders of Claims Manual, Vol. I
FILING : File in AC 2-6, behind page 54.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T.I.C. 325

DATE 29th July 1980

SUBJECT: GOVERNMENT ANNOUNCEMENT OF 4% GENERAL INCREASE IN WAGES AND SALARIES FROM 1 AUGUST 1980.

1.0 INTRODUCTION

- 1.1 The recently announced 4% increase in remuneration as from 1 August 1980 is not a "relevant general wage order" within the terms of the Accident Compensation Act 1972.
- 1.2 Claims handlers are therefore not required to adjust relevant earnings as from 1 August.
- 1.3 The general increase does however require consideration in terms of Section 104, subsection (5) of the Accident Compensation Act. The paragraphs which follow detail the extent to which this subsection should be considered.

2.0 CONSIDERATION OF SECTION 104, SUBSECTION (5)

2.1 Accidents Occuring Between 25/7/80 and 31/7/80

Where salary and wage earners suffer an accident within the above period, take good note of the answer to question 9 on the C3. If the form has been completed correctly, there should be an indication of the effect of the general increase. If this is the case, apply the provisions of S.104(5) and pay accordingly throughout the period of short term incapacity only.

2.2 Accident Occurring Between 1/8/80 and 28/8/80

Where salaried employees are involved, it will be appropriate to apply S.104(5) in all cases. It may also be appropriate to assess relevant earnings at the higher salary level, having regard to work history, residence in New Zealand, etc.

In cases where the claim involves a wage earner, S.104(5) is to be considered in accord with the information supplied in answer to question 7(a)1. An increase in the hourly rate (Q.7(a)2) may be of assistance in determining entitlement during short term incapacity.

2.3 Accident Occurring After 29/8/80

Assess relevant earnings having regard to existing guidelines at your disposal. In cases where the S.104 guidelines dictate an assessment based on any period other than the four weeks prior to date of accident, consider applying S.104(5) for the period of short term incapacity.


S.J. Mayne
ADVISORY OFFICER

Distribution: All Claims Manual Volume I Holders

Filing Instructions: AC 2-6, behind page 54 and on top of T.I.C. 319.

7 December 1979

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Technical Information Circular 319

Inflation Adjustments

- 1.0 Attached hereto is a T.I.C. dealing with the application of an Order-In-Council to be signed by the Governor-General on 14 December 1979.

Signed earlier, gazetted on

[Signature]
S. J. MYNNE
ADVISORY OFFICER

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S.I.O. BRANCHES



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. 319
DATE 7 December 1979

SUBJECT: INFLATION ADJUSTMENTS BY ORDER IN COUNCIL

1.0 INTRODUCTION

- 1.1 The Governor-General has signed an Order in Council authorising inflation adjustments to compensation payable on or after 10 December 1979, in respect of accidents which occurred between 1 April 1974 and 31 March 1979 inclusive.
- 1.2 The percentage increase to be applied in any particular case varies in accordance with the date of accident, and as to whether the payee is a claimant or a dependant.

2.0 APPLICATION OF THE ORDER

- 2.1 Those persons who will benefit under the provisions of this Order are as detailed hereunder:
 - 2.1.1 Claimants, whose relevant earnings are assessed in accordance with Section 104, where the accident occurred within one of the prescribed quarterly periods, and where incapacity continues or occurs (whether or not for the first time) on or after 10 December 1979.
 - 2.1.2 Claimants, where a positive assessment of permanent loss of earning capacity has been made prior to 10 December 1979 in accordance with Section 114, and where the accident occurred within one of the prescribed quarterly periods.
 - 2.1.3 Dependants, whose entitlement assessed in accordance with paragraphs (a) (b) or (c) of Section 123(1), commences or continues on or after 10 December 1979, in respect of an accident which occurred within one of the prescribed quarterly periods mentioned in the "First Schedule" of this circular.

Dependants' ERC is not to be increased if an increase has already been applied to relevant earnings in accordance with paragraphs 2.1.1. or 2.1.2. above.

PROCEDURE SHEET TWO - Claimants
 - Assessments under Section 104
 - Increase in Relevant Earnings

ALL ACC OFFICES ONLY

(All claims on continuous payment system, excluding FataIs).

ACTION	NOTES
1. Determine date of accident.	(a) If on or after 1 April 1979 O.I.C. does not apply. (b) If before 1 April 1979, determine amount of increase as per steps 2 and 3.
2. Refer to the "first schedule" attached and locate the date of accident within the quarterly periods listed.	(a) Accident dates are listed under Column I of the schedule.
3. Determine the appropriate percentage increase as listed in the schedule.	(a) Refer to "First Schedule" Column II.
4. Determine the current level of relevant earnings.	(a) Refer to C62 completed for 4.5% increase of 3 September 1979.
5. Increase relevant earnings by the percentage ascertained in step 3 above.	(a) The "Second Schedule" provides an aid to calculation.
6. Complete new form C62 showing the increased relevant earnings figure.	(a) Increased relevant earnings figure applies to payments on or after 10 December 1979. (b) Watch Section 116 assessments (i.e. 80%, 90%, or prescribed amount.) (c) ERC not to exceed \$288p.w.

PROCEDURE SHEET TWO - Continued

ACTION	NOTES
7. Deduct notional earnings, if previously assessed.	(a) <u>DO NOT</u> increase notional earnings by the pre-determined percentages, but consider an adjustment to a higher figure if the initial assessment was made prior to 31.03.79. Refer such cases to Regional Office staff for consideration. (b) ERC not to exceed \$288 p.w.
8. Calculate nett ERC payable.	
9. Prepare F30 for difference between new amount and existing voucher for period 10.12.79 to 15.1.80.	(a) Period covers 5 weeks, 2 days.
10. Send F30's to Finance Division.	
11. Draw F91 voucher at new rates effective from 16.1.80, or later date	(a) VOUCHERS MUST REACH FINANCE DIVISION BY 10 JANUARY 1980 AT THE LATEST, TO ENSURE TIMELY CHEQUE DESPATCH BY 16.1.80.

3.0 ADJUSTMENT OF E.R.C. PAYMENTS

3.1 The procedure sheets which follow detail the action to be taken in the following categories:

3.1.1 Procedure Sheet One (SIO and ACC)

Claimants whose entitlement has been assessed in accordance with Section 104. All claims (excluding those on the continuous payment system.- administered by ACC H.O. and Regions)

3.1.2 Procedure Sheet Two (ACC ONLY)

Claimants whose entitlement has been assessed in accordance with Section 104 and payment is being made under the continuous payment system (excluding fatal claims).

3.1.3 Procedure Sheet Three (ACC ONLY)

Claimants whose entitlement to ERC has been assessed in accordance with Section 114. This applies to positive assessments only made before 10 December 1979.

3.1.4 Procedure Sheet Four (ACC ONLY)

Dependants whose entitlement rests under the provisions of Section 123(1). The majority of ERC payments will be increased automatically if coding allows. Computer print-outs will be produced for those claims requiring individual consideration.

4.0 SCHEDULES

4.1 The "First Schedule"

The first schedule attached to this circular details the various percentage increases which are to be applied to relevant earnings or ERC, as the case may be. The percentage varies according to the date of accident and as to whether the payee is the claimant or a dependant of a deceased person.

4.2 The "Second Schedule"

The second schedule is provided as an aid to calculating the increase which is to be applied to the pre-adjustment level of relevant earnings or ERC.

In applying existing levels of relevant earnings or ERC to the chart it will be necessary to adjust the "cents" upwards to a round figure. This adjustment is apparent in the two examples which follow.

4.2.1 Example One

Facts (1) D.O.A.
(2) PAYEE
(3) ENTITLEMENT
(4) RELEVANT EARNINGS

05.06.74
Claimant
S.104
\$189.81

Calculation

- (1) Round up R/E to \$189.90
(2) "First Schedule" Increase - Col. II - 36.0%
(3) "Second Schedule" Breakdown

\$100.00	36.00	
80.00	28.80	
9.00	3.24	
0.90	0.32	
<u>\$189.90</u>		<u>\$68.36</u> = \$258.26

- (4) New Rate of R/E = ~~\$258.26~~

Should be 258.17

4.2.2 Example Two

Facts (1) D.O.A.
(2) PAYEE
(3) ENTITLEMENT
(4) PERMANENT ERC

03.07.77
Claimant
S.114
\$265.37

Calculation

- (1) Round up ERC to \$265.40
(2) "First Schedule" Increase - Col. II - 16.8%
(3) "Second Schedule" Breakdown

\$200.00	33.60	
60.00	10.08	
5.00	0.84	
0.40	0.07	
<u>\$265.40</u>		<u>\$44.59</u> = \$309.99

- (4) New Rate of ERC = \$288.00 (Maximum)

5.0 CONSIDERATION OF SECTIONS 116, 117 & 118

5.1 Section 116

Where payment is made at the rate of 90% of relevant earnings, or at the level of the prescribed amount, recalculation will be necessary. Payments will increase to the prescribed amount or to 80% of R.E.

Note that the Order-In-Council does not affect the prescribed amount for the purposes of Section 116.

5.2 Section 117

The Order-In-Council does not affect the assessment of relevant earnings where these are assessed at the stages mentioned in subsection (2)(a)(i). The Order does however apply to the earnings assessed under Section 117(2)(a)(ii) by reference to the amount that the person would have been earning before 10 December 1979. The prescribed amount for Section 117 could limit the effect of the increase.

It must be remembered however that where any adjustment is made to relevant earnings assessed under Section 117(2)(a)(ii), they must also be reassessed in terms of Section 104, for which purpose overtime is taken into account.

Example

O.I.C. effective on 10.12.79

Apprentice had accident on 23.01.79

Assessed under 117(2)(a)(i)

Stage increment on 13.03.79

Completed apprenticeship on 29.08.79

As at 29.08.79 relevant earnings are fixed under S.117(2)(a)(ii) at the amount he would have been earning had he not had the accident, but had completed his apprenticeship.

Apprentice still incapacitated on 10.12.79, therefore O.I.C. operates to increase relevant earnings assessed under S.117(2)(a)(ii), as from that date, by 1.9%, as this gives a better result than assessment under S.104.

5.3 Section 118

The O.I.C. does not apply to claims admitted under S.118 except where the relevant earnings ascertained in accordance with Section 104, are allowed at more than the amount prescribed for the purposes of Section 118, in accordance with the second proviso to Section 118(5).

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PROCEDURE SHEET ONE - Claimants
 - Assessments under Section 104
 - Increase in Relevant Earnings

ALL CLAIMS HANDLING OFFICES, S.I.O. AND A.C.C.

All claims, excluding those on continuous payment system.

ACTION	NOTES
1. Determine date of accident.	(a) If on or after 1 April 1979, O.I.C. does not apply. (b) If before 1 April 1979 determine amount of increase as per Steps 2 and 3.
2. Refer to the "First Schedule" attached and locate the date of accident within the quarterly periods listed.	(a) Accident dates are shown under Column I of the First Schedule.
3. Determine the appropriate percentage increase as listed in the schedule.	(a) Refer to First Schedule - Column II.
4. Determine current level of relevant earnings.	(a) Refer to C62 completed for 4.5% increase of 3 September 1979.
5. Increase relevant earnings by the percentage ascertained in Step 3 above.	(a) The second schedule provides an aid to calculation.
6. Calculate ERC by completing a new form C62. showing the increased relevant earnings figure.	(a) Increased relevant earnings figure applies to payments on or after 10 December 1979. (b) Watch Section 116 assessments (i.e. 80%, 90%, or prescribed amount). (c) ERC not to exceed \$288 p.w.

PROCEDURE SHEET ONE - Continued

ACTION	NOTES
7. Deduct notional earnings if previously assessed.	(a) <u>DO NOT</u> increase notional earnings by the predetermined percentages, but consider an adjustment to a higher figure if the initial assessment was made prior to 31.03.79. Refer such cases to Regional Office staff for consideration. (b) ERC not to exceed \$288 p.w.
8. Calculate any arrears of ERC due, back to and including 10 December 1979.	
9. Post new C62 to claimant with next cheque for increased amount.	

PROCEDURE SHEET THREE - Claimants

- Assessments under Section 114
- Increase in ERC

ALL A.C.C. OFFICES ONLY

All claims involving positive assessments under S.114.

ACTION	NOTES
1. Verify that S.114 assessment was made prior to 10.12.79.	(a) Increase does not apply to assessments after 10.12.79.
2. Determine date of accident.	(a) If on or after 1 April 1979 increase does not apply. (b) If before 1 April 1979 determine amount of increase as per steps 3 and 4.
3. Refer to the "First Schedule" attached to this circular, and locate the date of accident within the quarterly periods listed.	(a) Accident dates are shown under Column I of the "First Schedule".
4. Determine the appropriate percentage increase as noted in the "First Schedule."	(a) Refer to Column II of the "First Schedule".
5. Determine the amount of ERC payable as permanent loss of earning capacity.	(a) Refer to S.114 assessment sheet.
6. Increase the permanent assessment of ERC by the percentage ascertained in Step 4.	(a) The "Second Schedule" provides an aid to calculation. (b) Increase applies to incapacity on or after 10 December 1979. (c) ERC not to exceed \$288p.w.

PROCEDURE SHEET THREE. - Continued

9

ACTION	NOTES
7. Advise claimant of the increase by letter.	(a) Copy of letter to be placed on the claim file.
8. If payment being made by the continuous payment system, refer to Procedure Sheet two steps 9,10,11.	

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PROCEDURE SHEET FOUR - Dependants
- Assessment under S.123(1)
- Increase in ERC.

ACC HEAD OFFICE ONLY

Fatal Claims not automatically adjusted, print outs to be provided.

ACTION	NOTES
1. Determine if type of payment qualifies for increase.	YES - Proceed to Step 2. NO - Ignore application of Order in Council.
2. Determine date of accident.	- If on or after 1 April 1979 increase does not apply. - If before 1 April 1979 determine amount of increase as per steps 3 & 4.
3. Refer to the First Schedule and locate the date of accident within one of the quarterly periods shown.	- Quarterly periods listed under Column I.
4. Determine the appropriate percentage increase as noted in the Schedule.	- Increases noted in Column III. Ignore Column II.
5. Determine previous level of ERC.	- Refer file documentation.
6. Increase ERC by percentage determined in Step 4.	- The "Second Schedule" provides an aid to calculation.
7. Complete all necessary input forms to action arrears and/or alterations to continuous payments.	

FIRST SCHEDULE

COLUMN I

COLUMN II

COLUMN III

PERCENTAGE INCREASE

PERIOD WITHIN WHICH THE ACCIDENT
OCCURRED (Both dates inclusive):

CLAIMANTS
EXCLUDING
DEPENDANTS

DEPENDANTS

ONLY

1 April 1974 to 30 June 1974	36.0	24.7
1 July 1974 to 30 September 1974	22.2	11.3
1 October 1974 to 31 December 1974	21.5	10.5
1 January 1975 to 31 March 1975	17.9	16.4
1 April 1975 to 30 June 1975	17.8	16.3
1 July 1975 to 30 September 1975	12.5	10.6
1 October 1975 to 31 December 1975	11.5	9.5
1 January 1976 to 31 March 1976	11.4	9.5
1 April 1976 to 30 June 1976	11.7	10.1
1 July 1976 to 30 September 1976	11.6	9.9
1 October 1976 to 31 December 1976	8.0	6.2
1 January 1977 to 31 March 1977	7.7	6.0
1 April 1977 to 30 June 1977	7.1	5.4
1 July 1977 to 30 September 1977	16.8	15.4
1 October 1977 to 31 December 1977	11.6	10.0
1 January 1978 to 31 March 1978	8.5	6.8
1 April 1978 to 30 June 1978	7.1	5.4
1 July 1978 to 30 September 1978	5.9	5.9
1 October 1978 to 31 December 1978	4.2	4.2
1 January 1979 to 31 March 1979	1.9	1.9
1 April 1979 and thereafter	nil	nil

LEVEL OF RELEVANT EARNINGS		PERCENTAGE INCREASE						
		36.0	24.7	22.2	21.5	17.9	17.8	16.8
H U N D R E D S	600.00	216.00	148.20	133.20	129.00	107.40	106.80	100.80
	500.00	180.00	123.50	111.00	107.50	89.50	89.00	84.00
	400.00	144.00	98.80	88.80	86.00	71.60	71.20	67.20
	300.00	108.00	74.10	66.60	64.50	53.70	53.40	50.40
	200.00	72.00	49.40	44.40	43.00	35.80	35.60	33.60
	100.00	36.00	24.70	22.20	21.50	17.90	17.80	16.80

T E N S	90.00	32.40	22.23	19.98	19.35	16.11	16.02	15.12
	80.00	28.80	19.76	17.76	17.20	14.32	14.24	13.44
	70.00	25.20	17.29	15.54	15.05	12.53	12.46	11.76
	60.00	21.60	14.82	13.32	12.90	10.74	10.68	10.08
	50.00	18.00	12.35	11.10	10.75	8.95	8.90	8.40
	40.00	14.40	9.88	8.88	8.60	7.16	7.12	6.72
	30.00	10.80	7.41	6.66	6.45	5.37	5.34	5.04
	20.00	7.20	4.94	4.44	4.30	3.58	3.56	3.36
	10.00	3.60	2.47	2.22	2.15	1.79	1.78	1.68

U N I T S	9.00	3.24	2.22	2.00	1.94	1.61	1.60	1.51
	8.00	2.88	1.98	1.78	1.72	1.43	1.42	1.34
	7.00	2.52	1.73	1.55	1.51	1.25	1.25	1.18
	6.00	2.16	1.48	1.33	1.29	1.07	1.07	1.01
	5.00	1.80	1.24	1.11	1.08	0.90	0.89	0.84
	4.00	1.44	0.99	0.89	0.86	0.72	0.71	0.67
	3.00	1.08	0.74	0.67	0.65	0.54	0.53	0.50
	2.00	0.72	0.49	0.44	0.43	0.36	0.36	0.34
	1.00	0.36	0.25	0.22	0.22	0.18	0.18	0.17

C E N T S	0.90	0.32	0.22	0.20	0.19	0.16	0.16	0.15
	0.80	0.29	0.20	0.18	0.17	0.14	0.14	0.13
	0.70	0.25	0.17	0.16	0.15	0.13	0.13	0.12
	0.60	0.22	0.15	0.13	0.13	0.11	0.11	0.10
	0.50	0.18	0.12	0.11	0.11	0.09	0.09	0.08
	0.40	0.14	0.10	0.09	0.09	0.07	0.07	0.07
	0.30	0.11	0.07	0.07	0.07	0.05	0.05	0.05
	0.20	0.07	0.05	0.04	0.04	0.04	0.04	0.03
	0.10	0.04	0.02	0.02	0.02	0.02	0.02	0.02

LEVEL OF RELEVANT EARNINGS		PERCENTAGE INCREASE						
		16.4	16.3	15.4	12.5	11.7	11.6	11.5
H U N D R E D S	600.00	98.40	97.80	92.40	75.00	70.20	65.60	69.00
	500.00	82.00	81.50	77.00	62.50	58.50	58.00	57.50
	400.00	65.60	65.20	61.60	50.00	46.80	46.40	46.00
	300.00	49.20	48.90	46.20	37.50	35.10	34.80	34.50
	200.00	32.80	32.60	30.80	25.00	23.40	23.20	23.00
	100.00	16.40	16.30	15.40	12.50	11.70	11.60	11.50

T E N S	90.00	14.76	14.67	13.86	11.25	10.53	10.44	10.35
	80.00	13.12	13.04	12.32	10.00	9.36	9.28	9.20
	70.00	11.48	11.41	10.78	8.75	8.19	8.12	8.05
	60.00	9.84	9.78	9.24	7.50	7.02	6.96	6.90
	50.00	8.20	8.15	7.70	6.25	5.85	5.80	5.75
	40.00	6.56	6.52	6.16	5.00	4.68	4.64	4.60
	30.00	4.92	4.89	4.62	3.75	3.51	3.48	3.45
	20.00	3.28	3.26	3.08	2.50	2.34	2.32	2.30
	10.00	1.64	1.63	1.54	1.25	1.17	1.16	1.15

U N I T S	9.00	1.48	1.47	1.39	1.13	1.05	1.04	1.04
	8.00	1.31	1.30	1.23	1.00	0.94	0.93	0.92
	7.00	1.15	1.14	1.08	0.88	0.82	0.81	0.81
	6.00	0.98	0.98	0.92	0.75	0.70	0.70	0.69
	5.00	0.82	0.82	0.77	0.63	0.59	0.58	0.58
	4.00	0.66	0.65	0.62	0.50	0.47	0.46	0.46
	3.00	0.49	0.49	0.46	0.38	0.35	0.35	0.35
	2.00	0.33	0.33	0.31	0.25	0.23	0.23	0.23
	1.00	0.16	0.16	0.15	0.13	0.12	0.12	0.12

C E N T S	0.90	0.15	0.15	0.14	0.11	0.11	0.10	0.10
	0.80	0.13	0.13	0.12	0.10	0.09	0.09	0.09
	0.70	0.12	0.11	0.11	0.09	0.08	0.08	0.08
	0.60	0.10	0.10	0.09	0.08	0.07	0.07	0.07
	0.50	0.08	0.08	0.08	0.06	0.06	0.06	0.06
	0.40	0.07	0.07	0.06	0.05	0.05	0.05	0.05
	0.30	0.05	0.05	0.05	0.04	0.04	0.04	0.04
	0.20	0.03	0.03	0.03	0.03	0.02	0.02	0.02
	0.10	0.02	0.02	0.02	0.01	0.01	0.01	0.01

LEVEL OF RELEVANT EARNINGS		PERCENTAGE INCREASE							
		6.0	5.9	5.4	4.2	1.9			
H U N D R E D S	600.00	36.00	35.40	32.40	25.20	11.40			
	500.00	30.00	29.50	27.00	21.00	9.50			
	400.00	24.00	23.60	21.60	16.80	7.60			
	300.00	18.00	17.70	16.20	12.60	5.70			
	200.00	12.00	11.80	10.80	8.40	3.80			
	100.00	6.00	5.90	5.40	4.20	1.90			

T E N S	90.00	5.40	5.31	4.86	3.78	1.71			
	80.00	4.80	4.72	4.32	3.36	1.52			
	70.00	4.20	4.13	3.78	2.94	1.33			
	60.00	3.60	3.54	3.24	2.52	1.14			
	50.00	3.00	2.95	2.70	2.10	0.95			
	40.00	2.40	2.36	2.16	1.68	0.76			
	30.00	1.80	1.77	1.62	1.26	0.57			
	20.00	1.20	1.18	1.08	0.84	0.38			
	10.00	0.60	0.59	0.54	0.42	0.19			

U N I T S	9.00	0.54	0.53	0.49	0.38	0.17			
	8.00	0.48	0.47	0.43	0.34	0.15			
	7.00	0.42	0.41	0.38	0.29	0.13			
	6.00	0.36	0.35	0.32	0.25	0.11			
	5.00	0.30	0.30	0.27	0.21	0.10			
	4.00	0.24	0.24	0.22	0.17	0.08			
	3.00	0.18	0.18	0.16	0.13	0.06			
	2.00	0.12	0.12	0.11	0.08	0.04			
	1.00	0.06	0.06	0.05	0.04	0.02			

C E N T S	0.90	0.05	0.05	0.05	0.04	0.02			
	0.80	0.05	0.05	0.04	0.03	0.02			
	0.70	0.04	0.04	0.04	0.03	0.01			
	0.60	0.04	0.04	0.03	0.03	0.01			
	0.50	0.03	0.03	0.03	0.02	0.01			
	0.40	0.02	0.02	0.02	0.02	0.01			
	0.30	0.02	0.02	0.02	0.01	0.01			
	0.20	0.01	0.01	0.01	0.01	-			
	0.10	0.01	0.01	0.01	-	-			

- is incapacitated from the date of accident but subsequently returns to work and is later again incapacitated (on one or more occasions) as the result of the original injury.

2.2 Where this occurs, enquiries are to be made to ascertain whether there has been any permanent change in the claimant's job, position or rate of remuneration in the period between the date of accident and the date of commencement of incapacity.

2.2.1 If there has been no permanent change (or only a change of a temporary or seasonal nature), relevant earnings assessed as at the date of accident will still represent normal average weekly earnings and it would be inappropriate to invoke sections 104(10A) and (10B).

2.2.2 If a permanent change has occurred, the action detailed in paragraph 2.3 below is to be taken.

2.3 Obtain a new form C3 showing updated earnings details as at the date of commencement of incapacity.

Note. (1) If the incapacity is commencing for the first time (e.g. 6 months after the date of accident) it will be necessary to also obtain a form C3 as at the time of the accident.

(2) If a promotion or a change in employment had been arranged but had not become effective at the date of accident, Section 104 10(A) cannot be invoked to allow the proposed earnings level to be taken into account. (Section 104(5) may be appropriate in such a case and should not be overlooked.) However, if the claimant subsequently returns to work and the promotion or change in employment becomes effective the new earning level can be taken into account should the claimant subsequently suffer a further period of incapacity.

2.3.1 Relevant earnings should then be re-assessed in the normal manner from the information provided on the new form C3. If a comparison between relevant earnings as at the time of the accident (updated as necessary by subsequent Orders in Council) and the re-assessed amount as at the commencement of the period of incapacity shows there is no difference then any ERC entitlement is to continue to be assessed on the basis of relevant earnings determined as at the date of the accident.

- 2.3.2 If however, the comparison shows an increase then the provisions of Section 104 10(A) are to be invoked and any ERC entitlement in respect of the period of incapacity is to be based upon the increased relevant earnings figure so determined.
- 2.3.3 Where the comparison shows a permanent reduction in earnings (which cannot itself be said to be due to the original injury requiring compensation under Section 113 or Section 114), a submission to Head Office is to be prepared setting out the relevant facts (including comment as to whether in terms of the statute, relevant earnings at the date of accident should still represent normal average weekly earnings) and containing a recommendation as to the action to be taken.

Note. It is envisaged that reference to Head Office will be required only for a period in order that experience may be gained and further guidelines issued as necessary.

- 2.4 In cases where relevant earnings at the date of accident were assessed under the provisions of Section 117 or Section 118, care is to be taken to ascertain whether at the time of commencement of any period of incapacity the claimant's relevant earnings assessed under Section 104 have overtaken the original basis of assessment.
- 2.5 Regional and District staff are reminded that in cases of doubt or uncertainty, they should seek advice from Head Office.

File in Claims Manual, Volume 1, AC 2-6, between pages 3 & 4, and in front of TIC 219.

Distribution; To all holders of Claims Manual, Volume 1.

Relevant earnings—Section 104 of the principal Act is hereby amended by inserting, after subsection (10), the following subsections:

“(10A) Where any period of an earner’s incapacity for work does not commence on the date of the accident, and the Corporation is of the opinion that relevant earnings ascertained in accordance with the foregoing provisions of this section do not fairly and reasonably represent the earner’s normal average weekly earnings at the commencement of the period of incapacity for work, the Corporation may, notwithstanding the foregoing provisions of this section, in its discretion determine an amount which in its opinion would fairly and reasonably represent his normal average weekly earnings at the time of the commencement of the period of incapacity for work, having regard to such information as it may obtain regarding his earnings before the time of the commencement of the period of incapacity for work and his earnings at the time of the commencement of that period, and to his work history and the period of his residence in New Zealand before the time of the period of incapacity for work; and any amount so determined shall be treated as if it was his relevant earnings for the purpose of assessing earnings related compensation during the particular period of incapacity for work:

“Provided that any determination made under this subsection shall not bind or prejudice the Corporation or limit or restrict its discretions or powers with regard to any assessment or determination of that person’s relevant earnings or loss of earning capacity during any other period of his incapacity for work to which the determination does not relate.

“(10B) In determining the amount under subsection (10A) of this section, the Corporation may exercise the discretions and powers conferred on it by subsections (2), (3), and (4) of this section and by section 104A (3) of this Act as if references to the time of the accident and to the date of the accident in those subsections were references respectively to the time of the commencement of a period of incapacity for work and to the date of commencement of a period of incapacity for work.”



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

Mr. Daniell

CIRCULAR No. T219

DATE 5 November 1976

SUBJECT: DELAYED INCAPACITY - RELEVANT EARNINGS ARE PRE-ACCIDENT EARNINGS, NOT PRE-INCAPACITY EARNINGS

- 1.0 It is a matter of paramount principle under S.104 that relevant earnings are to be assessed with regard to pre-accident earnings. Relevant earnings are such amount at the time of the accident as reasonably represents an injured person's normal average earnings: S.104(1) Earnings derived, or likely to be derived after the accident, do not represent earnings at the time of the accident.
- 1.1 When assessing relevant earnings regard may be made to the amount of weekly earnings as an employee "at or about the time of the accident": S.104 (2) (a). The phrase, "at or about", however, does not allow known post-accident earning variations (eg salary increments) to be taken into account when assessing what would be an injured person's normal average weekly earnings at the time of the accident. The provisions of sub-section 104 (2) (a) do not enlarge or over-ride the provisions of sub-section 104(1).
- 1.2 There are two exceptions to the paramount principle that relevant earnings are to be assessed with regard to pre-accident earnings. Both exceptions are of limited effect. The first exception is contained in sub-section 104 (5), and applies only during the period of short term incapacity. In this case relevant earnings determined in the normal way may be varied if they are significantly more or significantly less than the average weekly amount of earnings as an employee which the injured person would have received during the period of short term incapacity if he had not suffered the injury.
- The other exception is contained in sub-section 104 (6) (a) and applies where a person has engaged to work under a contract of service but had not commenced to work at the time of the accident. In this case relevant earnings would be generally assessed at that weekly amount which the person would have earned had he been actually working under the contract of service at the time of the accident; but regard must be had to the possible application of the second proviso to subsection 118 (5).
- 1.3 There is no provision in section 104 permitting substitution of the date of commencement of incapacity for the date of the accident when assessing an injured person's relevant earnings. Where incapacity from injury is not immediate relevant earnings must still be assessed with regard to pre-accident earnings, notwithstanding that the earnings of the injured person may have varied between date of accident and date of commencement of incapacity.

Sub-section 104(5), of course, could apply in a case where the period of incapacity, or part of it, falls within "the period of short term incapacity"; but only to the extent that the period of incapacity is actually within "the period of short term incapacity". Where the period of incapacity, or a recurrence of incapacity, occurs beyond the 5th week from the date of the accident subsection 104(5) has no application.

Signed.....

ADVISORY OFFICER

DISTRIBUTION: To all Claims Manual Vol 1 Holders and all holders of Provisional Interpretations.

FILING INSTRUCTIONS: File between pages 3 & 4 of AC2-6 pending a Manual Amendment.

3.0 Relevant Earnings

Relevant Earnings are used as a base for the assessment of E.R.C. and are calculated from information obtained from the appropriate Earnings Certificate(s) (Refer AC 2-5).

The rules for assessing relevant earnings are set out in S.104.

NOTE: The Accident Compensation Act 1975 repealed and substituted S.104 in a form which (subject to Sections 117 and 118 relating to incremental earnings and loss of potential earning capacity respectively) is designed to provide a simplified and flexible process for determining relevant earnings.
The amendments in Part 1 of the Accident Compensation Amendment Act 1975 (which includes rules for determining relevant earnings under S.104) came into force on 10 October 1975 and therefore cannot be applied in respect of accidents happening prior to that date.

3.1 Section 104 (1)

This subsection sets out a basic approach for ascertaining relevant earnings namely by reference to the amount which would at the time of the accident, fairly and reasonably represent the person's normal average weekly earnings having regard to his earnings before and at the time of the accident, his work history, and his period of residence in New Zealand. This method is normally used irrespective of the period of incapacity. It applies to both employees and self-employed persons but the approaches to be applied in arriving at the fair and reasonable figure differ according to whether the person has or has not been self-employed during the 12 months before the accident. If, in the case of an employee,

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Cont/d....

Amendment No 38

- the claimant has been in stable employment in New Zealand for sometime;
- his earnings have been relatively consistent and
- it is unlikely that there would have been any significant variation in the earnings which would have been earned during the "Short Term", had he not suffered the injury, then the assessment of relevant earnings can be made on the basis of his earnings at the time of the accident and the resultant E.R.C. entitlement will apply irrespective as to whether this relates to incapacity during a "Short Term or Further" period.

NOTE:

(1) Any question of relevant earnings of a self-employed person or a person who has been self employed during the 12 months before the accident is to be determined in accordance with AC 2-7 3.0.

(2) The following instructions and comments relate ONLY to those cases where the claimant is an EMPLOYEE and has not been self-employed during the preceding 12 months.

3.2

Section 104 (2)

While section 104 (1) sets out the basic criteria, section 104 (2) provides statutory guide lines by which the fair and reasonable amount is to be arrived at. These are to be applied strictly in the order in which they appear in the subsection.

3.2.1

Where the weekly earnings at the time of the accident fairly represent normal average weekly earnings there is no need to enquire further. If they do not fairly represent normal average weekly earnings then consider subsection 104 (2) (b) and if this does not provide an appropriate standard then consider 2 (c).

Note: In considering each of the alternative criteria set out in 104 (2) (a), (b) and (c) have regard to the employee's work history, his period of residence in New Zealand, and his earnings before and at the time of the accident.

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- 3.2.2. In normal circumstances the action outlined above will provide the relevant earnings on which E.R.C. will be assessed. Attention is however, drawn to the proviso in 104 (2) that allows the Commission to have regard to such other factors as it may consider relevant. If information is available to the claims handling officer which indicates that such factors may be present refer the file to the Commission with full details.
- 3.2.3. If it appears that the wages which are lost during the "Short Term" are significantly more or less than the relevant earnings as fixed in accordance with the foregoing principles then consider the provisions of Section 104 (5).

3.3 Section 104 (5)

This subsection gives a discretion to the Commission to fix relevant earnings, for the purpose of calculating E.R.C. payable during the period of Short Term Incapacity at the average weekly amount that would have been derived during that period if the employee had not been incapacitated. But this power is to be used only if the lost earnings could have been significantly more or less than the relevant earnings as fixed under s.104 (1).

NOTE: The amount of Relevant Earnings assessed under these provisions is applicable ONLY to E.R.C. payments during the period of short term incapacity. If incapacity extends beyond 35 days from the date of accident, Relevant Earnings will then revert to the amount previously assessed in accordance with Section 104 (1) and (2).

- 3.3.1 Indications as to the need to consider the applications of S.104 (5) may be obtained not only from the initial claim documents, but also from the claim handler's own knowledge of the particular local conditions and the occupation of the claimant.

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- 3.3.2. It is anticipated that section 104 (5) will be used only in special cases where its application is obvious, e.g. where the claimant is a seasonal or itinerant worker such as a freezing worker who suffers a loss of earning capacity around the beginning or end of a killing season.
- 3.3.3. If section 104 (5) is to be applied to reduce or increase the Relevant Earnings take the weekly average of what would have been earned during the period of short term incapacity if the injury had not arisen and treat this figure as the relevant earnings for the purpose of calculating E.R.C. payable during the "short term" period. The evidence of what would have been earned is to be obtained from the employer.

NOTE: Do not calculate Relevant Earnings week by week or pay different amounts each week (except as provided elsewhere for Brucellosis claims). However, where a claimant is partially incapacitated his E.R.C. will of course be liable to change although his Relevant Earnings do not.

- 3.3.4. Where it is intended to apply the provisions of this subsection the claim is to be referred to the Manager for his consideration and decision.

Example: Where an employee is an itinerant worker or has had irregular earnings it will generally be necessary to look at his earnings for an appropriate period before the accident, in order to assess his normal average weekly earnings. When this assessment has been made it will serve for both the period of short term incapacity and the period of further incapacity, unless (as, for instance in the case of a seasonal employee who is at the beginning or end of a season) the amount assessed would be significantly more or less than the wages that he loses during the short term period.

3.4 Section 104 (6) (a)

Reserved.

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3.5 Adjustments for Cost of Living

3.5a. When an Order in Council or Relevant General wage order is promulgated the S.I.O. is not to take any action until instructions are received from the Commission.

3.5.1. and 3.5.2. below express Commission policy in relation to both General Wage Orders and Orders in Council.

3.5.1 Section 104 (7)

This introduces provision for automatic increases in relevant earnings following "relevant general wage orders". This expression (as defined in the Act) includes only a "general wage order" (as also defined) that increases all wages to which it applies by a uniform percentage (whether or not the percentage rise applies to only a stipulated amount of the wage rates).

The effect of this subsection is that when a "relevant general wage order" is made a claimant whose relevant earnings have been assessed under S.104 is entitled to an automatic adjustment of his relevant earnings (and therefore his E.R.C.), but only in circumstances where the increase comes into effect:-

. after 10 October 1975, and

. after the date of the accident;

and only provided the claimant was still incapacitated as a result of the accident at the date on which the order is made and no assessment of E.R.C. under S.114 for permanent incapacity has been made. Where, therefore, the foregoing criteria are met each current claim is to be examined and the relevant earnings figure (and E.R.C.) are to be adjusted in respect of any period of incapacity on or after the date in which the order comes into effect. The Commission will advise the office where such action is required following the making of a "relevant general wage order".

Retrospective Orders

Where a "relevant general wage order" is made retrospective (i.e. the percentage increase takes effect from a date earlier than the date on which the Order is made) there is no automatic entitlement to an adjustment of relevant earnings unless the claimant is still incapacitated from the accident at the date the order is made (See 3.5.1. above). Where the claimant had completely recovered from his incapacity before the date on which the Order is made, an adjustment will be considered ONLY if;

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- 9. the incapacity continued on the date on which the Order took effect, and
- an application is made in writing by or on behalf of the claimant within 3 months after the date of making the Order. (Or within such extended period as may be allowed by the Commission).

If these criteria are met a retrospective adjustment will be allowed and the necessary recalculation and payment may be made by the Office provided the claim file is still held in the Branch.

Where, however, the application is made after the 3 month time limit or the claim file has been finalised and forwarded to the Commission (as per AC 2-12D) refer the request for adjustment to the Commission for consideration.

3.5.2. Section 104 (8)

This subsection authorises Orders in Council to be made for cost-of-living adjustments, to relevant earnings, for prescribed classes or purposes.

This is to enable adjustments to be made where wage levels increase otherwise than as a result of relevant cost-of-living orders. The Commission will take the initiative in making such recommendations as may be considered advisable for adjustments by way of Order in Council, and will advise the Office when subsequent adjustments to E.R.C. are required. If and when the Wage Adjustment Regulations cease to be in force the system for adjustment by Order in Council is likely to be more frequently used. Wage adjustments may then tend to be brought about more through individual awards or negotiation than by "relevant general wage orders".

NOTE: Where relevant earnings are to be adjusted by reason of a relevant general wage order or an Order in Council, the adjustment figure must not exceed the maximum amount prescribed under S.104 (13).

In cases where an assessment for permanent incapacity has been made under S.114, the adjustment is made to the E.R.C. under S.114 (8) and (9) and not to the relevant earnings.

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3.6 Section 104 (A)

- 3.6.1 Section 104 (Relevant Earnings) and Section 113 (Earnings Related Compensation) both contain references to earnings "during" a period. The question arises as to whether earnings as an employee received before or after the period, for employment engaged in during that period, are to be regarded as earnings "during" that period?

The new section 104 A subsection (1) declares for the purposes of section 104 & 113, that earnings as an employee received for employment engaged in during a period, are to be regarded as earnings "during" that period, even though they may be received in advance before the commencement of the period or may not be received until after that period. Conversely, for the purposes of Sections 104 and 113, earnings received during a period, for work done before or after that period, are not to be regarded as earnings "during" that period.

- 3.6.2 Subsection 2 gives the Commission the power to determine the period of employment to which earnings relate in cases where they are:

- . received instead of leave on pay; or
- . in the nature of bonuses, gratuities, directors' fees or honoraria; or
- . not referable to any particular period of paid employment.

Refer any such case to the Commission for determination.

- 3.6.3 Subsection 3 allows the Commission to reassess Relevant Earnings when, after an accident, an increase in wages of an employee is granted retrospectively to a period before the accident. However, this reassessment is not done automatically but only if the claimant applies for such adjustment in writing within 3 months after the increase in wages is received (or such extended period as the Commission may allow.).

Where a claimant requests the Office to make such a reassessment, forward an earnings certificate to the employer asking him to detail the amount payable over the relevant period, particularly in relation to the back-dated wage rise.

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CIRCULAR No. T213
DATE 22 September 1976

SUBJECT: WAGE RISE BACK-DATED SO AS TO COME INTO EFFECT BEFORE TIME OF ACCIDENT

STATUTORY REFERENCE: Section 104A

should also make mention of Section 116

ISSUE: Can a wage increase which is received after relevant earnings have been assessed but which takes effect retrospectively to the date of the accident or to a time before that date, be taken into account for the purpose of re-assessing the relevant earnings, and if so, in what circumstances?

DECISION:

By virtue of section 104A, the relevant earnings can be re-assessed, if:-

- (i) They have been determined by reference to earnings as an employee in accordance with Section 104, without taking account of the wage increase, and
- (ii) Written notification of receipt of the increased wages is given to the Commission by or on behalf of the injured person, and
- (iii) That notification is received within 3 months after the date on which the increase is received or such extended period as the Commission may allow, and
- (iv) The Commission, having regard to all the circumstances, including the factors that it took into account in applying the provisions of section 104, considers that a re-assessment should be made.

PRACTICE: (1) The Commission is not obliged to make a re-assessment and its power to do so is limited by the foregoing considerations. A re-assessment should, however, normally be made if:

- (a) The incapacity is still continuing when the notification is received, and
- (b) The notification is received within 3 months after the time of receipt of the increased wages. But Note para 3 hereunder.

- (2) Officers may exercise a discretion, in terms of the section, beyond the authority conferred by para (1) (a) and (b) above, to meet cases of hardship or special circumstances, subject to approval being

obtained from the Commission for such extended period as the Commission thinks fit.

- (3) The section applies only in cases where the increased wages are received in respect of employment before the time of the accident. Accordingly, if relevant earnings have been assessed under Section 104 (5), for the purpose of determining compensation during the period of short term incapacity, no re-assessment under Section 104A is to be made by reason of a wage increase that comes about after the assessment under section 104 (5) has been made, if the increase is not retrospective to the date of the accident or an earlier date, even though it may be retrospective to a time within the period of short term incapacity. Section 104 (5) confers authority only to assess relevant earnings for the particular purposes of that subsection, and does not contain power to re-assess. Section 104A is the only section that authorises a re-assessment and it does not apply if the increase is not back-dated to a time before the time of the accident. The position in this respect is, of course, to be distinguished from cases where a "relevant general wage order" or an Order in Council made under Section 104 (8) may operate to increase the relevant earnings.
- (4) The application of S.104A to sub-section (4) and (5) of S.117 and the second proviso to sub-section (5) of S.118 also calls for consideration -
- (a) If, on the original assessment, relevant earnings determined under S.104 exceeded, for the time being, the relevant earnings determined under S.117 (2) but did not exceed the amount prescribed for the purposes of S.117, then the relevant earnings (fixed in accordance with S.117 (4) at the S.104 figure) are to be regarded as having been determined, for the time being, in accordance with S.104, and the foregoing instructions are to be applied if there is a subsequent retrospective wage increase.
- (b) If the relevant earnings determined under S.104 exceeded the amount prescribed for the purpose of S.117 or S.118, as the case may be, and the relevant earnings were fixed at the full amount of the S.104 relevant earnings, pursuant to the proviso to S.117 (5) or the second proviso to S.118 (5), then again it is considered that S.104A operates where there is a subsequent retrospective wage increase and the foregoing instructions are to be applied accordingly.

(c) If the proviso to S.117 (5) or the second proviso to S.118 (5) has been invoked to bring relevant earnings above the prescribed amount, but the relevant earnings have been fixed at less than the S.104 relevant earnings (as, for instance, because the Commission is not satisfied that the person would-but for the injury-have been able to earn at the full S.104 rate throughout a normal working life), then no re-assessment is to be made under S.104A by reason of a subsequent retrospective wage increase.

(5) The reasons on which para. 4 above is based are as follows:-

Section 104A provides for re-assessment only where relevant earnings have been determined by reference to earnings as an employee in accordance with section 104.

In examples (a) and (b) above, although the relevant earnings are determined by virtue of the provisions of S.117 or S.118, as the case may be, they are nevertheless determined by reference to earnings as an employee under S. 104 and thus a re-assessment can be made by reason of a subsequent retrospective wage rise.

However, in the case of (c) the relevant earnings are ascertained pursuant to the discretion contained in the proviso to S.117 (5) or the second proviso to S.118 (5), as the case may be, at an amount below the S.104 figure and are therefore, not to be regarded as determined by reference to earnings as an employee in accordance with S.104.

Please file in Claims Manual Volume I
AC2-6 in between pages 5e and 5f.

Signed.....
ADVISORY OFFICER

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AC 2-6

NOTE: Subsection (1) and (2) of Section 104A have effect only for the purpose of Section 104 and Section 113.

RE,ERC

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

3.7 Section 104 (9)

This subsection sets out the purposes for which the cost of living adjustments under subsection (7) and (8) are to apply. In particular, they do not apply to the amounts prescribed for the purposes of sections 117 and 118. These amounts can be adjusted only by Orders in Council made under S.117 (6) and S.118 (5). The cost of living adjustment under S.104 (7) and (8) does not apply to relevant earnings under S.117 that are based on wages that would have been derived during the increment stages. As award rates will normally reflect changes in the general wage structures this in turn will be reflected in the periodical increments.

Section 117 (2) (a) (ii) as amended
by section 20 (1) of the 1975 Amendment Act.

Although the cost of living adjustments under section 104 (7) and (8) have no application to the amount prescribed for the purpose of S.117, they do apply to relevant earnings based on the weekly sum that represents what the employee would have been earning at the stage after the end of the increment stages, insofar as the adjustment arises from a relevant general wage order or Order in Council coming into effect on or after the Commencement of that stage. But the adjusted relevant earnings must not exceed the limit prescribed by S.117 (5) and the proviso to that subsection.

RE,ERC

4.0 LOSS OF EARNING CAPACITY

- 4.1 Entitlement to Earnings Related Compensation is dependent on the injured person having suffered a loss of earning capacity.

A loss of earning capacity is established by deducting post accident earnings from relevant earnings. In some cases the maximum relevant earnings as specified in Part IV of the first schedule of the Act will apply.

- 4.2 In normal circumstances where an injured person is totally incapacitated his loss of earning capacity will be the average weekly earnings calculated in accordance with Section 104. Consideration must however be given to the various discretionary powers available under Section 104 and also the specific provisions of

Section 116 - Minimum Compensation - Para 4.7

Section 117 - Period and Increments - Para 4.8

Section 118 - Potential Earnings - Para 4.9

In addition consideration must be given in appropriate cases to the various discretionary powers available under Section 113 (For partial incapacity see Para 4.5)

- 4.3 Where, however, an injured person's medical condition is such that he is able to earn some remuneration during the period of incapacity such earnings are taken into account in arriving at his actual loss of earning capacity (See sub-section(2) of Section 113 and AC 2-6 4.5).

Where an employer makes payment of a sum in addition to ERC and this make up pay is not in recompense for actual work done i.e. the injured employee is totally incapacitated - these earnings may also be taken into account when calculating the loss of earning capacity. In all such cases consideration must be given to the provisions of sub section(4) of Section 113. This situation can occur when an employer pays the additional 20% over ERC under sick leave provisions of an Award or Agreement or where an employer wishes to safeguard the earnings of a valuable employee.

RE,ERC



ACCIDENT COMPENSATION CORPORATION

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 462
DATE 20 December 1982

SUBJECT: AMENDMENT TO GUIDELINES ON PROVISIO TO
SECTION 113(2)

TIC 362 sets out the action to be taken where an injured person who is in receipt of ERC partially recovers from the effects of the accident. Paragraphs 3.2.2 and 3.2.3 allows ERC to continue for up to 8 weeks in certain circumstances. With immediate effect this period is now extended to 13 weeks.

Claims handlers are also reminded that it is not enough for the cessation or reduction of weekly ERC that a partially disabled person can physically or mentally cope with some form of paid employment. It is also necessary to show in accordance with paragraph 3.2.3.6 of TIC 362 that the person has a reasonable opportunity to obtain suitable paid employment despite the disabling effects of the injury.

J.W. Brown
DEPUTY MANAGING DIRECTOR

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NOTE : Payments by an employer under the Reimbursement System do not have the effect of reducing the amount of Earnings Related Compensation.

- 4.4 Where an injured person sustains a loss of earnings capacity due to absence from work for medical treatment, E.R.C. is payable under Section 109 (2).

E.R.C. in these circumstances is to be based on the hourly rate applicable before the accident which made the treatment necessary - not the hourly rate applicable at the time of treatment.

Refer to Appendix I - Example 17.2

4.5 PROVISO OF SECTION 113 (2) - PARTIAL INCAPACITY

4.5.1 Cessation of ERC after claimant is fully fit to resume work i.e. no residual incapacity.

ERC is payable under Section 113 only while the claimant remains incapacitated on account of the injury (Section 113 (1) and (2)). If therefore he is medically cleared to resume full duties it can be said that he is no longer 'incapacitated on account of the injury' and his entitlement to ERC must therefore cease as at the date specified in the medical certificate (or at an earlier date if he has returned to full work in advance of the certified date of fitness). Where statutory holidays are involved refer to AC 2-6 7.2.

If the medical certificate indicates that he is fit to return to his pre-accident work or work of a similar nature, it should be assumed in the first place that, in so certifying, the doctor had full knowledge of the man's normal type of work. If the man contends that he cannot, in fact, perform his normal type of work, it should be pointed out that unless he produces a medical certificate to support that contention he will not qualify for further ERC.

Difficulty in securing employment following total recovery does not justify continuation of ERC. Once full work can be resumed so far as the effects of the personal injury by accident are concerned, a claimant who cannot find a job is in exactly the same position as any other unemployed person in NZ and if he cannot find work then he must look to other agencies (e.g. the Department of Labour or Department of Social Welfare) for assistance.

4.5.2 Cessation or reduction of ERC after claimant is fit to resume light, selected or part-time work i.e. partial incapacity

This is a more difficult area in that certification of the claimant being fit for light or selected duties is a clear indication that the incapacity still continues to some extent. ERC entitlement does not therefore cease automatically (unless he no longer has any loss of earning capacity). While he remains partially incapacitated on account of the injury and as a result suffers reduced earnings he is entitled to ERC. The term "incapacitated" includes suffering from partial incapacity (Section 2 (1)). However, while his entitlement continues, ERC will be liable to reduction if either actual earnings during incapacity are disclosed (Section 113 (2)) or the case is an appropriate one for the application of the proviso to that subsection.

If a person is certified fit for light work there is no difficulty in ascertaining the person's loss of earning capacity when he does in fact take up light work to the extent of his capacity. Gross earnings received for the work actually done are then simply deducted from relevant earnings and ERC is calculated by taking 80% of the difference. (Note: Check Section 116 to see if it applies. Remember that Section 116 (2)(b) $(a/b \times c)$ only applies when the claimant's ERC, as calculated by reference to relevant earnings ascertained in accordance with Section 104, Section 118 or Section 117 (2)(a)(ii), is below the amount so prescribed for Section 116).

However, the position is more involved where the doctor certifies the person as fit for light or selected work, and, for some reason or other, the person

- either does not work at all, or
- does not work to the extent of his capacity to do so.

This could happen because:

- (i) He simply does not choose to work to the extent that his partial recovery enables him to do so, or
- (ii) He chooses to work but for reasons unconnected with the injury he is unable to resume work (e.g. he contracts an illness, he cannot take up light work because he goes to university or because he cannot find work suited to his limited capacity, or work place closed because of fire or strike).

The Act makes provision for these circumstances in the proviso to Section 113 (2) which is actually broken down into the same categories as (i) and (ii) above.

Whether the person's failure to work is due to lack of motivation or some other factor, the basic rules for ascertaining loss of earning capacity apply. In calculating loss of earning capacity the proviso enables the Commission to deduct an appropriate amount representing what could have been earned if he had worked to the extent that he was capable, so far as the effects of the injury are concerned.

4.5.3 Guidelines on the operation of the proviso to Section 113 (2) are set out below.

In considering any such claim it is important to bear in mind the following extract from a decision by the Appeal Authority.

"It must be said that the right to pick and choose a job is subordinate to the duty of a person receiving ERC to accept work than he can do. The right to ERC depends on loss of earning capacity. If the claimant has the necessary capacity to become an "earner" he cannot elect to continue to draw ERC on the grounds that the work available is not the sort of work he wants. If he has the capacity to do the work, then the amount of ERC payable to him will be governed by that fact."

There are two distinct groups which require a differing approach i.e.

4.5.3.1 ERC is to be reduced immediately (i.e. from the date specified on the medical certificate) if the circumstances disclose either

- (a) Work suitable to the persons physical and mental capabilities is available and he simply does not choose to work to the extent that his partial recovery enables him to do so;
or,
- (b) Where a person wants to work but some other factor, personal to the claimant prevents him from doing so. For example he suffers an illness or is involved in fulltime study during the period of partial incapacity

4.5.3.2 \ If there is no work available due to general economic conditions or strikes, liquidation, earthquakes, fire or other occurrences affecting the business of his regular employer (or any other business in which he might have been expected to find suitable work) the claimant is to be given a period of grace of two weeks during which normal payment of E.R.C. will continue. This will give the claimant a chance to find suitable work and adjust to his changed circumstances. After 2 weeks, ERC must be reduced in accordance with the rules in para 4.5.4.6 below. The two week period also provides an opportunity to warn the claimant of our intentions by sending him FLC(A).

4.5.4 State Insurance Office (Attention P & I Services, substitute "Head Office" for "Regional Office")

4.5.4.1 Receive Cl4 (first medical certificate or Cl5 (further medical certificate) certifying "partial" incapacity. .

4.5.4.2 Determine, as soon as possible, whether the claimant has commenced light work.

Note :

- If the medical certificate is delivered by the claimant, he is to be asked at the counter of his intentions.
- If the claimant states that he is not going to work, advise him that his ERC will be reduced next pay day and this will be confirmed by letter.
- If the claimant states that he intends to find work send FLC(A) immediately.
- If the medical certificate is received by mail send FLC (A) immediately.

4.5.4.3 If the claimant is engaged in (or has made definite arrangements to engage in) light work send Form C6 to his post accident employer and clearly note the file that further payments of E.R.C at the existing rate are to cease. Until form C6 is returned with post accident earnings details, earnings related compensation is to be assessed having regard to the amount the claimant is earning. Telephone the employer for interim details if necessary.

4.5.4.4 If the claimant has not engaged in or made definite arrangements for light work, investigate the circumstances in order to determine into which category (4.5.3.1 or 4.5.3.2) the claimant fits.

4.5.4.5 If, it is apparent the claim fits the circumstances as outlined in para 4.5.3.1 (i.e. he has not resumed or found work for reasons personal to the claimant, e.g. illness, laziness, university commitments) a recommendation of notional earnings (see para 4.5.6) is to be given to the manager with a view to immediate implementation. Use FLC B for notification to the claimant.

4.5.4.6 If the claim falls within the circumstances outlined in para 4.5.3.2 (i.e. he has not resumed or found work for reasons not personal to the claimant e.g. general economic conditions, strikes, lockouts etc) take the following action.

Make a recommendation of notional earnings (see para 4.5.6) to the manager with a view to implementation (and consequent reduction of ERC) on the date specified in the FLC (A) which was earlier sent to the claimant.

N.B. No extension of the period of grace beyond 2 weeks from the date of despatch of form FLCA is to be permitted.

4.5.4.7 In both cases (para 4.5.4.5 and 4.5.4.6 above) regular checks are to be made to ascertain whether the claimant has found employment and when he commences work a further adjustment to the calculation of Earnings Related Compensation must be considered.

If he is working to the extent of his capacity compensation is to be reassessed by using actual earnings in employment in place of earlier notional earnings. If however he is not working to the extent of his capacity (e.g. working shorter hours than he is capable of or in an employment below his capabilities) the use of actual wages in the calculation will not be appropriate but review of the notional earnings figure assessed earlier may be required.

4.5.4.8 If the claimant remains partially incapacitated and unemployed four weeks after payments have commenced on the basis of the assessment of notional earnings, in accordance with para 4.5.6. refer the file to the Regional Office.

4.5.4.9. For a variety of reasons the claimant may be suddenly certified "totally incapacitated" after having notional earnings assessed. In such cases ascertain the reasons why from his General Practitioner. If it is considered that the General Practitioner's certificate does not fully cover the situation in question a Specialist's opinion on his medical condition is to be sought as soon as possible.

4.5.5 Regional Office

- Receive file from SIO.
- Undertake a comprehensive check of SIO action regarding the assessment of notional post accident earnings. (Refer para 4.5.7)
- Consider future action to be taken and issue appropriate instructions.

4.5.6 Considerations to be taken into account when establishing notional post accident earnings.

4.5.6.1 If a specific job is available to him within his capabilities and he has not accepted it, notional earnings based on the rate of pay offered is normally the amount to be deducted. (Unless it appears that the job is substantially less remunerative than other work that he would be capable of performing, in that event proceed to 4.5.6.2 b)

4.5.6.2 When a specific job is not available to him and notional earnings have to be assessed, take the following factors into account: -

- a) experience has shown that most claimants earn between \$73.75 and \$120.00 a week when placed on selected duties (see appendix I)

NOTE: This range of earnings is only a framework and is not to be used as a strict limitation. It is intended as a guide in the absence of other evidence. For example, the State Services Commission salary scales could be an appropriate guide if the claimant is capable of clerical work.

- b) The type of work the claimant is capable of undertaking, having regard to
- his partial incapacity arising from the injury
 - his work experience
 - his qualifications

NOTE: Where there is evidence that notional earnings can be established outside the framework, then an assessment must be made on the facts of the particular case.

- 4.5.6.3 Following approval by the manager, deduct that amount from relevant earnings and pay the claimant 80% of the difference.
- 4.5.6.4 The concept of Notional Earnings i.e. the proviso to Section 113 (2) applies to a self employed person in exactly the same way as it does to an employee.
- 4.5.6.5 In the case of a claimant who was an employee prior to the accident but became self employed following the accident assess notional earnings in the normal manner.
- 4.5.6.6 Therefore, the notional earnings range applies to self employed persons as well as employees. Do not use a percentage incapacity to determine notional earnings.
- 4.5.7 ASSESSMENT NOTIONAL EARNINGS - REGIONAL OFFICE
- 4.5.7.1 Due to the range of \$73.75 to \$120 being largely arbitrary if the claimant remains unemployed the file will be reviewed (four weeks after the assessment) by the regional office who will:
- Ascertain from the Department of Labour or an appropriate employer how much on an average would be likely to be earned from the type of work for which the claimant is capable.
- Fix a rate of notional earnings that is reasonable in all the circumstances. But see paragraph 4.5.7.2 below.
- 4.5.7.2 If after the accident a person has been engaged in light work within his capacity, but his employment is terminated or suspended, notional earnings are normally to be based on what he was earning in the light work;
- 4.5.7.3 The question arises whether notional earnings should ever be fixed at a figure that would equate with or exceed relevant earnings, thus producing a nil loss of earning capacity, notwithstanding continuing partial incapacity.

If a claimant only has a limited capacity to work, it will be seldom, that, in his disabled state, he would be able to earn, in light work, as much as his relevant earnings.

This could happen, in cases where the relevant earnings are low because of a poor work history.

There may, therefore be cases where it will appear reasonable to fix notional earnings at an amount equal to or exceeding the relevant earnings; but careful consideration should be given to all the surrounding circumstances before this course is adopted.

Self employed persons will often have notional earnings fixed at a figure in excess of relevant earnings because of an artificially low assessable income.

- 4.5.8 Once the proviso to Section 113 (2) has been invoked by making a deduction of notional earnings, the position will call for a review from time to time as circumstances change; as for instance by the claimant actually obtaining work, or recovering full capacity or on account of improvement or deterioration in his condition.

General Wage Orders or Orders in Council increasing relevant earnings should apply equally to the notional earnings figure. Example:

		<u>Plus 10% O.I.C</u>
Relevant Earnings	\$200.00	220.00
Notional Earnings	\$100.00	110.00
Loss of Earning capacity	\$100.00	110.00
ERC (80%)	\$ 80.00	88.00

4.5.9 Continuing Medical Evidence

The extent and regularity of the continuing medical evidence required will be dependent upon the circumstances. If it is quite clear that the claimant will continue to be partially incapacitated and is simply awaiting assessment under Section 114 production of regular medical certificates may be waived. In all other cases the normal requirement of certification to confirm continuing incapacity at not more than 4 weekly intervals will apply.

THIS RANGE OF EARNINGS IS ONLY A FRAMEWORK AND IS NOT TO BE USED AS A STRICT LIMITATION. IT IS INTENDED AS A GUIDE IN THE ABSENCE OF OTHER EVIDENCE. (DETAILS OBTAINED PRIOR AUGUST 1978)

Appendix I

Location	Claimant	Injury	Placement	Salary	Comments
----------	----------	--------	-----------	--------	----------

Auckland	[s 9(2)(a)]				
Auckland					
Auckland					
Wellington					
Wellington					
Wellington					
Christchurch					
Christchurch					

[s 9(2)(a)]

Christchurch

Dunedin

Dunedin

Dunedin

Minimum Wage Order 1980 - Came into force on 1st day of August 1980 Provides ... Minimum rates -
For all workers (whether male or female) to whom the Minimum Wage Act 1945 applies, the minimum rate
of wages for the purposes of section 2 of the Act shall be the following:

- (a) If paid by the hour or by piecework, \$2.03 an hour or an amount equivalent thereto having regard
to the rate of production of the worker:
- (b) If paid by the day, \$16.05 a day:
- (c) In all other cases, \$80.16 a week.

Dear

We have received a medical certificate that shows you are now able to do selected work.

Until now you have received the full amount of compensation each week, because your incapacity has been due solely to the injury which resulted from your accident. ~~However, now that your condition has improved and you are physically capable of doing some work it can no longer be said that your loss of earning capacity is due solely to this injury and we must reassess the amount of your compensation.~~

We will not reassess your compensation until (date). If by then you have found suitable work, your compensation will be adjusted, taking into account the actual amount of your earnings. If you have not then found work we must assess the amount we believe you are now capable of earning, and your compensation will be adjusted accordingly.

It is your responsibility to find work and you must make every effort to find suitable employment. In case you cannot find work yourself, you should register immediately with the Department of Labour and keep me informed of your efforts and the results.

Yours sincerely

Dear

We have now received a medical certificate that shows you are now able to do selected work.

It is your responsibility to find work and you must make every effort to find suitable employment. In case you cannot find work yourself, you should register immediately with the Department of Labour.

The amount you have received as compensation each week is based on your loss of earning capacity. Until now you have received the full amount of compensation because your incapacity has been due solely to the injury which resulted from your accident. However, now that your condition has improved and you are physically capable of doing some work it can no longer be said that your loss of earning capacity is due solely to this injury and we must reassess the amount of your compensation.

Based on your current disability we believe you are capable of earning \$ a week. This will reduce your weekly compensation to the amount shown in this calculation:

Relevant earnings as at (date)	\$
Less assessed post-accident earnings	\$
Loss of earning capacity	\$
Weekly earnings related compensation of 80%	\$
Less PAYE	\$
Nett amount	\$

Future weekly payments will therefore be made at this reduced rate.

As soon as you find a suitable job please let me know so that any further adjustments may be made.

If you are dissatisfied with the decision shown above you may apply for it to be reviewed. (This is covered in Section 153 of the Accident Compensation Act 1972). To do this please obtain a form C66 from any office of State Insurance or Accident Compensation and on the form give briefly your reasons why you would like the matter reviewed. The form must reach this office within one month of the date of this letter.

Yours sincerely

4.6 Period of Incapacity

4.6.1 Medical Certificate

The period for which an ERC entitlement can be established is dependent upon the production of medical evidence to verify the period of the incapacity which is due to personal injury by accident.

Function of Medical Certificate

The function of a medical certificate for the purposes of commencing or renewing ERC is to show that a man is unfit, not that he is fit.

If, therefore, a claimant permits a medical certificate to expire, without equipping himself in time with a further certificate to evidence continuance of his incapacity beyond the date of expiry of the earlier certificate, he will not receive ERC for that period in respect of which he is unable to produce evidence of incapacity. ERC should not be paid out for any period which is not covered by a medical certificate testifying to the claimant's unfitness throughout that period, notwithstanding that the claimant may have produced a medical certificate showing him to be fit at some subsequent date.

e.g. If a claimant produces a medical certificate to show that he was fit for work on, say, 30 May 1975 that is not of itself evidence that he was continuously unfit from the date of the expiry of an earlier certificate to the day before 30 May 1975.

If, however, medical evidence can subsequently be produced certifying to incapacity for any period after the date of expiry of an earlier medical certificate, ERC may be paid for that period.

4.6.2 Alternative Evidence in rare cases

In the great majority of cases, the production of an appropriate medical certificate covering the period of incapacity will be necessary to establish a claim. That remains the general rule.

RE, ERC

However, the rule above is not completely inflexible. In some extreme cases the Commission may be satisfied from other evidence that there was personal injury by accident resulting in incapacity. The fact, therefore, that a claimant is unable to produce medical evidence of his incapacity will not necessarily indicate that the claimant has failed to discharge his duty to supply enough information on which to establish his claim. Instead he may offer other, non-medical, evidence which in exceptional circumstances, the Commission may accept as sufficient to establish the claim.

Example 1

If a high country shepherd is injured by a fall in the back country and, because of conditions, is unable to be brought to a doctor for a week, he ought to be permitted to bring the evidence of other witnesses as to his accident.

Example 2

If all medical records have been lost or destroyed and the medical practitioner who attended the claimant has died or cannot be traced, the claimant may be permitted to establish his claim by other evidence, for example by independent witnesses (that is, non-relatives).

If the claimant
seeks to rely on
such alternative
evidence:

1. The claimant is to be asked to detail his alternative evidence on a Statutory Declaration (form C33) and to sign it in the presence of a J.P. His witnesses, if any, should also sign a declaration.
2. The claim file is to be referred to Head Office for a decision at Superintendent level with sufficient information on which to base a decision.

Such cases should be rare. It is emphasised that appropriate medical evidence is to be sought in all cases. A medical certificate should be obtained as soon as possible and it is up to the claimant to ensure the continuation of medical evidence of incapacity as in 4.6.1 above.

RE, ERC

AC 2-6

4.6.2. Return to Work

From time to time claimants return to work or obtain work with another employer, during the currency of a medical certificate, i.e. during a period of alleged "incapacity". It is recognised that it would be impossible to check out all cases to ensure that this has not happened.

If, however, a Claims Officer has reason to believe that this has happened in a particular case, he should, before making any further ERC payment, check with the employer or suspected employer. If this reveals that the claimant resumed work on a date within the currency of a medical certificate, ERC should cease on that date.

Sometimes a State Insurance Office becomes aware that a claimant is, or has been, working while drawing full ERC. In these cases, if the claimant maintains that he has not been working then a statutory declaration to that effect should be obtained from him and the file then forwarded to the Commission with a full explanation as to the position.

RE, ERC

4.7 Minimum Compensation Payments

- (i) Section 116 contains the provisions relating to claims where earnings related compensation has been assessed at less than the minimum figure prescribed in Part IV of the First Schedule to the Act.
- (ii) Refer to Appendix - Examples 8.0 and 9.0

4.8 Periodic Increments under Section 117

4.8.1 Where the injured person is :

- an employee under the age of 21 years; or
- an apprentice under the Apprentices' Act 1948; or
- an apprentice or improver under an Award or Industrial Agreement; or
- an employee employed under a Contract of Service under the terms of which he is expressly required to undergo any training etc. for the purposes of becoming qualified for the occupation to which that Contract relates;

he may be entitled to increased earnings related compensation (Section 117).

NOTE : Where the injured person qualifies as one of the above classes of employee and 117(2)(a) applies, earnings related compensation must be assessed under this section or Section 104, but not Section 116. When calculating compensation the relevant earnings to be taken into account are considered as increasing on each occasion that the employee's wage would have increased had he not been injured.

RE,ERC

These adjustments will be made at each stage until the claimant either;

- . reaches the age of 21 or
 - . completes his apprenticeship or
 - . ceases to be an improver or
 - . becomes qualified
- } as may be appropriate in the particular case

When the claimant reaches one of the above stages, earnings related compensation is assessed on the amount that would have been payable had he attained that position

4.8.2 Calculation of Earnings Related Compensation

- (i) Initially from ACC Forms C2/C3 and subsequently from ACC Form C9 obtain details of all projected salary or wage increments and the dates from which they would have been payable.
- (ii) Each time a re-assessment of earnings related compensation has to be made it will be necessary to check the details with the employer or the Labour Department and also watch the position in the event of General Wage Orders, etc. which may have been made during the period of the incapacity. The inflated figure including G.W.O.'s should be used as a base when considering each new assessment of Earnings Related Compensation at each incremental date.
- (iii) The loss of earnings is to be re-assessed each time the injured person would have been entitled to an increment.

Refer to example 10.0

RE,ERC

4.9 Loss of Potential Earning Capacity

Section 118 makes provision for the payment of earnings related compensation in certain cases where the injured person is not an earner.

Assessment in these cases is not delegated to the Office. Obtain a completed ACC Form C47 and forward the complete file to the Commission.

If the entitlement to cover under S118 is based on positive arrangements and preparations to commence employment within the specified period, obtain a letter from the prospective employer which clearly states that the injured person would have commenced duties in a specific position on a specific date and forward this letter with the file to the Commission.

4.10 Delay or Difficulty in establishing a Claim or Earnings

Section 113 (4B) Determination of Loss of Earning Capacity.

Section 113 (5) Interim Determination of Earnings

Section 134 (1) Advances in anticipation of Claim

4.10.1 Circumstances may arise where there is difficulty in immediately establishing a claim or the amount to be paid, but where there is reason to believe that a claim can be established. Section 113(4A) states that a payment should not be unduly delayed because of difficulties or uncertainties in ascertaining the amount of earnings.

4.10.2 To give effect to this requirement Section 113 (4B) provides that loss of earning capacity may be determined on the evidence presently available at such an amount as will provide fair and just compensation. There is no requirement under this sub-section to relate this to actual earnings. This discretion will be used however only in cases where there is genuine difficulty or delay. It is not to be used to override the normal requirements in regard to the production of claims details or proof of earnings or to overcome minor problems which could be eliminated by the application of a little effort.

RE, ERC



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 301
DATE 22 March 1979

RE, ERC P2

SUBJECT: INTERIM ERC : SECTION 113 (5)

Complaints have been received that the first payment of ERC is being delayed because full earnings details have not been received from the claimant's employer(s). This delay causes genuine inconvenience and financial hardship to some injured claimants.

Solution:

Section 113 (5) is available to allow interim ERC to be paid in such cases. Where the claim has been verified, and financial hardship is indicated interim assessments of up to 50% of estimated relevant earnings can be made. (see guidelines below)

Note:

Section 134 is available to allow payment of compensation in circumstances where the claim has not been verified. It should not be used in the above circumstances (see Note 1).

See Claims Manual Volume I, AC 2-6, 4.10

It must be emphasised that it is the duty of the claims handler to make every effort to obtain full earnings details before considering making an interim payment.

Should it prove impossible to obtain full earnings details immediately, and if the claimant satisfies the criteria listed below, interim ERC should be assessed in accordance with Section 113 (5) at up to 50% of such relevant earnings as can be obtained from the information available at the time.

- (a) a phone call to the employer should produce an approximate figure. Remember to make a file note of the telephone conversation.
- (b) the Inland Revenue Department may be able to supply the information.

Guidelines:

When all possible efforts to obtain true relevant earnings have failed, a claimant is to be paid interim ERC in accordance with Section 113 (5) if:-

1. the claimant has requested that interim payment be commenced (verbally or in writing); and

2. the delay in obtaining earnings details is not due to any action or omission of the claimant himself (e.g. failure to provide information on the identity or whereabouts of his employer, or if self-employed, failure to provide the earnings details); and
3. the claimant is receiving no benefits in respect of his injury from the Department of Social Welfare (see Note 1 below); and
4. the claimant can show he is in a difficult financial position, i.e. one of the following:
 - i) he has dependent family; or
 - ii) he has heavy regular financial commitments, e.g. h.p. payments, mortgage repayments, rent etc; or
 - iii) he can otherwise demonstrate need of financial assistance (e.g. a claimant dependent on a weekly income, in which his income is already committed).

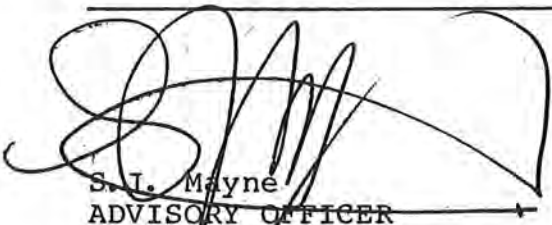
Note 1 - Dealing with the Department of Social Welfare
(Section 134)

- (a) Claimants should be referred to the Department as an interim measure only when the claim has not yet been verified.
- (b) If the only reason that ERC has not been commenced is that full earnings details are not available, the claimant is not to be referred to the Department. Although the Department may be involved in assisting injured persons, it must be remembered that the responsibility in cases of personal injury by accident lies with the Commission. All possible steps must be taken to obtain full earnings details, and if this proves impossible, Section 113 (5) enables interim ERC to be paid to help claimants who are put in difficult financial situations through circumstances outside their control.

Note 2 - Coding of Interim ERC

See Claims Manual Volume I AC 2-10 30.4

Interim codes are not to be used. Code the ERC payments normally. Note, though, that when the full earnings details become available, another assessment will have to be made. This rate of ERC will hopefully be higher than the interim level, and arrears of ERC will have to be calculated and paid.


S. I. Mayne
ADVISORY OFFICER

Distribution : All Claims Manual Volume I Holders
Filing : AC 2-6 4.10 between pages 15 and 16

4.10.3 If evidence has not been obtained to establish earnings in relation to any period of incapacity Section 113 (5) may be applied and the Office may :

- (a) Make an interim determination of the person's relevant or actual earnings for the period having regard to the evidence received and to all the relevant circumstances - and
- (b) Make payments under Section 113(1)(a) on account for such periods and at such rate as is considered fit subject to the rate not exceeding 50% of the persons loss of earning capacity as determined by reference to the determination under (a) above.

Refer to Example 15.0

4.10.4 Where it is not considered appropriate to use Section 113(5) there is provision under Section 134(1) for payments of compensation to be made on account and NOT subject to the above limitation of 50%. This section also applies where the person has not yet established his claim. It applies not only to earnings related compensation but to any compensation payable within the authority delegated to the Office, e.g. an advance to cover transport expenses for medical treatment or examination may be made under Section 134. Requests for advances not within the Offices delegated authority, should be referred to the Commission immediately.

4.10.5 Make payments under Section 134 only when :

- (1) every effort has been made to establish the claim and the amount to be paid.
- (2) there is good and sufficient reason to believe that the claimant will be able to establish entitlement to the amount paid;
- (3) the claimant or his dependants may be in financial difficulty if payment is not made for some other special reasons.

RE,ERC

AC 2-6

4.10.6 The amount paid under Section 134 is in normal circumstances to be the full amount for which entitlement is established. However, if there is reasonable doubt as to whether the incapacity was caused by personal injury by accident, restrict the amount advanced to that which would be payable by the Social Welfare Department after confirming the amount with that Department and that payments are not currently being made under Part I of the Social Security Act 1964.

4.10.7 Where payment is made by the Office and the claimant subsequently does not establish his entitlement under the Accident Compensation Act but establishes entitlement under the Social Security Act, request re-payment of the amounts so paid from the Social Welfare Department to the extent that the cost involved is claimable under Social Welfare legislation. (See AC 2-10 10.0)

4.10.8 In any case where a Social Welfare Benefit has been paid and entitlement to Earnings Related Compensation is subsequently established a refund to Social Welfare Department is to be made.

Section 88(1) (bb) of the Land and Income Tax Act 1954 states that the amount refunded by the Accident Compensation Commission to the Social Security Commission under the provisions of S134(3) of the AC Act is not defined as assessable income and accordingly no tax may therefore be deducted.

Assess the amount of gross ERC payable to the claimant, ignoring meantime the Social Welfare payments that have been made and ignoring Superannuation and PAYE tax. Deduct the amount already paid by Social Welfare in the period for which E.R.C. should have been paid from the gross ERC assessed.

Issue a cheque to Social Welfare for the amount deducted.

Assess PAYE tax and where applicable superannuation, on the balance and make payment to the claimant.

See also AC 2-6 10.0

Refer Example 19.0

RE, ERC

4.10.9 If the claimant does not establish entitlement under either Act or establishes a lesser entitlement under the Social Security Act recover the amounts paid, and/or overpaid, in excess of that entitlement, as a debt from that person. In these circumstances write to the person requesting repayment. Refer to AC 2-10

4.10.10 When a person establishes entitlement under the Accident Compensation Act :

- (i) determine under what provision of the Accident Compensation Act the payment is made; and
- (ii) give notice to the person of this determination on A.C.C. form letter C2.

4.11 Subsequent Accidents

In any case in which during the currency of a claim for which earnings related compensation is due or payable, the injured person suffers a further accident which involves the payment of earnings related compensation, pay particular regard to the provisions of Section 115 as it relates to the aggregation of the compensation payable under each such claim.

Note particularly the provisions concerning the payment of compensation during, and immediately following, the first week; and the effect of compensation paid in respect of an earlier accident on relevant earnings.

This latter point is not to be confused with the operation of Section 104(3). See Example 4.0

RE,ERC

4.12 Personal Accident Insurance - Effect on Earnings-Related Compensation

4.12.1 If an employer arranges a personal accident policy whereby an insurance company will pay a weekly sum to an injured employee then :

- (a) If payment is made to the employer and he passes these to the employee, the payments are classed as earnings within the meaning of s. 113(4) and E.R.C. will be reduced if E.R.C. and the payment exceed his relevant earnings.
- (b) If payment is made to the employee direct by the insurance company, then this is still classed as earnings within the meaning of s. 113(4) and E.R.C. will again be reduced if E.R.C. and the payment exceed his relevant earnings.

4.12.2 The position is governed by the contractual position of the employer in each of the cases (a) and (b) above. In both cases, contrary to a widely-held belief, it is the employer who is the Insured: the employee is merely the subject matter of the insurance. The question is one of contract, under which the employer is the one with the right to enforce the terms of contract against the Insurer (the insurance company). The legal position of the employer remains unaffected by any arrangement whereby payment is to be made direct by the Insurer to the employee.

4.12.3 If the employee himself, as a kind of investment, insures himself against incapacity through personal injury by accident, this will be a personal matter of contract between the employee and the insurance company, entirely divorced from his employment and not in any way involving the employer. The employee will be the Insured and the sole party to the contract with the Insurer. There could be no dispute in such a case as to his right to full E.R.C. in respect of his employment irrespective altogether of his entitlement under his contract with the Insurer. The proceeds of such policy are not earnings.

NOTE : The kind of situation covered by the foregoing should not be confused with those cases where insurances in the nature of "loss of profits" policies are in force. This type of policy however normally relates only to a self employed person and is covered in more detail in AC 2-7 10.0.

5.0 ASSESSMENT OF EARNINGS RELATED COMPENSATION

- 5.1 Assess gross compensation 80% of the loss of earnings capacity.
- 5.2 The gross earnings related compensation so calculated is subject to P.A.Y.E. tax assessed at primary rates and where relevant Superannuation contributions.
- 5.3 Before compensation is paid ensure that the provisions of Section 128, concerning age limits, are observed.

6.0 DURATION OF WEEK IN WHICH ERC IS PAYABLE

- 6.1 To calculate E.R.C. for a period of less than a normal working week it is necessary to establish the number of days the earner normally works each week.

Obtain this information from the answer to question 5 of the earnings certificate ACC Forms C2 or C3 and record this on the Claim Record Sheet ACC Form C55.

- 6.2 Calculate the E.R.C. due for the period in the proportion which the number of working days or hours lost through the incapacity bears to the number of days or hours which constitute a normal working week. Refer example 17.0

7.0 EFFECT OF STATUTORY HOLIDAYS ON E.R.C.

- 7.1 The following days are statutory holidays in New Zealand :

Christmas Day
Boxing Day
New Year's Day
2nd Day of January (or another day in its place)
New Zealand Day
Good Friday
Easter Monday
Anzac Day
The Birthday of Reigning Sovereign
The day of the anniversary of a province
(or another day in its place)
Labour Day

RE.ERC

The provisions as to payment by the employer for these days are found in various awards and in the Factories Act, which applies to factories where there is no award.

For example, the New Zealand General Drivers' Award provides that where any worker has been employed upon work coming within the award at any time during the fortnight ending on the day on which a statutory holiday occurs, he is entitled to receive full payment for that holiday from the employer. The Public Service Manual has a provision to the effect that the days are to be observed as holidays without specifying a qualifying period.

Section 26 of the Factories Act specifies certain statutory holidays (e.g. Anniversary Day, Queens Birthday etc.) and by Section 28 of that Act where any person has been employed in any factory at any time during the fortnight ending on the day of the statutory holiday the employer must pay him for that holiday. The amount of such holiday pay is to equal one-tenth of the wages for an ordinary working day multiplied by the number of ordinary days on which the person is employed during the fortnight. The word "employed" in this sub-section implies actual work and physical presence in the factory and consequently an employee who is off work for any period within the fortnight preceding a statutory holiday is entitled to receive only one-tenth of his ordinary pay for each day he was actually at work. An employee receiving E.R.C. in the qualifying fortnight cannot be treated as being actively working or physically present and therefore days on compensation would not count under Section 28 towards entitlement to statutory holiday pay. Where the employee works under an award or industrial agreement it will be necessary to check the relevant provisions in each case where it is necessary to establish earnings during incapacity in accordance with the following comments.

Where there is an entitlement under Section 113 earnings related compensation is based initially on the loss of earnings capacity in accordance with Section 113 (2) i.e. in general 80% of the difference between relevant earnings (Section 104) and earnings during incapacity.

RE, ERC

"Earnings during incapacity" in this context specifically includes holiday pay (See Section 103)

Where however an employee is totally incapacitated the provisions of section 113(4) apply and in this case "earnings during incapacity" are permitted to the extent that the aggregate of these plus the earnings related compensation does not exceed the loss of earning capacity.

If there have been any earnings during incapacity and the employee is totally incapacitated refer to example 18.

7.1.1 Refer to the Decision Model filed at the rear of the Procedure Sheets to AC 2-6.

7.2 Statutory Holiday(s) on day of Claimant's Certified Return to Work

There may be occasions where an employee is certified by a Doctor as fit to resume work on a date that coincides with a Statutory Holiday and as a consequence losses statutory holiday wages.

Before considering extending the period for which compensation is to be paid to include the statutory holiday it will be necessary to determine that

7.2.1 the employee has not received statutory holiday pay from his employer, or

7.2.2 there is no legal obligation on the employer to pay that days wages in part or in whole

If neither of the above apply extend the period for which compensation is to be paid to include the Statutory Holiday(s)

8.0 ANNUAL HOLIDAYS

8.1 The Annual Holiday Act 1944 contains a requirement that an employer is to provide annual holidays on pay in specific circumstances (normally three weeks at the end of each year of his employment with any one employer). In many cases these holidays may be taken at a time suitable to the employee whereas others are required to take them at a specific time. (e.g. where a factory is closed over the Christmas/New Year period)

RE, ERC

Circumstances will arise where a period of paid annual holiday will overlap the period of incapacity under a claim. Under Section 103(2) holiday pay is regarded as "earnings" and consequently this could require a re-assessment of E.R.C. by reason of the claimant being in receipt of earnings during incapacity. Under the Annual Holidays Act, as now amended by the Annual Holidays Amendment Act 1974, however, special provisions apply, and section 3(7) of that Act states :

"No period during which a worker is unable to work, because of sickness or injury, shall be counted as part of any annual holiday to which he is or may be entitled under subsection (1) of this section".

This means that if an employee is sick or injured during a period designated and paid as annual holiday, such period of proved incapacity must be reinstated as an annual holiday which the employee is entitled to take at some time after he recovers. There are two possibilities arising out of this situation :

8.1.1 Injury occurring prior to a period of annual holiday

The employer should be aware of the circumstances and should not (in accordance with sub-section (7) above) make any payment of annual holiday pay. This then means that insofar as our claims are concerned they can be handled in the usual way.

8.1.2 Injury occurring during a period of annual holiday entitlement for which the employee has already received payment

Where an employer has paid for the period of annual holiday entitlement and during this period the employee suffers personal injury by accident some special considerations apply :

- (i) There will be no entitlement to E.R.C. during the first week (as a non-work accident). The adjustment in this period, as between the annual holiday entitlement and any sick leave due to the employee, is a matter between the

employer and the employee in which we should not become involved. Refer any enquiries in this regard to the Department of Labour.

- (ii) If there is any period of paid holiday which coincides with a period for which compensation is payable, this should become apparent from the answer to Question 11 of the Earnings Certificate form in which the employer should advise whether the employee will receive any payments during incapacity. It may be necessary in such circumstances to clarify the actual position with the employer and to ascertain whether he wishes :
- (a) to recover the excess holiday pay from his employee, thus leaving the Office to pay E.R.C. in the normal manner; or
 - (b) to claim for reimbursement of the E.R.C. otherwise payable under the claim in accordance with the provisions of Section 113 (4C) either as an "approved employer" or as an individual case. Such claims should be dealt with as outlined in AC 2-11 15.0 of the manual and in these circumstances the test outlined in this paragraph can be assumed to have been met by reason of the provisions of section 3(7) of the Annual Holiday Amendment Act 1974 quoted above.

As a result, under no circumstances is annual holiday pay to be treated as earnings during incapacity, thereby leading to a reduction of the E.R.C. entitlement.

GENERAL NOTE :

Many employers may not be aware of the full import of the provisions of the Annual Holiday Amendment Act (1974). Claims Handling Officers should avoid giving advice or comment on its provisions and any enquiry in this regard should be referred to the Department of Labour. Should any unusual circumstances arise which are not capable of a reasonable settlement under the above rules, please refer immediately to A.C.C. Wellington, with full details.

RE,ERC



Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 313

DATE 4 March 1980

SUBJECT: ORDER IN COUNCIL INCREASING PRESCRIBED AMOUNTS
FOR THE PURPOSE OF SECTIONS 116, 117 AND 118

1.0 INTRODUCTION

- 1.1 An Order in Council increasing certain prescribed amounts was gazetted in September 1979.
- 1.2 The Order as originally issued (S.R. 1979/191) also dealt with increases in the prescribed amounts for sections 74 and 113, however these amendments were revoked by a subsequent Order in Council (S.R. 1979/247).

2.0 APPLICATION OF THE ORDER

- 2.1 In respect of the increased prescribed amounts under Section 116, 117 and 118, the Order applies for the purpose of calculating earnings related compensation payable for any period of incapacity which occurs on or after 1 April 1980, whether the accident occurred before, on, or after that date.

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3.0 INCREASED AMOUNTS

- 3.1 For the purposes of section 116 of the Act, the prescribed amount shall be the total of:
 - 3.1.1 \$80 in respect of the worker; and
 - 3.1.2 \$6 in respect of the spouse of the worker, while the spouse is totally dependent on the earner; and
 - 3.1.3 \$3 in respect of each child of the worker while that child is for the time being totally dependent on the earner.
- 3.2 For the purposes of section 117 of the Act, the prescribed amount shall be \$175 per week.
- 3.3 For the purposes of section 118 of the Act, the prescribed amount shall be \$100 but subject to the power of the Commission to increase this amount within the limits specified in section 118(5) of the Act.

4.0 STATE INSURANCE OFFICE ACTION

- 4.1 All files within each branch office are to be checked for the basis of relevant earnings and amended where the calculation of E.R.C. is based on the prescribed amount of relevant earnings under sections 116, 117 or 118.
- 4.2 Dummy files on which payments are being made are to be reassessed in the S.I.O. branches. If insufficient information is contained on the dummy file, request the main file from the Regional Office.
- 4.3 Approved employer files must be checked as a separate exercise. In cases where adjustments are to be made, the employer is to be advised by letter. A copy of this letter is to be sent to the claimant with the new assessment sheet (C.62).

5.0 REGIONAL OFFICE ACTION

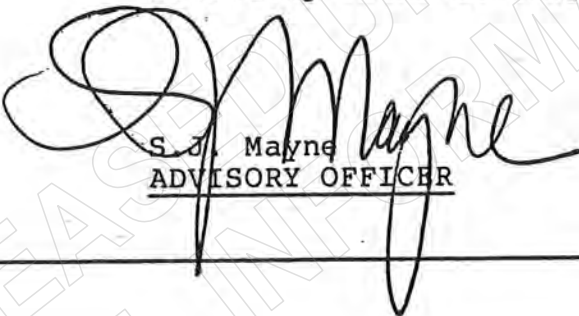
- 5.1 Files retained in Regional Offices for continued handling (900 series) are to be checked and reassessed where appropriate.
- 5.2 Files within Regional Offices, which are to be returned to S.I.O. branches, are to be considered in the light of these increases. Where it is apparent that changes in relevant earnings must be made, point this out to S.I.O. staff when returning the file.

6.0 HEAD OFFICE ACTION

- 6.1 Files retained within Head Office for continued handling and payment are to be checked by claims handlers for the relevance of these increases in prescribed amounts.
- 6.2 Payments to dependants under files handled in the Fatahs Section will not require adjustment. All such claims represent permanent assessments under S.114, which preclude any reassessment of relevant earnings.
- 6.3 The content of para 6.2 applies equally to all other S.114 assessments, i.e. where compensation is paid to the injured person following a permanent assessment.

7.0 GENERAL

- 7.1 Attached to this circular is an updated chart showing all past increases in prescribed amounts. The chart also incorporates relevant general wage orders and Orders in Council affecting rates of compensation.


S. J. Mayne
ADVISORY OFFICER

DISTRIBUTION:

All holders of Claims Manual Vol.I.

FILING INSTRUCTION

File behind page 54 of AC 2-6.

AMENDMENTS

Reference	Date
A.C. Act 1972	01.04.74
Amdt. Act 1974	01.10.74
OIC 1974/269	01.12.74
OIC 1974/303	01.01.75
Amdt Act 1974	01.04.75
OIC 1976/99	27.01.76
OIC 1976/138	27.01.76
OIC 1976/160	25.06.76
R.G.W.O.	14.03.77
OIC 1977/300	02.12.77
OIC 1978/139	19.05.78
R.G.W.O.	17.07.78
Amdt. Act 1978	01.12.78
OIC 1979/16	01.04.79
OIC 1979/189	03.09.79
OIC 1979/264	10.12.79

SECTIONS

104		113		114	116			117	118	P.D		123	
YR	WK	YR	WK	Cimt	Cimt	Spouse	Dep	Cimt	Cimt	119	120	Spouse	Other
10,400	200				40.00	3.00	1.50	100	50	5,000	7,500	100.00	33.33
										7,000	10,000		
					48.00	3.60	1.80	120	60				
				9%								9%	9%
15,600	300											150.00	50.00
	6%				Check for effect of increase on assessments made in accordance with these sections.							6%	6%
					60.00	4.50	2.25	150	75				
	7%				Check for effect of increase on assessments made in accordance with these sections.							7%	7%
	6%			6%	Check for effect of increase on assessments made in accordance with these sections.							6%	6%
									90				
	10%				Check for effect of increase on assessments made in accordance with these sections.							10%	10%
	7%			7%	Check for effect of increase on assessments made in accordance with these sections.							7%	7%
	Maximum Relevant Earnings no longer applies			240								120.00	40.00
				288								144.00	48.00
				4.5%	Check for effect of increase on assessments made in accordance with these sections.							4.5%	4.5%
				*	*							*	*

NOTES

1. Prescribed amounts, and section limitations.
1. Applies only to accidents occurring on or after 1.10.74.
1. Prescribed amount in respect of incapacity on or after 1 December 1974, regardless of date of accident.
1. No maximum limitation other than prescribed amount. 2. Applies in practice to dependants only, where accident date before 1.7.74.
1. Maximum R.E. for incapacity on or after 1 April 1975, regardless of date of accident.
1. Apply where D.O.A. prior to 27.1.76 and incapacity continues beyond. 2. S.104 - 6% with maximum of \$3.60 on R.E. 3. S.123 - Spouse 6%, maximum \$1.50 on R.E.; other dependants 0.50c max on R.E. Total max all "other dependants" \$1.50.
1. Apply to incapacity on or after 27.1.76, regardless of D.O.A.
1. Apply to incapacity from 25.6.76, where D.O.A. before 25.6.76. 2. Have regard to the maximum amount of R.E. 3. Maximum \$7 on R.E. for claimant, spouse or other dependant.
1. Apply to incapacity from 14.3.77, where D.O.A. before 14.3.77. 2. No limitation other than prescribed maximum on R.E. 3. Apply to S.114 assessments made before 14.3.77.
1. Applies to incapacity after 2.12.77, regardless of D.O.A.
1. Apply where D.O.A. on or before 31.7.77, in respect of incapacity on or after 19.5.78. 2. No limitation other than prescribed maximum on R.E.
1. Apply to incapacity from 17.7.78, where D.O.A. before 17.7.78. 2. Maximum \$7 on R.E. for claimant, spouse or other dependant. 3. Have regard to maximum prescribed amount of R.E. 4. Apply to S.114 assessments made before 17.7.78.
1. Maximum ERC payable in respect of loss of earning capacity after 1.12.78, regardless of D.O.A.
1. Maximum ERC payable in respect of loss of earning capacity after 1.4.79, regardless of D.O.A.
1. Apply to incapacity from 3.9.79, where D.O.A. before 3.9.79. 2. No limitation other than prescribed maximum on ERC.
* See schedule attached.

[illegible][illegible][illegible]

ORDER IN COUNCIL 1979/264

ORDER

1. Title and commencement—(1) This order may be cited as the Accident Compensation (Increased Amounts) Order (No. 2) 1979.
(2) This order shall come into force on the day after the date of its notification in the *Gazette*.

2. Interpretation—In this order—

"The Act" means the Accident Compensation Act 1972;
"Prescribed date" means the 10th day of December 1979.

3. Relevant earnings—In any case where relevant earnings have been ascertained or are to be ascertained in respect of incapacity as a result of an accident that occurred within one of the periods set out in Column I of the Schedule to this order and incapacity continues or occurs (whether or not for the first time) on or after the prescribed date, the amount for the time being of the relevant earnings ascertained or to be ascertained under section 104 of the Act is hereby increased on and after the prescribed date by the percentage specified in Column 2 of that Schedule in relation to that period.

4. Assessment of percentage incapacity—In any case where earnings related compensation is payable in respect of permanent loss of earning capacity fixed by or derived from an assessment under section 114 of the Act as a result of an accident that occurred within one of the periods set out in Column 1 of the Schedule to this order, the amount of that compensation is hereby increased on and after the prescribed date by the percentage specified in Column 2 of that Schedule in relation to that period.

5. Earnings related compensation payable to dependants—In any case where earnings related compensation is payable under section 123 (1) of the Act as a result of the death of a person arising from an accident that occurred within one of the periods set out in Column 1 of the Schedule to this order, and the compensation commences or continues to be payable on or after the prescribed date, the amount of that compensation is hereby increased on and after the prescribed date by the percentage specified in Column 3 of that Schedule in relation to that period:

Provided that no increase in earnings related compensation shall be made under this clause in any case where either relevant earnings ascertained under section 104 of the Act or earnings related compensation payable under section 114 of the Act have been increased in accordance with clause 3 or clause 4 of this order.

COLUMN I	COLUMN II	COLUMN III
PERIOD WITHIN WHICH THE ACCIDENT OCCURRED (Both dates inclusive):	PERCENTAGE INCREASE	
	CLAIMANTS EXCLUDING DEPENDANTS	DEPENDANTS ONLY
1 April 1974 to 30 June 1974	36.0	24.7
1 July 1974 to 30 September 1974	22.2	11.3
1 October 1974 to 31 December 1974	21.5	10.5
1 January 1975 to 31 March 1975	17.9	16.4
1 April 1975 to 30 June 1975	17.8	16.3
1 July 1975 to 30 September 1975	12.5	10.6
1 October 1975 to 31 December 1975	11.5	9.5
1 January 1976 to 31 March 1976	11.4	9.5
1 April 1976 to 30 June 1976	11.7	10.1
1 July 1976 to 30 September 1976	11.6	9.9
1 October 1976 to 31 December 1976	8.0	6.2
1 January 1977 to 31 March 1977	7.7	6.0
1 April 1977 to 30 June 1977	7.1	5.4
1 July 1977 to 30 September 1977	16.8	15.4
1 October 1977 to 31 December 1977	11.6	10.0
1 January 1978 to 31 March 1978	8.5	6.8
1 April 1978 to 30 June 1978	7.1	5.4
1 July 1978 to 30 September 1978	5.9	5.9
1 October 1978 to 31 December 1978	4.2	4.2
1 January 1979 to 31 March 1979	1.9	1.9
1 April 1979 and thereafter	nil	nil

APPLICATION OF THE ORDER

Those persons who will benefit under the provisions of this Order are as detailed hereunder:

- 1 Claimants, whose relevant earnings are assessed in accordance with Section 104, where the accident occurred within one of the prescribed quarterly periods, and where incapacity continues or occurs (whether or not for the first time) on or after 10 December 1979.
- 2 Claimants, where a positive assessment of permanent loss of earning capacity has been made prior to 10 December 1979 in accordance with Section 114, and where the accident occurred within one of the prescribed quarterly periods.
- 3 Dependants, whose entitlement assessed in accordance with paragraphs (a) (b) or (c) of Section 123(1), commences or continues on or after 10 December 1979, in respect of an accident which occurred within one of the prescribed quarterly periods mentioned in the "First Schedule" of this circular.

Dependants' ERC is not to be increased if an increase has already been applied to relevant earnings in accordance with paragraphs 1. or 2. above.



Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 311
DATE 5 September 1979

SUBJECT: ORDER IN COUNCIL - 4.5%

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27.07.79 (190)

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Mr Stirton (4)



Accident Compensation Commission

P2

TECHNICAL INFORMATION CIRCULAR

CIRCULAR No. 311
DATE 5 September 1979

SUBJECT: ORDER IN COUNCIL - 4.5%

1.0 INTRODUCTION

- 1.1 By Gazette Notice dated 6 September 1979, an Order in Council has been promulgated authorising an increase in earnings related compensation by 4.5%.
- 1.2 This increase is to take effect from Monday 3 September, 1979.

2.0 APPLICATION OF THE ORDER

- 2.1 The increase of 4.5% applies to all earners, both self-employed persons or employees, who suffered personal injury by accident before 3 September 1979, and whose incapacity commences or continues on or after 3 September 1979.
- 2.2 Relevant earnings are to be increased by 4.5% in relation to compensation payable to claimants for any period of incapacity on or after 3 September.
- 2.3 The Order also effects an increase of 4.5% in earnings related compensation payable to dependants in certain circumstances. Adjustments in this regard will be made by A.C.C. Head Office.

3.0 EXCEPTIONS TO AUTOMATIC APPLICATION BY STATE INSURANCE OFFICES

- 3.1 The Order is not to apply to claims for self employed persons where payment is being made on the basis of "Fair and Just" compensation for the period of short term incapacity.
- 3.2 Where relevant earnings have been assessed under the provisions of:

S.116 - Earnings below prescribed amount,

S.117 - E.R.C. where employee under age 21, and,

S.118 - Compensation for Loss of Potential Earning Capacity,

the files are to be referred to the Regional Office for consideration and reassessment where necessary.

4.0

ADJUSTMENT OF E.R.C. PAYMENTS

- 4.1 Each handling office is to make adjustments to increase the rate of E.R.C. in appropriate cases, having regard to the instructions above.
- 4.2 Do not attempt to adjust all files in one day. In the course of the normal routine of drawing files from the current series each day according to the colour tags, identify the claims where the date of accident was before 3 September, 1979, and incapacity commences or continues on or after that date.
- 4.3 Determine the new weekly rate of E.R.C. that will be payable following the date of adjustment by increasing relevant earnings to the extent of 4.5%. Have regard to the maximum levels prescribed under the Act, e.g. \$288.00 for E.R.C. as prescribed for the purposes of S.113.
- 4.4 Enter these details on a fresh form C.62 endorsed "Order in Council - 9/79".

Amount of weekly earnings related compensation
(TOTAL E from TOTAL D)

Note: When payment is made PAYE tax will be deducted from the amount shown at right. The actual amount of PAYE tax deducted will be shown on the Advice Form attached to your cheque.

This assessment is effective from (date) 3/9/79

4.5% Order in Council 9/79

Payment will be made by ... this office ☐ ... the employer ☐

\$ SEE NOTE AT LEFT

- 4.5 Send a copy of the C.62 to the claimant with the next cheque.
- 4.6 In cases where purely notional earnings have been assessed under the proviso to Section 113(2), this figure must also be increased by 4.5%.

5.0

ACCIDENT OCCURRING AFTER 2 SEPTEMBER

5.1 Where accidents occur within a 1 - 4 week period after 2 September, it is possible that the information contained on the C.3 may not truly reflect a claimants relevant pre-accident earning capacity. The problem may arise for one of two reasons; either

5.1.1 the earnings details supplied do not reflect the benefit of the 4.5% general increase at all, or,

5.1.2 back pay may be included in the four weeks income, whereas it applies in part to a prior period, thereby inflating normal average weekly income.

5.2 Therefore in assessing relevant earnings for these claimants, the claims handler must be more than normally vigilant in exercising the various options available to arrive at a true assessment.

5.3 There is no short answer in these circumstances, however consider the following details in determining relevant earnings:

5.3.1 New weekly salary from 03.09.79

5.3.2 New hourly rate from 03.09.79

5.3.3 Number of days normally worked

5.3.4 Number of hours normally worked each day.

5.3.5 Distribution of "back-pay", on a weekly basis over the period to which it applies.

5.3.6 Questions 7a and 7b of the C.3.

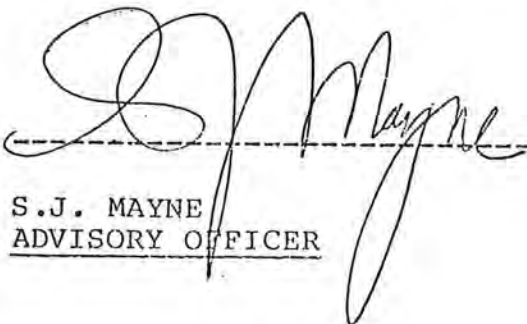
6.0

POST ACCIDENT PAYMENTS AFFECTING RELEVANT EARNINGS

- 6.1 In the coming weeks some claimants will receive back-pay in respect of pre-accident employment which could materially affect the assessment of relevant earnings.
- 6.2 This back-pay may be as a result of the general increase of 4.5%, or be due to the 10.4% increase in the Executive and Clerical scale resulting from the S.S.C. half-yearly survey back dated to 8 December 1978.
- 6.3 Section 104A of the Accident Compensation Act recognises the effect of such arrears on relevant earnings.
- 6.4 For the method of handling these discretionary adjustments, refer to Claims Manual, Vol.I, AC 2-6, pages 5e, 5f and TIC 213, which is filed between these two pages.
- 6.5 Any problems experienced in this regard are to be referred to your Regional Office.

DISTRIBUTION - To all Claims Manual Vol.I holders.

FILING INSTRUCTION - File in Claims Manual Vol.I, behind page 54 of AC 2-6


S.J. MAYNE
ADVISORY OFFICER



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T289

DATE 29 December 1978

SUBJECT: A.C.C. PAYMENT CODES

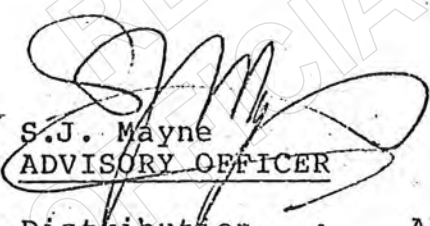
On 21 March 1978, TIC 265 ("Entitlement relating to Previous Years Now Subject to Tax Rebate") was issued which changed the coding of payments.

A recent survey to identify Section 116 claims ("Increased Compensation for full time earner in certain cases") revealed that in some cases, code 3220, now a Section 116 code, is being incorrectly used to record ordinary E.R.C. payments under Section 113 (After First Week Compensation).

This means that since TIC 265 there has been no accurate information on the use of Section 116 for future legislative planning.

In order to help remedy the situation, a separate chart of A.C.C. payment codes has been produced for desk top use, as opposed to being filed in the manual. This chart is attached.

Please distribute it for immediate use, and ensure that any old charts in existence are destroyed. A chart for ACC internal use is pending.


S.J. Mayne
ADVISORY OFFICER

Distribution : All Claims Manual Volume I Holders

h

CHART OF ACC PAYMENT CODES

FUND INDICATOR

1. All compensation payments are to be identified (where possible) as chargeable to either -

the Earners' Compensation Fund, or
the Motor Vehicle Compensation Fund, or
the Supplementary Compensation Fund.
2. When a claim is being registered, the Registration Clerk must select the correct "fund indicator" see paragraph 9 below. This ensures that the computer registers that claim in the appropriate Compensation Fund.

e.g. A truck driver suffers personal injury by accident in a motor vehicle while at work. His claim should be given "fund indicator 20". This would tell the computer that although this is a motor vehicle accident, the claim is to be paid from the Earners' Compensation Fund.

PAYMENT CODE

3. Each payment must be related to a section of the Accident Compensation Act. This is done by entering the appropriate "Payment Code" on the claims record sheet. The computer is given this information on record type 321.

CLAIM RELATED PAYMENTS

4. Most of the payments shown in the Chart can only be made if an actual claim is in existence. This is indicated by a letter C before the payment code.
5. When a claim related payment is made, the claim number must be shown on the cheque payment advice, as well as the correct payment code.

NON CLAIM RELATED PAYMENTS

6. If the payment code is prefixed by the letter X, this means that the payment can be made even if there is no actual claim file.
7. When coding payments prefixed by an X, the claims handler must select the correct Compensation Fund Code (see paragraph 9 below and enter it on the cheque payment advice)

e.g. An employer requests reimbursement for transport expenses in taking an injured employee (for whom no claim file exists) to hospital. The cheque payment advice should show Compensation Fund "2" - indicating the Earners' Fund - and 2014 - the Payment code for transport expenses reimbursed to an employer under Section 107.
8. Non claim related medical expenses which cannot be directly related to any one of the 3 funds are to be prefixed by the Compensation Fund code "6".

9. DESCRIPTIVE DETAIL

<u>Compensation Fund</u>	<u>Fund Indicator</u>		
2	10	Earners' work accident	
	20	Earners' work accident involving motor vehicle	Earners' Com- pensation Fund
	30	Earners' non-work accident	
3	40	Earners' in non-work accident involving a motor vehicle	Motor Vehicle Compensation Fund
	60	Non-Earners' in accident involving a motor vehicle	
4	50	Non-Earners' accident	Supplementary Compensation Fund
6	-	Provisional Ledger	

C

Requires that a claim number must be put on the cheque payment advice. All payments must be made against an actual claim file.

C or X

A dual situation. A claim file may or may not have been registered. If a claim file does exist, treat as 'C' above. If no claim file has been registered, prefix the payment code with a compensation fund code 2, 3, 4 or 6 as appropriate. It is emphasised that the claims handler must endeavour to identify the compensation fund code (i.e. 2, 3 or 4) and should only use code 6 in those cases where the appropriate compensation fund cannot be identified.

T

This sign serves as a reminder only that payments in terms of that section or sub-section are liable for P.A.Y.E. tax deductions.

The P.A.Y.E. tax tables to be used are those which are current at the time the payment is made, even if the payment relates to a previous year's entitlement.

A.C.C. PAYMENT CODES

<u>Compensation Fund</u>	<u>Payment Code</u>	<u>Taxable Payment</u>	<u>Description</u>	<u>Section of Act</u>
<u>MEDICAL AND RELATED</u>				
			<u>Transport</u>	107-8-9
C or X	2100		Transport - A.C.C. reimburses claimant	"
C or X	2104		Transport - A.C.C. reimburses employer	"
			<u>Repair of Damage to Artificial Aids, Limbs or Appliances</u>	110
C	2200		Teeth	"
C	2210		Dentures	"
C	2212		Prosthetic appliance as pertaining to the mouth e.g. bridge, crown or splint	"
C	2220		Artificial Limbs	"
C	2240		Artificial Aids	"
C	2260		Spectacles	"
C	2280		Clothing	"
			<u>Hospital Treatment</u>	111
C	2300		Public - Inpatient Treatment	111-2a, b
C	2302		Public - Overseas Visitors Outpatient Treatment	"
C	2303		Public - Overseas Visitors Inpatient Treatment	"
C	2340		Private - Patient Care	111-2a, b
C	2350		Private - Medical Treatment (Surgeon and Anaesthetist)	111
			<u>Medical Treatment</u>	
X	2420		G.P. - Claimant Refund	111-2c
X	2424		G.P. - Employer Refund	"
X	2450		Specialist - Claimant Refund	"
X	2520		Physiotherapist - Claimant refund	"
X	2550		Radiologist - Claimant Refund	"
X	2580		Pathologist - Claimant Refund	"
X	2600		Medical supplies	"
X	2650		Chiropodist - Claimant Refund	"
X	2680		Chiropractor - Claimant Refund	"

Compensation Fund	Payment Code	Taxable Payment	Description	Section of Act
C	3240	T	Interim Compensation - A.C.C.	113-5
C	3244		Interim Compensation - Employer Reimbursement	"
C	3245		Interim Compensation - Social Welfare Refund	"
			<u>Permanent Compensation</u>	114
C	3300	T	Permanent Compensation - Current Tax Year	"
C	3301	T	Permanent Compensation - Prior Tax years	"
C	3302	T	Permanent Compensation - (G.W. Orders)	"
			<u>Extended Cover</u>	
C	3400	T	ERC - A.C.C. Current Tax Year	59
C	3401	T	ERC - A.C.C. Prior Tax Years	"
C	3402	T	ERC - A.C.C. (G.W. Order)	"
C	3404		ERC - Employer Refund	"
C	3405		ERC - Social Welfare Refund	"
			<u>Special Loss</u>	
C	3500	T	Potential Earnings - A.C.C. Current Tax Year	118
C	3501	T	Potential Earnings - A.C.C. Prior Tax Year	"
C	3502	T	Potential Earnings - A.C.C. (G.W. Orders)	"
C	3504		Potential Earnings - Employer Refund	"
C	3505		Potential Earnings - Social Welfare refund	"
			<u>PECUNIARY LOSS</u>	
			<u>Non Earnings Related</u>	121
C	4100		Loss of Service	121-2a
C	4120		Expenses (not loss of earnings)	121-2b
C	4140		Personal Attendance	121-3
C	4160	T	Loss of Annuity - ACC Current Tax Year	121-4
	4161	T	Loss of Annuity - ACC Prior Tax Years	"
	4162	T	Loss of Annuity - ACC (G.W. Orders)	"
C	4180		Miscellaneous Expense	121
C	4184		Miscellaneous Expense Employer Refund	"

<u>Compensation Fund</u>	<u>Payment Code</u>	<u>Taxable Payment</u>	<u>Description</u>	<u>Section of Act</u>
<u>OTHER EXPENDITURE</u>				
<u>Advances on Compensation</u>				
C	6100	T	Advances Taxable	134
C	6105		Advances - Social Welfare Refund	"
C	6120		Advances Non-Taxable	"
<u>Brucellosis Supplemental Scheme</u>				
C	8134		Brucellosis Supplemental (Employer Refund)	"
C	8135	T	Brucellosis Supple. - Current Year	"
C	8136		W.C.A. Entitlement	"
C	8137		Brucellosis - Bedding and Clothing Reimbursement	"
C	8138	T	Brucellosis supplemental - Prior Year	"
C	8144		W.C.A. Entitlement (Employer Refund)	"
<u>CURRENT LIABILITIES</u>				
C	9160		P.A.Y.E. Deductions	"
<u>ASSIGNMENTS OF E.R.C.</u>				
<u>Maori Affairs, Mortgage Payments</u>				
C	9180		Deduction from ERC	"
	9181		Amount as above paid to Maori Affairs Department	"
<u>Domestic Proceedings, Maintenance Order</u>				
C	9190		Deduction from ERC	"
	9191		Amount as above paid to Social Welfare Department	"

Mr Brydon



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

RE, ERC
275

CIRCULAR No. 275

DATE 13 July 1978

SUBJECT:

RELEVANT GENERAL WAGE ORDER

1.0 Introduction

- 1.1 A General Wage Order has been made increasing the rates of remuneration of workers by 7% on the first \$100.00 (i.e. a maximum of \$7.00 per week).
- 1.2 The Order is to operate and take effect on the 17th July 1978.
- 1.3 The Order is a "relevant general wage order" (as defined in Section 2 (1) of the Accident Compensation Act).

2.0 Application of Order

- 2.1 Insofar as the Accident Compensation Act is concerned the increase applies to all earners, both self-employed and employees, injured before 17 July 1978, where the resulting incapacity commences or continues on or after that date.

Relevant earnings are increased by 7% (up to a maximum of \$7.00 per week) in relation to compensation for any period of incapacity on or after 17 July 1978.

2.2 Section 104 Claims

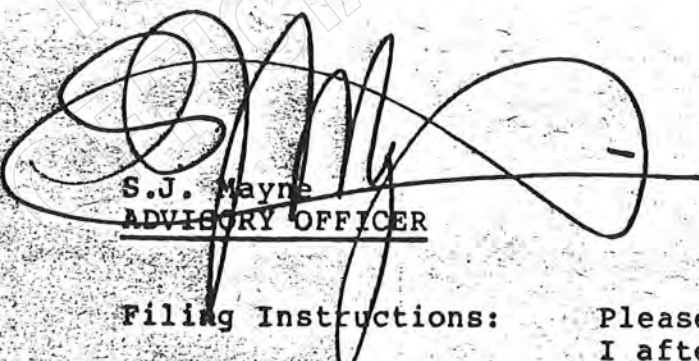
Subject to 2.2.1 below the effect of this increase is to add \$5.60 (80% of \$7.00) to all normal weekly ERC entitlements of \$80.00 or more and to add proportionately smaller amounts to weekly ERC entitlements below \$80.00.

- 2.2.1 Self Employed claims assessed on the "fair and just" basis during the period of short term incapacity will not be affected by this order. However where the application of Section 116 (increased compensation for full time earner with earnings below prescribed amount) Section 117 (Earnings Related Compensation where employee under 21 etc.) or Section 118 (Compensation for loss of potential earning capacity in certain cases) is involved, refer the file to Regional Office for the necessary calculation.

- 2.3 The General Wage Order does not affect the "maximum" relevant earnings as specified in Part IV of the first schedule of the Act therefore care must be taken to ensure the maximum of \$240.00 is not exceeded when recalculating ERC.

3.0 Adjustment of ERC Payments

- 3.1 Each handling officer is to make adjustments to increase the rate of ERC in appropriate cases in accordance with the instructions above.
- 3.2 Inquiries relating to increases on Fatal claim files and those files handled in Head Office are to be referred to ACC Head Office.
- 3.3 Identification of those claims which require an adjustment of ERC can only be determined by an examination of each current claim file.
- 3.4 Do not attempt to adjust all files in one day. In the course of the normal routine of drawing files from the current series each day according to the colour tags, identify the claims where the date of the accident was before the 17th day of July 1978 and resulting incapacity commences or continues on or after that date.
- 3.5 Determine the new weekly rate of ERC that will be payable following the date of the adjustment by calculating 7% of relevant earnings (on the first \$100) taking care not to exceed the maximum.
- 3.6 Enter this new weekly rate on a fresh form C62 endorsed "reassessed July 78 General Wage Order".
- 3.7 Send a copy of the C62 to the claimant with the next cheque.



S.J. Mayne
ADVISORY OFFICER

Filing Instructions:

Please file in Claims Manual Volume I after Page 54 of AC 2-6.

Distribution:

All Claims Manual Volume I Holders

INTERNAL INSTRUCTION - GENERAL WAGE ORDER INCREASE

Please attach behind TIC.275

1.0 TIC 275 authorises a 7% General Wage Order increase to certain classes of claimants. The TIC also directs the State Insurance Office to send all files relating to Section 116, 117 and 118 to the Regional Office for necessary adjustments to calculations.

1.1 While this General Wage Order has no relevance to the prescribed amounts of Sections 116, 117 and 118, it does however, have an effect on those Sections; and it is the purpose of these instructions to show the effects of this Order on them.

2.0 Section 116

For the purposes of the following examples, the claimant is, in each case, a married man with two dependent children and a dependent wife. Therefore, to ascertain the prescribed amount (with allowances for dependants) calculate as follows :-

Prescribed Amount	\$60.00
Spouse (Dependent)	\$ 4.50
Children (2 @ \$2.25)	\$ 4.50
	\$69.00

2.1 Example 1

Claimant - Relevant Earnings as at 16 July 1978
\$55.00 married two children relevant earnings now assessed at \$58.85.

2.2 Prior to this Order, ERC assessed at \$49.50 being 90% of \$55.00 which was below the prescribed amount. ERC is now assessed at \$52.96 (90% of \$58.85) which is still below the prescribed amount.

2.3 Example 2

Claimant - Relevant Earnings as at 16 July 1978
\$75.00 married two children Relevant Earnings now assessed at \$80.25.

2.4 Prior to this order, ERC assessed at \$67.50 - being 90% of \$75.00 which was below the prescribed amount. ERC now assessed at \$69.00 (the prescribed amount) because 90% of \$80.25 is \$72.22 which is, of course, above the prescribed amount.

3.0 Section 117

The General Wage Order does not affect the assessment of relevant earnings where these are assessed at the stages mentioned in Section (2)(a)(1). It does,

however, apply to the relevant earnings assessed under Section 117 (2)(a)(ii) by reference to the amount that the person would have been earning on or before 17 July 1978. (This is by reason of the proviso to subsection (2)(a)(ii) introduced by Section 20 (1) of the 1975 Amendment Act.) The prescribed amount (which currently stands at \$150.00) for Section 117, limits the effect of the increase.

- 3.1 It must be remembered, however, that where any adjustment is made to relevant earnings assessed under Section 117 (2)(a)(ii), they must also be reassessed in terms of Section 104 (for which purpose overtime is taken into account).

General Wage Order effective on 17.7.78
Apprentice had accident on 21.12.77
Assessed under Section 117 (2)(a)(i) and had
stage increment on 16.1.78
Would have completed apprenticeship on 29.6.78.

- 3.2 As at 29.6.78 relevant earnings are fixed under Section 117 (2)(a)(ii) at the amount he would have been earning had he not had the accident but had completed his apprenticeship.

- 3.3 Apprentice claimant still incapacitated on 17.7.78. Therefore General Wage Order operates to increase relevant earnings assessed under Section 117 (2)(a)(ii) as from that date.

4.0 Section 118

The General Wage Order does not apply to claims admitted under Section 118 except where relevant earnings, ascertained under Section 104, are allowed at more than the amount prescribed for Section 118, in accordance with the second proviso to Section 118 (5).

5.0 Fatal Claims

Where earnings related compensation is payable under any of the provisions of Section 123 (1)(a), (b) or (c) of the Act as the result of the death of a person arising from an accident that occurred before 17 July 1978, and the compensation continues to be payable on the date of commencement of this Order, the amount of that earnings related compensation is to be increased from the commencement of this Order by 7% (with a maximum of \$7.00.)

- 5.1 It is to be noted that the General Wage Order does not affect the "maximum relevant earnings" as specified in Part IV of the first schedule of the Act. Therefore care must be taken to ensure the aggregate maximum weekly sum of \$240.00 is not exceeded when recalculating ERC.

5.2 Dependants whose ERC is based on relevant earnings assessed under Section 116 or Section 117 should be recalculated on the basis outlined in 2.0 and 3.0 above.

5.3 Dependants whose ERC is based on relevant earnings ascertained by means of the prescribed amount under Section 118 may be increased by the 7% providing earnings related compensation payable to any dependant does not exceed the proportions of ERC specified in Section 123 of the Act.

6.0 Section 114 Claims

Where ERC is payable under Section 114 of the Act as a result of personal injury by accident on or before 17 July 1978 the amount of that ERC is to be increased from the commencement of this Order by 7% (with a maximum of \$7.00.)



S. J. Mayne
ADVISORY OFFICER



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

ADDENDUM TO TIC 275

CIRCULAR No. 275 Addendum

DATE 20 July 1978

RE/ERC P2

SUBJECT: Relevant General Wage Order - Which Took Effect from 17/7/78

Introduction

1.0 TIC 275 omitted to cover the application of the Order in relation to claimants in receipt of partial earnings related compensation.

Application

1.0 Where a claimant is receiving partial earnings related compensation based on actual or notional earnings being brought into account against relevant earnings the following approaches, illustrated by examples, are to be adopted.

1.1 Claimant actually involved in selected work.

Send a C6 to the employer to ascertain whether the claimant has received an increase in his post accident earnings as a result of the Order.

	<u>RE</u>	<u>Post Accident Earnings</u>	<u>Loss of Earning Capacity</u>	<u>ERC</u>
	200	100	100	80
7%	207	107	100	80

Receives no increase in ERC but does receive \$7-00 from employer.

	<u>RE</u>	<u>Post Accident Earnings</u>	<u>Loss of Earning Capacity</u>	<u>ERC</u>
	157	60	97	77.60
7%	164	64.20	99.80	79.84

Receives \$2.24 increase in ERC plus \$4.20 from employer - total \$6.44.

If upon receipt of C6 from employer it is found that there is no increase in post accident earnings the following calculations will apply in principle.

	<u>RE</u>	<u>Post Accident Earnings</u>	<u>Loss of Earning Capacity</u>	<u>ERC</u>
	157	60	97	77.60
7%	164	60	104	83.20

Claimant receives increase in ERC of \$5.60.

Cont'd.....

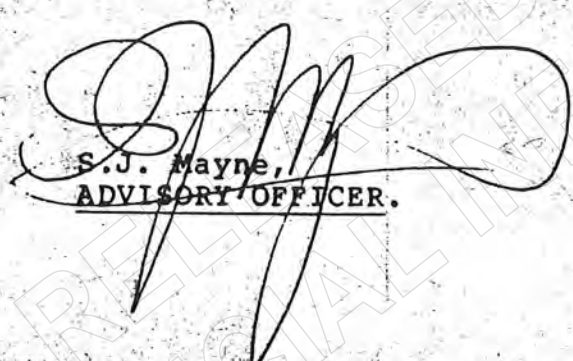
- 1.2 Claimant not actually working but notional post accident earnings assessed. Apply Order to both Relevant Earnings and notional earnings.

	<u>RE</u>	<u>Notional Earnings</u>	<u>Loss of Earning Capacity</u>	<u>ERC</u>
	200	100	100	80
7%	207	107	100	80

Claimant receives no increase in ERC at all.

	<u>RE</u>	<u>Notional Earnings</u>	<u>Loss of Earning Capacity</u>	<u>ERC</u>
	157	60	97	77.60
7%	164	64.20	99.80	79.84

Claimant receives additional \$2.24 as a result of the increase in notional earnings (\$4.20) being less than the increase in relevant earnings.


S.J. Mayne,
ADVISORY OFFICER.

File Behind TIC 275 (Claims Manual Vol. I behind page 54 of AC 2-6).

Distribution: All Claims Manual Vol. I Holders.



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

RE/ERC

CIRCULAR No. 271
DATE 15 MAY 1978

SUBJECT ORDER-IN-COUNCIL INCREASING RELEVANT EARNINGS IN CERTAIN CASES

1.0 Introduction

The Governor General has signed an Order-in-Council authorising an increase in relevant earnings by 10% for the following classes of claimants.

- (a) Persons who are still incapacitated as at the commencement of this order as a result of an accident that occurred on or before 31 July 1977, and
- (b) Dependants who are receiving compensation as a result of the death of a person arising from an accident that occurred on or before 31 July 1977 and whose compensation continues to be payable as at the commencement of this order.

1.1 The order is effective on the 19.5.78.

1.2 A copy of the order is attached to this circular.

2.0 Application of Order

2.1 The increase applies to claims in respect of both employees and self-employed persons.

2.2 The Order-in-Council does not affect the 'maximum' relevant earnings as specified in part IV of the 1st Schedule of the Act, therefore care must be taken to ensure the maximum weekly relevant earnings of \$300-00 is not exceeded when recalculating E.R.C.

3.0 Adjustment of E.R.C. Payments

3.1 Each handling office is to make adjustments to increase the rate of E.R.C. in appropriate cases in accordance with the instructions below.

3.2 Enquiries relating to increases on Fatal claim files and those files handled in Head Office are to be referred to A.C.C. Head Office.

3.3 Identification of those claims which require an adjustment of E.R.C. can only be determined by an examination of each current claim file.

3.4 Do not attempt to adjust all files in one day. In the course of the normal routine of drawing files from the current series each day according to the colour tags, identify the claims where :-

(a) The date of the accident was on or before the 31st day of July 1977 and the claimants entitlement to weekly compensation continues beyond the 19.5.78.

3.5 Determine the new weekly rate of E.R.C. that will be payable following the date of the adjustment by calculating 10% of the E.R.C. taking care not to exceed the maximum (see 2.3 above).

3.6 Enter this new weekly rate on a fresh form C62 endorsed "Re-assessed May 1978 Order-in-Council"

3.7 Prepare a letter for the claimant advising the total gross amount and the new weekly rate of E.R.C. and send the letter with the cheque.

3.8 Where the application of Section 116 (increased compensation for full time earner with earnings below prescribed amount) Section 117 (earnings related compensation where employee under 21 etc) or Section 118 (compensation for loss of potential earnings capacity in certain cases) is involved, refer the file to A.C.C. Head Office for the necessary calculation.



S. J. Mayne
ADVISORY OFFICER

Please file in Claims Manual Vol I after page 54 of AC 2-6.

This TIC precedes a manual amendment.

Distribution : All Claims Manual Vol I Holders

INTERNAL INSTRUCTION - ORDER IN COUNCIL INCREASE
(PLEASE ATTACH BEHIND TIC 271)

- 1.0 TIC 271 authorises a 10% Order-in-Council increase to certain classes of claimants. The TIC also directs the SIO to send all files relating to Sections 116, 117 and 118 to ACC Head Office for necessary adjustments to calculations.
- 1.1 While this Order-in-Council has no relevance to the prescribed amounts of Section 116, 117 and 118, it does however, have an effect on those sections; and it is the purpose of these instructions to show the effects of this Order on them.
- 1.2 This Order-in-Council does not affect any permanent assessments made under Section 114 before the date of this order - except in cases where the assessment has been made in accordance with Section 123 (see 5.0).

2.0 Section 116

For the purposes of the following examples, the claimant is, in each case, a married man with two dependent children and a dependent wife. Therefore, to ascertain the prescribed amount (with allowances for dependants) calculate as follows:

Prescribed Amount	\$60-00
Spouse (dependent)	4-50
Children (2 @ \$2-25)	4-50
	\$69-00

2.1 Example One

Claimant - Relevant earnings as at 31 July 1977 \$55-00
Married - 2 children
Relevant earnings now assessed at \$60-50

- 2.2 Prior to this OIC, ERC assessed at \$49-50 being 90% of \$55-00 which was below the prescribed amount. ERC is now assessed at \$54-45, which is still below the prescribed amount.

2.3 Example Two

Claimant - Relevant earnings as at 31 July 1977 \$70-00
Married 2 children
Relevant earnings now assessed at \$77-00

- 2.4 Prior to OIC, ERC assessed at \$63-00 - being 90% of \$70-00 which was below the prescribed amount. ERC now assessed at \$69-00 (the prescribed amount) because 90% of \$77-00 is \$69-30 which is, of course, above the prescribed amount.

3.0 Section 117

The Order-in-Council does not affect the assessment of relevant earnings where these are assessed at the stages mentioned in Section (2)(a)(i). It does, however apply to the relevant earnings assessed under Section 117 (2)(a)(ii) by reference to the amount that the person would have been earning on or before 31 July 1977. (This is by reason to the proviso to subsection (2)(a)(ii) introduced by Section 20 (1) of the 1975 Amendment Act.) The prescribed amount (which currently stands at \$150-00) for Section 117, limits the effect of the increase.

- 3.1 It must be remembered, however, that where any adjustment is made to relevant earnings assessed under Section 117 (2)(a)(ii), they must also be reassessed in terms of Section 104 (for which purpose overtime is taken into account).

Order-in-Council effective on

Apprentice had accident on	22.10.76
Assessed under Section 117 (2)(a)(i)	
and had stage increment on	19.11.76
Would have Completed apprenticeship on	21.05.77

- 3.2 As at 21.05.77 relevant earnings are fixed under Section 117 (2)(a)(ii) at the amount he would have been earning had he not had the accident but had completed his apprenticeship.
- 3.3 Apprentice claimant still incapacitated on 19.05.78 Therefore Order-in-Council operates to increase relevant earnings assessed under Section 117 (2)(a)(ii) as from that date.

4.0 Section 118

The Order-in-Council does not apply to claims admitted under Section 118 except where relevant earnings, ascertained under Section 104, are allowed at more than the amount prescribed for Section 118, in accordance with the second proviso to Section 118 (5).

5.0 Fatal Claims

Where earnings related compensation is payable under any of the provisions of Section 123 (1)(a)(b) or (c) of the Act as the result of the death of a person arising from an accident that occurred on or before 31 July 1977, and the compensation continues to be payable on the date of commencement of this order, the amount of that earnings related compensation is to be increased from the commencement of this order by 10 per cent.

- 5.1 It is to be noted, that the Order-in-Council does not affect the 'maximum relevant earnings' as specified in part 4 of the first schedule of the Act. Therefore care must be taken to ensure the aggregate maximum weekly sum of \$240-00 is not exceeded when recalculating ERC.

- 5.2 Dependants whose ERC is based on relevant earnings assessed under Section 116 or Section 117 should be recalculated on the basis outlined in 2.0 and 3.0 above.
- 5.3 Dependants whose ERC is based on relevant earnings ascertained by means of the prescribed amount of Section 118, should be assessed in the following manner:

Example

Parent (a medical student) died as a result of personal injury by accident in July 1975 leaving a spouse and dependent child. Because parent was not in receipt of earnings in prior years, an assessment of relevant earnings was made by means of the Section 118 prescribed amount (at that time \$60-00). Dependent child's ERC therefore 1/6 of 80% of \$60-00 i.e. \$8-00 per week.

By virtue of Orders-in-Council since that date, the current earnings related compensation payable to the dependent is \$9-65. The current Section 118 prescribed amount is \$90-00. 80% of the current prescribed amount is \$72-00 and 1/6 of \$72-00 is \$12-00. ERC to the dependant may therefore be increased by 10% i.e. 97 cents per week, bringing the amount to \$10-62.

Under no circumstance however, is the Earnings Related Compensation payable to any dependant to exceed the proportions of ERC specified in Section 123 of the Act.

Nor are officers to increase ERC by more than 10%. For example, the dependent child in the above example is not to have his ERC increased to 1/6 of 80% of the current prescribed amount i.e. \$12-00 as this would mean an increase of more than 10%.

Note: In no case can ERC arising in respect of an accident (irrespective of the number of dependants) exceed \$240-00.


S.J. MAYNE
ADVISORY OFFICER



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

Mr. Bryden

RE/ERC

CIRCULAR No. 265
DATE 21 March 1978

SUBJECT: ENTITLEMENT RELATING TO PREVIOUS YEARS
NOW SUBJECT TO TAX REBATE.

An amendment to the Income Tax Act 1976 provides for a rebate of 6 cents in the dollar in respect of earnings related compensation which relates to an entitlement of a previous income (tax) year. The amendment necessitates a change in the coding of payments which relate to a previous year's entitlement.

BACKGROUND

There may sometimes be a considerable time lapse before a person injured in an accident, or the spouse or the dependant of a person killed in an accident, receives the first payment of earnings related compensation to which he/she is entitled.

The effect of this has involved a claimant in an additional tax liability when E.R.C. shown on his IR12 is for an entitlement period covering more than one tax year. The effect of the amendment, however, will mean that a claimant can now claim a rebate of 6 cents in the dollar in respect of the entitlement relating to the previous year(s) when making his return of income to the Inland Revenue Department.

The Commission is required to show separately the amount of the entitlement relating to previous tax years on the claimant's IR12.

In order to achieve this, as from 1 April 1978, payments of E.R.C. which relate to an entitlement for a previous tax year are to be assessed and coded separately. The following example sets out the method which must be used when apportioning the payment, using the new codes which are included in the appendix attached.

EXAMPLE

Claimant is injured on February 9 1978.
Relevant earnings are assessed at \$100 p.w.
E.R.C. is calculated at \$80 per week.
Due to a delay, however, his first E.R.C. payment is made on 12 April 1978.

i.e.	for period	16.2.78 - 31.3.78	=	6 ² / ₅ weeks
	for period	1.4.78 - 12.4.78	=	1 ³ / ₅ weeks
	<u>Total</u>		=	8 weeks

CALCULATION

6 ² / ₅	x	\$80.00	=	\$512
1 ³ / ₅	x	\$80.00	=	\$128
PAYE	on	\$80.00 p.w.	=	14.27 x 8
			=	\$114.16

Claims Officer enters on C55 the following data including the new codes, which have been obtained by consulting the appended charts:

6 ² / ₅ weeks	Code 3201	\$512.00
1 ³ / ₅ weeks	Code 3200	\$128.00
PAYE	Code 9160	\$114.16



Accident Compensation Commission

CLAIM RECORD SHEET

FORM C55

SEARCH RECORD SHEET

Title	Initials	Surname
MR	JR	ANYONE
Address		
26 CANDY CRES		
NOWHERE		

Claim Number		Sex
X / X / X / X		M
Christian or First Names		
JAMES RICHARD		
Date of Birth	Fund Code	Previous Claim
11 / 11 / 56		N
Date of Accident	Injury Code	Tax Co
9 / 2 / 78		S

[illegible]

CLAIM No.		FROM *	16.2.78	TO *	12.4.78	CHEQUE No.	722762
		CODE		GROSS		DEDUCTIONS	
COMPENSATION	6 ⁴ / ₅ weeks	3201		\$512.00			
	1 ³ / ₅ weeks	3200		\$128.00			
		PAYMENT TOTAL	9160				114.16
				NET PAYABLE \$			525.84

CANCELLED

*CHEQUES FOR EARNINGS RELATED COMPENSATION ARE ISSUED ON THE UNDERSTANDING THAT YOU HAVE HAD NO UNDISCLOSED EARNINGS DURING THE ABOVE PERIOD OF PAYMENT. IF YOU WERE CERTIFIED FIT FOR WORK OR YOU RETURNED TO WORK DURING THAT PERIOD THIS CHEQUE MUST BE RETURNED FOR AMENDMENT.

Please bank this cheque promptly.

ACCIDENT COMPENSATION COMMISSION

Exempt
Stamp Duty

ACCIDENT COMPENSATION COMMISSION
Bank of New Zealand
Cnr. Ghuznee & Sturdee Streets, WORLD TRADE CENTER
Wellington, N.Z.

PAY TO THE ORDER OF	CANCELLED	DATE	AMOUNT
		AMOUNT	For Accident Compensation Commission

NOT NEGOTIABLE

W. J. Ryan

722762 0205161 0026412 00

- Note:**
- (1) Previous charts have shown one code for E.R.C. paid under Section 113, 116 and 117. In order to implement a Commission decision to identify payments made under each of these sections, separate codes have been allocated.
 - (2) Although an entitlement may relate to an accident which occurred in a previous tax year, the PAYE tables which must be used in making the appropriate deductions are those which are current at the time when the payment is made.

Please file this TIC in Claims Manual AC 2-6 between page 54 and Appendix 1. The amended index pages 9 and 22 should also be replaced.

This TIC precedes a manual amendment.


ADVISORY OFFICER

Mr. C. L. W.
29 March 1978

TO ALL CLAIMS MANUAL VOL. I HOLDERS

ENTITLEMENT RELATING TO PREVIOUS YEARS NOW SUBJECT TO
TAX REBATE

1. The code sheets of the above TIC (No. 265) which is filed in Claims Manual 2-6 between page 54 and appendix 1 have been amended. Replacement pages are attached with the amendments denoted by a line at the right hand side of the page.
2. Please substitute the existing pages for the attached amended copies.

S.J. Mayne
ADVISORY OFFICER

SJM:SKH

CHART 2

4.

CODE:SECTIONINCAPACITYFirst Week Compensation

C	3100	T	Primary or - A.C.C. Current Year	112
			Secondary	
C	3101	T	ERC - A.C.C. Prior Years	"
C	3102	T	Back Pay - (G.W. Order)	"
C	3104		Primary or - Employer Reimburse.	"
			Secondary	
C	3105		Primary or - Social Welfare Rfd.	"
			Secondary	
	3140	T	Default - A.C.C.	112-4
2.3141			Default Recovery	"

After First Week Compensation

C	3200	T	ERC - A.C.C. Current Year	113
C	3201	T	ERC - A.C.C. Prior Years	"
C	3202	T	ERC - Back Pay (G.W. Order)	"
C	3204		ERC - Employer Reimbursement	"
C	3205		ERC - Social Welfare Refund	"
C	3220	T	ERC - A.C.C. Current Year	116
C	3221	T	ERC - A.C.C. Prior Years	"
C	3222	T	ERC - Back Pay (G.W. Order)	"
C	3224		ERC - Employer Reimbursement	"
C	3225		ERC - Social Welfare Refund	"
C	3230	T	ERC - A.C.C. Current Year	117
C	3231	T	ERC - A.C.C. Prior Years	"
C	3232	T	ERC - Back Pay (G.W. Order)	"
C	3234		ERC - Employer Reimbursement	"
C	3235		ERC - Social Welfare Refund	"
C	3240	T	Interim Compensation - A.C.C.	113-5
C	3244		Interim Compensation - Employer Reimbursement	"
C	3245		Interim Compensation - Social Welfare Refund	"

Permanent Compensation 114

C	3300	T	Permanent Compensation - Current Year	"
	3301	T	Permanent Compensation - Prior Years	"
	3302	T	Permanent Compensation - (G.W. Orders)	"

EXTENDED COVER

C	3400	T	ERC - A.C.C. Current Year	59
C	3401	T	ERC - A.C.C. Prior Years	"
C	3402	T	ERC - A.C.C. (G.W. Orders)	"
C	3405		ERC - Social Welfare Refund	"

CHART 2

5.

CODESECTIONSpecial Loss

C	3500 T	Potential Earnings - A.C.C. Current Year	118
C	3501 T	Potential Earnings - A.C.C. Prior Year	"
C	3502 T	Potential Earnings - A.C.C. (G.W. Orders)	"
	3505	Loss of potential earnings - Social Welfare refund	
C	3600	Non-economic loss	119
<u>Other Non-Economic Loss</u>			
C	3700	Loss of amenities	120
C	3720	Pain and suffering	"
C	3740	Enhancement	"
C	3760	Cosmetic	"
C	3780	Other	"
C	3790	Aggregated Amount	"(6)

PERCUNARY LOSSNon Earnings Related

121

C	4100	Loss of Service	121-2a
C	4120	Expenses	121-2b
C	4140	Personal Attendance	121-3
C	4160 T	Loss of Annuity - ACC Current Year	121-4
	4161 T	" " " - ACC Prior Years	"
	4162 T	" " " - ACC (G.W. Orders)	"
C	4180	Miscellaneous Expense	121
C	4184	" " Employer Refund	"

REHABILITATION

C	4200	Education and Training	49
C	4220	Alteration to Home	"
C	4240	Wheelchairs and Aids	"
C	4241	Hire of Aids	"
C	4242	Transport of Aids	"
C or X	4243	Repair of Aids	"
C	4260	Adaptation of Vehicles	"
C	4261	Motor Vehicles	"

DEATH BENEFITS

C	5100	Funeral Expense	122
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CHART 2

6.

CODE

SECTION

		Dependents - Earnings related	123
C	5200 T	Widow and Widower - ACC current year	" -
C	5201 T	" " - ACC prior years	" -
C	5202 T	" " - Back Pay (G.W. Order)	"
C	5205	" " - Social Welfare Refund	"
C	5220 T	Dependents (children)	
		- ACC current year	" -
C	5221 T	" " - ACC prior years	" -
C	5222 T	" " - Back Pay (G.W. Order)	"
C	5225	" " - Social Welfare Refund	"
C	5240 T	Dependents (other	
C	5241 T	" " - ACC current year	" -
C	5242 T	" " - ACC prior years	" -
		- Back Pay (G.W. Order)	"
C	5245	" " - Social Welfare Refund	"
		Dependents - Lump Sum	124
C	5300	Widow and Widower	"
C	5305	Widow and Widower - Social Welfare Refund	"
C	5320	Children	"
C	5325	Children - Social Welfare Refund	"
C	5340	Others	"
C	5345	Others - Social Welfare Refund	"
C	5400	Remarriage Grant	125
		Interim Payments	122-125
C	5500 T	Interim - Taxable	"
C	5510	Interim - Non Taxable	"

See TIC 289

CHART 2

7.

CODE:SECTIONOTHER EXPENDITUREAdvances

C	6100 T	Advances Taxable	134
C	6105	Advances - S/W Ref	"
C	6120	Advances Non-Taxable	"

Professional Services 23

C	6200	Professional Services C/R	"
N	X.6210	Professional Services N/C	"

Official Certificates

	6220	Certification cost	
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Ex Gratia payments

C	6250	Ex Gratia payments	179A
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Boards & Committees

N	X.6300 T	Salaries	
N	X.6301	Fees & Allowances	
N	X.6302	Expenses	
N	X.6303	Travel	

Boards & Committees - Freezing Works Inquiry

N	X.6311 T	Salaries	
N	X.6312	Fees and Allowances	
N	X.6313	Expenses	
N	X.6314	Travel	
N	X.6315	Cost Awards	

Review & Appeal - Boards and Committees Cost Awards

C	6390	Cost Awards (Legal, loss of wages travelling of claimant)	
---	------	---	--

N	X.6392	Cost Awards (Legal, loss of wages travelling of applicants for levy reviews and General)	
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Agency Fees

	2.6400	Fees - Earners IRD	
	2.6420	Fees - Earners PO	
	3.6440	Fees - Vehicles PO	

Transfer to General Fund

	2.6500	Earners	
	3.6520	Motor Vehicles	
	4.6540	Supplementary	
	5.6560	Active Service	

2.8.77

CHART 2

7A.

CODE:

X.6600

Provis for Accrued Claims

Grants, Contributions & Subsidies

X.6700

Grants, Contributions Subs

X.6701

Miscellaneous Grants

X.6703

Safe Driving Award Scheme

X.6710

O/Seas Research Grant

X.6720

N.Z. Research Grant

X.6730

Order of St. John

X.6740

Defensive Driving Council

Safety Training

X.7000 ..

Training Aids

X.7001 ..

Cost of Courses

2.7002

Elec. Safety Leaflet

X.7003

Cost of Badges

X.7004

Room and Hall Hire

See TIC 289

CHART 2

8.

CODECURRENT ASSETS

	8100	Bank
	2.8129	S/D Employer Default
C	8130	Sundry Debtors
	8131	DR'S Tsfr (Restricted)
	8132	S/D Inland Revenue P.A.Y.E. Past Yr
	8133	S/D Inland Revenue Super Past Yr
C	8134	Brucellosis Supplemental (Employer Refund)
C	8135 T	Brucellosis Supple. - Current Year
C	8136	W.C.A. Entitlement
C	8137	Brucellosis - Bedding and Clothing Reimbursement
C	8138 T	Brucellosis supplemental - Prior Year
	8140	Prepayments
C	8144	W.C.A. Entitlement (Employer Refund)
	8150	Imprest Advances
	8160	Sundry Debtor - Vote, Social Welfare
	8170	Fund Transfers

INVESTMENTS

8190	Investments (bulk account)
	Deposits
8200	Call
8210	Term
	Property Investment
8220	Loans on Mortgages
8225	Staff Mortgages
	Equity Investment
8240	Shares
8250	Debentures
	Public Sector Investment.
8260	Government Stock
8270	Local Authority Stock
8275	Local Authority Loans Pool

CURRENT LIABILITIES

	9100	Sundry Creditors
C	9130	N.Z. Superannuation
	9131	N.Z. Super Payments
C	9160	Susp. P.A.Y.E.
	9161	P.A.Y.E. Payments

CHART 2

8A.

CODE

Levy Recoveries

	9170	Levy Recovered Ex Claimant
	9171	Levy Paid IRD
C	9180	Susp. Maori Affairs
	9181	M.A. Payments
C	9190	Susp. Social Welfare
	9191	S.W. Payments

9350

Accrued Liabilities

(all "X")

LONG TERM LIABILITIES

9400

LONG TERM LIABILITIES

9410

RESERVES

CAPITAL

9500

Accumulated Funds

9900

Suspense Account

9910

Error Suspense

9920

Outward Cash Query

9922

Outward Query Medical

9924

Outward Query Employer

9930

Inward Cash Query

See TIC 289



Accident Compensation Commission

TECHNICAL INFORMATION CIRCULAR

P2

CIRCULAR No. T266

DATE March 21, 1978

SUBJECT: FORM C62^A - EARNINGS RELATED COMPENSATION
AN EXPLANATION TO THE SELF-EMPLOYED CLAIMANT.

1. When a self-employed claim is treated on the "Fair and Just" basis, form C62^A must accompany the first earnings related compensation payment.
2. Where payments on "Fair and Just" claims have already commenced send form C62^A with the next payment.

for *RM Hannah*
S. J. MAYNE
ADVISORY OFFICER.

File behind AC 2-7 after page 20, pending a manual amendment.

Distribution: All Claims Manual Volume I Holders.

for

ACCIDENT COMPENSATIONINSTRUCTION NO. 2PART 6 - EARNINGS RELATED
COMPENSATIONAPPENDIX - EXAMPLES

THE MAXIMUM OR MINIMUM AMOUNT OF RELEVANT EARNINGS PRESCRIBED
BY THE ACT, EFFECTIVE AT THE TIME OF THE ACCIDENT IS TO BE
CONSIDERED IN CALCULATIONS INVOLVING EARNINGS RELATED
COMPENSATION

1.0 FIRST WEEK - LOSS OF EARNINGS IN
CASES WHERE A.C.C. IS LIABLE

The Commission is liable to pay for the first week,
and such payment will be made by the office, where :-

1.1 The employee is engaged in dual employment at
the time of the work accident; or

1.2 Where the employment with the work accident
employer is less than 7 days or is due to
terminate in the 6 days thereafter.

Section 112 2(b) provides that the amount to be paid
is 80% of the amount, exclusive of overtime, that
the employee would have earned in that employment.

EXAMPLE :

Lost earnings in dual employment	=	\$50
E.R.C. 80%	=	\$40

BUT

The Proviso to 2(b) states that the maximum amount
payable by the Commission is the difference between
his earnings as an employee during that week (including
payments in respect of that week by his employer/s) and the
maximum amount that would be payable under Section 113
for a like period i.e. \$240 as at 1 April 1975.

RE ERC

EXAMPLE

Earnings lost in Employment A \$230 plus overtime \$20

Earnings lost in Employment B \$ 50

Loss of earnings paid by employer A (work accident) \$230
(\$20 overtime not payable)

Maximum payable under Section 113 = 80% of \$300 \$240

Less payment by work accident employer \$230

Commission Liability for dual employment \$ 10

1.3 Make-up Payments by Employer

The second Proviso to Section 112(1) states that any amount paid by the non-work accident employer in excess of 20% of the full amount (exclusive of overtime) of what he would have earned may be deducted by the Commission, i.e. the non-work accident employer's payment up to 20% does not reduce the Commission's liability.

EXAMPLE : (Using the Second example above)

Non accident employer pays 'make up' of \$10 (Earnings were \$50). As this does not exceed 20% the Commission's liability is not reduced and the amount payable is \$10.

1.4 Default by Employer

If the office pays compensation in respect of the first week solely because of the 'work accident' employers default, the amount to be paid is what should have been paid by that employer i.e. full earnings (excluding overtime) in respect of the time so lost. In such a case the maximum does not apply.

EXAMPLE :

Loss of earnings \$320 + \$.50 overtime
Commission pays \$320

2.0 SHORT TERM INCAPACITY - SECTION 113 -
EMPLOYEES - TOTAL LOSS OF EARNING
CAPACITY

2.1 Note : - total incapacity - no earnings or benefit received from employer

RE ERC

- 2.1.1 Calculate the amount of relevant earnings
(in no case is the amount of relevant earnings assessed to exceed \$300)
- 2.1.2 Gross E.R.C. - 80% of \$300 = \$240
- 2.2 Date of Accident : 31 August
- C2 or C3 - Gross earnings for relevant period 3 August to 30 August inclusive \$292.48
 - Relevant earnings (i.e. weekly average) \$ 73.12
 - Earnings related compensation (gross) 80% \$ 58.50
- 2.3 Check for possible adjustments under Sections 116 and 117.

3.0 SHORT TERM INCAPACITY - SECTION 113
- EMPLOYEES - PARTIAL LOSS OF EARNING CAPACITY

- 3.1 Calculate the amount of relevant earnings.
(In no case can the amount of relevant earnings be assessed in excess of the prescribed maximum effective for the period for which payment is due)
- 3.2 Deduct from the answer to 3.1 the aggregate amount of the employee's earnings. This is either :
- 3.2.1 The aggregate amount of the employee's earnings during the period of incapacity or
 - 3.2.2 The amount which the Commission may fix if the employee is not endeavouring to work to the extent of his capacity.
- 3.3 Where the employee is working reasonably
- Compensation for the week 14 - 20 September inclusive - using earnings calculations shown in 2.2
- 3.3.1 Date of accident 31 August :
- Relevant earnings \$73.12

RE ERC

3.3.2 A.C.C. form C6 reveals the amount
earned for the week 14 - 20
September inclusive \$14.00

3.3.3 Deduct 3.3.2 from 3.3.1 = Loss of
earning capacity \$59.12

Gross E.R.C. 80% \$47.30

3.4 Where the employee is not working reasonably
- application of the Proviso to Section 113(2)

Compensation for the week 14 - 20 September inclusive
using earnings calculation in examples 2.2 and 3.3

3.4.1 Date of accident 31 August

3.4.2 The medical certificate indicates that the
employee is fit for suitable duties - provided
there is work available.

3.4.3 A.C.C. Form C6 indicates that there were no
earnings but the employer indicates that a
suitable job was available and was offered
to the injured employee.

3.4.4 A report is available from the Claims
Handling Officer (or a Rehabilitation Officer)
which indicates that the employee could have
handled the job offered, but has not done so.

3.4.5 It is established that the employee would
have received \$36.00 for the week in
question.

. Relevant earnings	=	\$73.12
. Less assessed earnings estimate	=	\$36.00
. Assessed loss of earning capacity	=	\$37.12
. Gross E.R.C.	=	\$29.70

4.0 WHERE A PERSON IS INCAPACITATED AS A
RESULT OF MORE THAN ONE ACCIDENT - SECTION 115

4.1 These examples deal with situations which arise when a person has over-lapping entitlements to cover and compensation as a result of suffering personal injury in two or more accidents.

4.2 Example 1 : Two Accidents in "First Week"

An employee injured his arm at work on Monday 23.6.75. He normally worked a 5 day 40 hour week at a basic rate of pay of \$2 per hour. (i.e. earnings \$80 per week). As a result of the accident he was required to attend for physiotherapy for an indefinite period and lost two hours on the day of the accident and each subsequent day. The employee suffered a further work accident to his leg on Wednesday 25.6.75 as a result of which he was totally incapacitated for a period of one week from the close of business on 25.6.75.

4.2.1 First Week Accident 23.6.75

Hours lost in paid employment
 2 hours each day at \$2 per hour.

Attended Physiotherapy 23.6.75
 -27.6.75
 5 days at \$2 per hour

Loss of earnings and
 compensation payable under S.112 \$20.00

Accident 25.6.75

Normally assessment is made as follows

Hours lost in paid employment as
 a result of this accident only.
 6 hours each day at \$2 per hour
 Incapacitated 26.6.75-1.7.75
 4 days at \$2 per hour

BUT

NOTE : Where an employee suffers a further incapacitating work accident within the first week period for which he is already being compensated under Section 112

RE ERC

for an earlier accident, his entitlement under Section 112 for both accidents will cease at the expiration of the "First Week" period in respect of the earlier accident. Both accidents are then considered under S113 from that date

i.e. Expiry of "First Week" 29.6.75 (Sunday) under first accident.

Period payable in respect of second accident 26.6.75-27.6.75
2 days of 6 hours at \$2 per hour

Loss of earnings and compensation payable under S.112	\$24.00
---	---------

Total payable for "First Week" under S.112 (for both accidents)	\$44.00
---	---------

Actual earnings of employee 23.6.75-25.6.75 - 3 days of 6 hours at \$2 per hour	\$36.00
---	---------

Employees combined income	\$80.00
---------------------------	---------

4.2.2 After First Week

Accident 23.6.75

The employee continued to attend physiotherapy for the period 30.6.75 - 4.7.75
i.e. 5 days of 2 hours at \$2 per hour

His loss of earnings capacity was therefore	\$20.00
---	---------

E.R.C. payable under S.113 80% of \$20	\$16.00
---	---------

Accident 25.6.75

The employee was totally incapacitated as a result of his leg injury up to and including 1.7.75.

RE ERC

BUT

NOTE : Where separate compensation is payable for both accidents a claimant cannot receive in the aggregate more than the maximum payable for a single accident.

i.e. period of total incapacity
30.6.75 - 1.7.75 2 days.

Loss of earning capacity	\$32.00	
Maximum ERC under S.113		
= 80% of \$32	\$25.60	
Less paid in respect of earlier accident for 30.6.75-1.7.75	\$ 6.40	
E.R.C. payable second accident		\$19.20

Summary of Second Weeks Income

E.R.C. First Accident	\$16.00
E.R.C. Second Accident	\$19.20
Actual earnings 2.7.75-4.7.75 3 days 6 hours \$2 per hour	\$36.00
Employees combined income	\$71.20

(i.e. He actually loses
20% of Loss of earning capacity

1st Accident	\$20	=	\$4.00
2nd Accident	\$32		
	<u>-\$ 8</u>		<u>\$4.80</u>
	\$24		<u>\$8.80</u>

4.3 Example 2 : Accidents in Subsequent Weeks

An employee injured his arm at work on Monday 23.6.75. He normally worked a 5 day 40 hour week at a basic rate of pay of \$2 per hour (i.e. Earnings \$80 per week). As a result of the accident he was required to attend for physiotherapy for an indefinite period and lost two hours on the day of the accident and each subsequent day. The employee suffered a further work accident on 7.7.75 as a result of which he was totally incapacitated from that date to 18.7.75.

16 ERC

4.3.1 Accident 23.6.75 First Week

Hours lost in paid employment
2 hours each day at \$2 per hour.

Attended physiotherapy 23.6.75
-27.6.75

5 days at \$2 per hour

Loss of earnings and compensation
payable under S.112

\$20.00

After First Week

Relevant earnings \$80.00

Less earnings during
incapacity 5 days - 6 hours
at \$2 per hour

\$60.00

Loss of earning capacity \$20.00

E.R.C. = 80% of \$20 = \$16.00 per week.
For each week that he
attends for
physiotherapy after
30.6.75.

4.3.2 Accident 7.7.75 First Week

Hours lost in paid employment
6 hours each day at \$2 per hour

5 days at \$12

Loss of earnings and compensation
payable under S.112

\$60.00

After First Week

Relevant earnings \$80.00 (Assuming
exercise of
a discretion
to reinstate
the level of
earnings)

E.R.C. = 80%

\$64.00

BUT Less paid in respect of
earlier accident
(See Note to 4.2.2)

\$16.00

E.R.C. payable under Sec 113

\$48.00
per week
for the
period
14.7.75 -
18.7.75

RE ERC

Summary of Income Received

	<u>ERC</u>	<u>Earnings</u>	<u>Total</u>
23.6.75-27.6.75	\$20	\$60	\$80
30.6.75- 4.7.75	\$16	\$60	\$76
7.7.75-11.7.75			
1st Acc.	\$16)		
2nd Acc.	\$60)		\$76
14.7.75-18.7.75			
1st Acc.	\$16)		
2nd Acc.	\$48)		\$64

5.0 WHERE EMPLOYER PAYS BENEFIT OR ALLOWANCE TO
EMPLOYEE FOR ANY PERIOD THE EMPLOYEE IS
UNABLE TO WORK IN EMPLOYMENT

- 5.1 If any allowance paid by the employer together with the amount of earnings related compensation otherwise payable exceeds the employee's loss of earning capacity, determine compensation payable by reducing the earnings related compensation otherwise payable by the amount of that excess

EXAMPLE

- Relevant earnings = \$100
- Allowance paid by employer during total incapacity \$40.00
- E.R.C. (If employer had made no payment) (80%) \$80.00
- \$120.00
- Excess over loss of earning capacity of \$100 \$ 20.00
- Deduct excess from E.R.C. otherwise payable (\$80)
- Gross E.R.C. payable \$ 60.00

- 5.2 Note that the amount payable by the employer, \$40.00 plus the amount payable by the Commission, \$60.00 equals 100% of the employee's loss of earning capacity.

RE ERC

6.0 WHERE EMPLOYER PAYS BENEFIT ETC.
- EFFECT OF MAXIMUM

6.1 This example shows the effect of Section 113(4) where earnings exceed \$300.00

6.2 The maximum applies when establishing loss of earning capacity

6.2.1 Average weekly earnings = \$450

6.2.2 Allowance paid by employer \$210.00

6.2.3 E.R.C. (if employer had made no payment) maximum applies
ie 80% of \$300.00

\$240.00 288

• Excess over loss of earning capacity (maximum \$300.00)

\$450.00 368

\$150.00 8

• Deduct excess from \$240

• Gross E.R.C. payable

\$ 90.00

7.0 WHERE RELEVANT EARNINGS MAY BE INCREASED
- SECTION 104(3)

7.1 Employee ordinarily resident in New Zealand injured at work on 9.4.75

7.2 He has been working only since 8.1.75 and he earned \$1,040 in this period

7.3 When the period of short term incapacity expires, the normal calculation would be to average earnings over the past 12 months

$$\text{i.e. } \frac{1040}{52} = \$20$$

- 7.4 However he had only worked 13 weeks averaging \$80 weekly
- 7.5 In this case having regard to all the circumstances the Office would be justified under Section 104(3) to increase relevant earnings to \$80 from \$20

8.0 MINIMUM RATES OF COMPENSATION

Providing a claimants entitlement under Section 116 has been verified adopt the following procedure :

Where the claimant is a full-time earner (refer definition) without dependants and the amount of earnings related compensation so assessed is below \$48 per week

NOTE : Where the injured person qualifies as a class of employee under Section 117(2)(a) he must be assessed under that section or Section 104 but not this section (116)

- 8.1 If the claim is verified as being in respect of a total loss of earning capacity

- 8.1.1 Take 80% of his relevant earnings } make these calculations in every case
- 8.1.2 Take 90% of his relevant earnings }
- 8.1.3 Where 80% is below \$48 and 90% is above \$48 pay \$48

EXAMPLE

. Relevant earnings	\$55.00
. 80% of \$55.00	\$44.00
. 90% of \$55.00	\$49.50
. Gross E.R.C.	\$48.00

- 8.1.4 Where 80% and 90% are both below \$48 pay 90% of relevant earnings

EXAMPLE

. Relevant earnings	\$52.00
. 80% of \$52.00	\$41.60
. 90% of \$52.00	\$46.80
. Gross E.R.C.	\$46.80

RE ERC

8.2 If the Claim is in relation to a partial loss of earning capacity

Use the formula $\frac{a}{b} \times c$

Where :

a = is weekly rate of loss of earning capacity

b = is weekly rate of relevant earnings

c = is minimum rate payable weekly - calculated above

EXAMPLE

•	Relevant earnings	\$55.00
•	Weekly earnings after accident	\$45.00
•	Loss of earning capacity	\$10.00

i.e. a = \$10.00

b = \$55.00

c = \$48.00 (minimum rate is less than 90%)

• $\frac{\$10}{\$55} \times \$48$

• Gross E.R.C. = \$8.73

9.0 MINIMUM COMPENSATION - WHERE THE CLAIMANT IS A FULL-TIME EARNER (REFER DEFINITION) WITH DEPENDANTS AND THE AMOUNT OF EARNINGS RELATED COMPENSATION SO ASSESSED IS BELOW \$48 PER WEEK \$3.60 PER WEEK FOR EACH DEPENDENT SPOUSE AND \$1.80 PER WEEK FOR EACH DEPENDENT CHILD

NOTE : Where the injured person qualifies as a class of employee under Section 117 (2)(a) he must be assessed under that section, or Section 104 but not this section (116)

RE ERC

9.1 If the claim is verified as being in respect of a total loss of earning capacity

- 9.1.1 Take 80% of his relevant earnings } These calculations are to be made in every case
- 9.1.2 Take 90% of his relevant earnings }
- 9.1.3 Where 80% is below minimum and 90% is above, pay the minimum

EXAMPLE - Wife and 2 children - Minimum \$55.20 per week

. Relevant earnings	\$65.00
. 80% of \$65.00	\$52.00
. 90% of \$65.00	\$58.50
. Gross E.R.C.	\$55.20

- 9.1.4 Where 80% and 90% are both below the minimum, pay 90% of relevant earnings

EXAMPLE - Wife and 2 children - Minimum \$55.20 per week

. Relevant earnings	\$60.00
. 80% of \$60.00	\$48.00
. 90% of \$60.00	\$54.00
. Gross E.R.C.	\$54.00

9.2 If claim is in relation to a partial loss of earnings capacity

Use the formula $\frac{a}{b} \times c$ as in 8.2

RE ERC

9.2.1 EXAMPLE - Wife and 2 children - Minimum \$55.20 per week and earnings information as per example 9.1.3 above.

- Relevant earnings (b) \$65.00
- Weekly earnings after accident \$45.00
- Loss of earning capacity (a) \$20.00
- $\frac{a}{b} \times c \times \frac{20}{65} \times 55.20$ (Minimum)
- Gross E.R.C. = \$16.98

9.2.2 EXAMPLE - Wife and 2 children - Minimum \$55.20 per week

- Relevant earnings (b) \$60.00
- 80% of \$60.00 \$48.00
- 90% of \$60.00 (c) \$54.00
- Weekly earnings after accident \$40.00
- Loss of earning capacity (a) \$20.00
- $\frac{a}{b} \times c \times \frac{20}{60} \times 54$
- Gross E.R.C. = \$18.00

9.2.3 EXAMPLE - Wife and 2 children - Minimum \$55.20 per week

- Relevant earnings (b) \$70.00
- 80% of \$70.00 (c) \$56.00
- 90% of \$70.00 \$63.00
- Weekly earnings after accident \$40.00
- Loss of earning capacity (a) \$30.00
- $\frac{a}{b} \times c = \frac{30}{70} \times 56.00$
- Gross E.R.C. = \$24.00

*Incorrect
2116 does
not apply*

3/Be RE 70.00
-AE 40.00
30.00
30.00

pay

GC = 24.00

RE ERC

10.0 PERIODIC INCREMENT UNDER SECTION 117

10.1 The claimant, born 19.6.55 (age 19) employed by Browns Ltd., as a shop assistant, suffers total loss of earning capacity on 27.4.75. Award provides age increments at 6 monthly intervals;

Age 19½ \$38.00 per week

Age 20 \$48.00 per week

Age 20½ \$60.00 per week

10.1.1 Earnings related compensation is calculated on the relevant earnings ascertained under Section 117(2)(a) or Section 104 whichever gives a better entitlement

In respect of period of short term incapacity his relevant earnings were \$50.00, made up as follows :

Award Rate	\$38.00
Plus Overtime	\$12.00
	\$50.00

Gross E.R.C. payable = \$40.00 per week

10.1.2 After expiration of period of short term incapacity the relevant earnings are re-calculated

Relevant earnings now \$48.00 made up as follows :

Award Rate	\$38.00
Plus Overtime	\$10.00
	\$48.00

Gross E.R.C. payable = \$38.40 per week

10.1.3 On 19.6.75 his award entitlement would increase to \$48.00 per week. Entitlement under Section 117(2)(a) is then considered. However, if relevant earnings calculated under Section 104 would be higher section 117(4) provides for the higher figure to be used. Accordingly there is no change in E.R.C. payable in this case.

RE ERC

- 10.1.4 On 19.12.75 his award entitlement would increase to \$60.00 per week. As these are now higher than the relevant earnings calculated under Section 104, the relevant earnings are calculated in accordance with Section 117(2)(a)

Therefore gross E.R.C. payable now = 80% of \$60.00 = \$48.00 per week.

10.2 The effect of a General Wage Order on S117 Claims

- 10.2.1 The effect of a general wage or award increase determined after the date of the accident in relation to the calculation of E.R.C. on subsequent increment date

EXAMPLE

First year apprentice who commenced work on 1st April 1974 was injured in June 1974 and his stage increments are as follows :

<u>Period</u>	<u>At Date of Accident</u>	G.W.O. 9% <u>1.7.74</u>	G.W.O. 4% <u>1.1.75</u>
First 1,000 hours (current earnings)	\$30 per week	\$32.70	
Second 1,000 hours	\$35 per week	\$38.15	
Third 1,000 hours	\$40 per week	\$43.60	\$45.34

The figure to be used when reviewing ERC calculations on each subsequent incremental date is the new inflated figure. i.e. The gross wage or salary including any subsequent increase which in this example would be

Second 1,000 hours \$38.15

Third 1,000 hours \$45.34

RE ERC

AC 2-6

- 10.3 Where a claimants incapacity commences much later than the date of the accident, relevant earnings are to be calculated over the period prior to the date of commencement of incapacity - not the date of the accident

This applies only to claims assessed under Section 117.

11.0 PERIOD OF FURTHER INCAPACITY - EMPLOYEES

Gross Earnings for relevant period (12 months) \$5,200

Relevant earnings \$ 100

E.R.C. 80% = \$80.00 (gross)

RE ERC

- 12.0 WHERE AN EMPLOYEE HAS RECEIVED A PERMANENT INCREASE IN THE RATE OF HIS REMUNERATION DURING THE PERIOD FOR WHICH HIS RELEVANT EARNINGS HAVE BEEN CALCULATED AND THE INCREASE HAS CONTINUED UP TO THE DATE OF THE ACCIDENT (SECTION 104 (7)(a)) SHORT TERM OR FURTHER INCAPACITY
-

- 12.1 Establish from the earnings certificate whether the earner has received an increase during the period from which Relevant Earnings are to be assessed and, if so, the date from which that increase was paid. In these cases it may be equitable to consider basing the relevant earnings on the period since the date of the increase.

Obtain -

- 12.1.1 the earnings derived during the period from the date of the increase to the date of the accident, or if these are not obtainable.

- 12.1.2 the earnings during the 7 days immediately before the accident

- 12.2 Ascertain if in either case the amount so assessed more fairly and reasonably represents the average weekly earnings at the time of his accident. The earnings certificate will provide the details in respect of 12.1.1 and 12.1.2 above.

EXAMPLE : Accident occurs 1 April 1975

1 April 1975 rate \$1.20 per hour

Earnings 1 April 1974 to 30 September 1974 averaged \$60 per week

1 October 1974 rate \$1.40 per hour

Earnings 1 October 1974 to 31 March 1975 averaged \$70 per week

It is reasonable to assess relevant earnings in this case at \$70.

RE ERC

- 13.0 WHERE AN EMPLOYEE HAS FOR PART OF THE PERIOD IN WHICH THE RELEVANT EARNINGS HAD BEEN CALCULATED HAD FLUCTUATING OR SEASONAL EARNINGS AND HAS SINCE TAKEN UP REGULAR EMPLOYMENT AT A HIGHER RATE OF REMUNERATION AND THE HIGHER RATE HAS CONTINUED UP TO THE DATE OF THE ACCIDENT (SECTION 104 (7)(b))

- 13.1 Obtain the relevant earnings certificate from all employers for whom the employee worked in the previous 12 months. If these indicate fluctuating or seasonal earnings and the latest employment is at a higher rate of remuneration, then this may be taken into account.

EXAMPLE

Earnings for relevant period (1.4.74 to 1.4.75)	\$2392
Relevant earnings	\$46.00 per week
Seasonal earnings 1.4.74 - 1.10.74	\$42.00 per week
Earnings 1.10.74 - 1.4.75	\$50.00 per week
Earnings during 7 days immediately before accident	\$50.00 per week

Assess the ERC for the period at \$50.00 as this more reasonably represents the relevant earnings.

14.0 A PARTLY SELF-EMPLOYED PERSON/EMPLOYEE

- 14.1 The earnings related compensation is based on the sum of

- (a) the relevant earnings as an employee, and
- (b) the relevant earnings as a self-employed person

14.2 EXAMPLE

Where the person has a total loss of earning capacity and at the time of the accident was an employee as well as being partly self-employed :

RE ERC

14.2.1 Calculation as an employee for accident 31 August for the period of short term incapacity

. Earnings for the period 3 August to 30 August	=	\$292.48
. Relevant earnings	=	\$ 73.12

14.2.2 calculation as a self-employed person :

. Earnings during the financial year last ended before the date of the accident (Form C4)	=	\$2000.00
. Relevant earnings	=	\$ 38.46
. Sum of (a) and (b) i.e. total relevant earnings		\$ 111.58
. E.R.C. (80%)		\$ 89.26gross

14.3 EXAMPLE

Where the person is partially incapacitated and at the time of the accident was an employee as well as being partly self-employed (earnings information as per 14.2.1 and 14.2.2)

14.3.1 Calculation as an employee :

. Relevant earnings	\$ 73.12
. Less amount earned for week	\$ 14.00
. Loss of earning capacity	\$ 59.12

14.3.2 Calculation as a self-employed person :

. Relevant earnings	\$ 38.46
. Less earnings earned after accident (Refer to Section 113(3))	\$ 30.00
. Loss of earning capacity	\$ 8.46
. Sum of (a) and (b) i.e. total loss of earning capacity	\$ 67.58
. Pay 80% of \$67.58	\$ 54.06 per week

NOTE 1 :

Refer AC 2-7 for full details of assessing Earnings Related Compensation for self employed persons.

NOTE 2 :

Where the aggregate loss of earnings from employment and self-employed activity would exceed the maximum amount of Earnings Related Compensation effective at the date of the accident (80% of the effective prescribed amount for Relevant Earnings), priority is placed on earnings as an employee.

i.e. If the aggregate loss of earning capacity is \$600 per week, being \$300 per week earnings as an employee and \$300 per week earnings from self employed activity and the effective maximum prescribed amount for Relevant Earnings is \$300 per week, the assessment of Earnings Related Compensation is based solely on earnings as an employee.

15.0 INTERIM DETERMINATION UNDER SECTION 113(5)

15.1 Person injured 9.11.74 and totally incapacitated was employed 6 months 9.11.73 - 9.5.74 at \$70.00 per week.

From 10.5.74 - 9.11.74 was scrub cutting and claims to have earned \$110.00 per week but his employer is unable to immediately produce an earnings certificate but agrees that \$110.00 per week is about right.

.	known earnings	\$1820
.	claimed earnings	\$2860
		<u>\$4680</u>

.	Claimd Relevant Earnings	\$90.00 per week
.	Pay 50% interim i.e.	\$45.00 (gross)

16 ERC

15.1.1 NOTE :

Interim determinations may also be made under this section for any period of incapacity where the injured person has been dilatory in supplying the evidence necessary to calculate earnings (See AC 2-6 4.10.2)

- 15.2 Where sufficient evidence to make an assessment of relevant earnings (pre-accident) or actual earnings (post-accident) has not been received, an interim determination may be made.

15.2.1 EXAMPLE

Worker suffers injuries in an accident 9.11.74 while employed by Bruce Enterprises Ltd and sustains a total loss of earnings

Employment details known to date are as follows :

•	Ace Cleaning Co. Ltd 19.8.74 - 20.10.74	\$793.00
•	Dobson's Storage 21.10.74 - 24.10.74	\$ 28.93
•	Bruce Enterprises Ltd 7.11.74 - 8.11.74	\$ 29.36

Worker maintains that he was employed by a Mr J.L. Lentwell "for a few days" some time in the period 25.10.74 - 6.11.74

- 15.2.2 The wages earned vary considerably and it is not feasible to assess his earnings related compensation in the normal manner on the details held at present. In this instance take all the earnings known and make the average weekly earnings the interim assessment of earnings related compensation.

•	$\frac{\$851.29}{10.2}$ weeks	
•	Average weekly earnings on figures available	\$83.46 per week
•	Interim assessment earnings related compensation payable (assess at 80% of above)	\$66.77 per week

RE ERC

15.2.3 Earnings approximately \$75 per week at present but they have been \$35 per week. Earnings with Mr Lentwell may have also been low and a figure of \$30 per week compensation would appear reasonable.

15.2.4 The Office may advance up to 50% of \$66.77 per week - therefore, pay \$30.00 per week

16.0 EARNINGS NOT ASCERTAINABLE - SECTION 113
SUB-SECTIONS (4A) AND (4B)

16.1 Obtain as much information as is presently available in regard to earnings before and after the accident.

16.2 Having regard to the available evidence determine what amount will provide fair and just compensation.

16.3 EXAMPLE

Worker suffers injuries in an accident 9.11.74 while employed by Bruce Enterprises Ltd and sustains a total loss of earnings

16.3.1 Employment details known to date are as follows :

• Ace Cleaning Co. Ltd	
19.8.74 - 20.10.74	\$793.00
• Dobson's Storage	
21.10.74 - 24.10.74	\$ 28.93
• Bruce Enterprises Ltd	
7.11.74 - 8.11.74	\$ 29.36

16.3.2 Worker maintains that he was employed by a Mr J.L. Lentwell in the period 25.10.74 - 6.11.74 and was paid about \$60.00 a week. The Office can't find out the exact amount because Mr Lentwell has gone on holiday for three months.

16.3.3 If the known earnings are reduced to a weekly rate then :

• 19.8.74 - 20.10.74	=	\$88.00 per week
• 21.10.74 - 24.10.74	=	\$36.00 per week
• 25.10.74 - 6.11.74	=	Not known but he claims \$60 per week
• 7.11.74 - 8.11.74	=	\$73.00 per week

RE ERC

16.3.4 Normally relevant earnings for period of short term incapacity would be based on period

12.10.74 - 8.11.74 - known earnings	\$178.00
- claimed earnings	\$108.00
	\$286.00

. Average = \$71.50

. E.R.C. 80% = \$57.20

In these circumstances probably \$50 per week would provide fair and just compensation and this amount could be paid under Section 113 (4B)

17.0 DURATION OF WEEK IN WHICH E.R.C. IS PAYABLE

EXAMPLES OF THE PROPORTION OF LOSS OF EARNING CAPACITY FROM WHICH E.R.C. IS CALCULATED ARE:

17.1 EXAMPLE

Accident occurs 9.4.74 (Tuesday)

Employer pays until 15.4.74 (Monday)

Claimant returns to work 22.4.74

Relevant earnings = \$80.00

17.1.1 Works normal Monday to Friday loss of earning capacity calculated from 16.4.74 to 19.4.74 i.e. 4/5 = \$64.00

17.1.2 Works 5½ day week loss of earning capacity calculated from 16.4.74 to 12 noon on 20.4.74 i.e. 9/11 = \$65.45

17.1.3 Works 6 day week Monday to Saturday loss of earning capacity calculated from 16.4.74 to 20.4.74 i.e. 5/6 = \$66.67

17.1.4 Works 4 day shifts of 10 hours. 4 days on, 4 days off.
Accident occurs on last day of shift
Loss of earning capacity calculated for 16.4.74 and 17.4.74 i.e. 2/4 = \$40.00

RE ERC

17.2 EXAMPLE

Accident occurs 15.4.74

Claimant returns to work 22.4.74

Claimant requires treatment of 1 hour per weekday plus travelling to 3.5.74 Section 109(2) applies

Weekly E.R.C calculated = \$80.00

17.2.1 Works 40 hour week

Time lost in attending treatment - total = 10 hours

E.R.C. calculated for $\frac{10}{40}$ of \$80.00 = \$20.00

17.2.2 Works 44 hour week

Time lost in attending treatment - total = 10 hours

E.R.C. calculated for $\frac{10}{44}$ of \$80.00 = \$18.18

18.0 EFFECT OF STATUTORY HOLIDAY PAY ON E.R.C.

The following examples illustrate the calculations necessary.

18.1 EXAMPLE

Total incapacity one full week	
Relevant earnings	\$100
One day's statutory holiday entitlement during incapacity	\$ 20

Assessment under Section 113 (4)

Relevant earnings	\$100	
ERC 80% of \$100	\$ 80	\$ 80
Plus payment made by employer		\$ 20
		\$100

As this does not exceed the loss of earning capacity if the employer had made no such payment the Commission will pay \$80 ERC.

RE ERC

AC 2-6

18.2 EXAMPLE

Total incapacity one full week:

Relevant earnings \$ 80 cash

Plus free house and free
meat value

\$ 20

Total

\$100

Employer continues free house and free meat during
incapacity :One day's statutory entitlement
during incapacity\$ 16 (1/5 of cash
wage)Assessment under Section 113 (4)

Relevant earnings

\$100

E.R.C. 80% of \$100

\$ 80

Plus payments by Employer

Free house, free meat

\$ 20

Statutory holiday

\$ 16

\$ 36

\$116

Loss of earning capacity

\$100

Excess

\$ 16

Earnings Related Compensation payable therefore is:

\$ 80

\$ 16 -

\$ 64 payable

18.3 EXAMPLE

Total incapacity three days

Relevant earnings

\$ 60

One day's statutory holiday

entitlement during incapacity

\$ 20

Assessment under Section 113 (4)

Relevant earnings

\$ 60

ERC 80% of \$60

\$ 48

Plus payment of statutory
holiday

\$ 20

\$ 68

Loss of earning capacity

\$ 60

Excess

\$ 08

RE ERC

AC 2-6

Therefore earnings related compensation =

\$ 48
\$ 08 -
\$ 40 payable

18.4 From the above it will be seen that it will not be necessary to check with the employer in regard to payments made for statutory holidays in cases of total incapacity where

- 18.4.1 (a) The period of incapacity for which ERC is being assessed is at least a full 5 day working week; and
- (b) Not more than one statutory holiday within the 5 day working week is involved, and
- (c) the employer is not making any additional payments to his employee during incapacity either in cash or by way of a free house or other allowances.

18.4.2 The claimant has not been actively working or physically present at his employment within the 14 days prior to the statutory holiday.

18.5 IN ALL OTHER CASES it will be necessary to check with the employer as to the employee's entitlement to statutory holiday pay where the accident occurred within 14 days of the statutory holiday and to ascertain the amount that the employer is obliged to pay either under the award concerned or under the Factories Act.

18.6 NOTES

18.6.1 Where ERC is being assessed under the provisions of Section 116 at a percentage higher than 80% the amount paid by way of statutory holiday entitlement must be ascertained IN ALL CASES as the aggregate of ERC and earnings will in this event exceed the loss of earning capacity even if there is only one day's statutory holiday entitlement.

RE ERC

18.6.2 Section 113(4) does not apply where the employee is able to undertake partial duties and all such claims must therefore be considered under Section 113(2). As a result it will be necessary to check the extent of the payments by employers in all such cases.

18.6.3 The qualifying period for a statutory holiday entitlement under the Factories Act and most awards is 14 days but in some awards this may be as low as 4 days. Clearly any person who has been in receipt of ERC for any period in excess of the qualifying time relevant to his terms of employment will have no entitlement to statutory holiday pay from his employer and must be paid ERC for this time.

19.0 REFUND OF SOCIAL WELFARE BENEFITS AND THE
CALCULATION OF TAX ON ERC

Social Welfare Benefit for 1 week		\$50.00
Relevant Earnings for 1 week	\$100.00	
E.R.C.	\$ 80.00	
E.R.C. payable	\$ 80.00	
Less refunded Social Welfare Benefit	\$ 50.00	
Excess ERC payable	\$ 30.00	
Less superannuation contribution	\$.30 -	
	\$ 29.70	
Tax on \$29.70	\$ 3.09	
Nett ERC payable	\$ 26.61	\$26.61
Nett total received by claimant		\$76.61

RE ERC

19.1 NOTE :

Superannuation is not deducted from ERC payable for the period of Short Term Incapacity or for ERC payable to widows and dependants. Regard should be given in each case to the period under which the Social Welfare Benefit was paid to determine whether Superannuation is to be deducted.

RE ERC

ACCIDENT COMPENSATIONPROCEDURE SHEET

TOPIC : EARNINGS RELATED COMPENSATION
EMPLOYEES - FIRST WEEK - S.112

STEPSPOINTS TO WATCH

1. Obtain from earnings certificate form C5 :-

- (1) the rate of remuneration
- (2) the number of hours the claimant would have worked (excluding overtime)
- (3) the number of hours actually worked

2. Deduct (3) from (2) to establish the time lost

3. Multiply the time lost by the rate of remuneration to obtain actual loss of earnings

4. Check that incapacity has resulted from a work accident in circumstances for which ACC is liable. Take 80% if applicable to obtain gross E.R.C.

5. Calculate P.A.Y.E.

6. Deduct from 3 or 4 to obtain net E.R.C.

7. Give notice to the person of this determination on ACC Form Letter C2.

The Act specifies no limit on amount of earnings where the employer pays. Payments by ACC are subject to normal limits except where the employer defaults.

(a) Refer example 1.0

(b) Check for maximum under Sec. 113 if dual employment

Use weekly tax tables under 'M' or 'S' at primary rates.

FW

ACCIDENT COMPENSATIONPROCEDURE SHEET

TOPIC : EARNINGS RELATED COMPENSATION
EMPLOYEES - SHORT TERM AND FURTHER INCAPACITY

NOTE : For all Assessments use Assessment Sheet - Form C62

1. Obtain gross earnings for relevant period from earnings certificate
 - (a) Short Term Form C2 - 28 days
 - (b) Further incapacity Form C3 or C8 - 12 months
2. Calculate relevant earnings
 - (a) Consider discretions available under the Act.
 - (b) Average gross weekly earnings for relevant period
Watch for maximum.
3. Deduct earnings after accident to obtain loss of earning capacity.

Refer examples 3.0 to 6.0 for partial incapacity and make up pay.
4. Take 80% of loss of earning capacity to obtain gross weekly E.R.C.
 - (a) Check for minimum provision under Section 116.
 - (b) If a further calculation of E.R.C. is required for broken periods, refer to example 17.0 for method.
5. Calculate superannuation (if applicable) and PAYE

Use weekly tax tables under 'M' or 'S' at primary rates.
6. Deduct from 4 to obtain net E.R.C.
7. Give notice to the person of this determination on ACC Form Letter C2.

RE ERC

ACCIDENT COMPENSATIONPROCEDURE SHEET

TOPIC : CHECKING EARNINGS RELATED COMPENSATION ASSESSMENTS

INTRO : THIS PROCEDURE IS TO FOLLOW PROCEDURES AC 2-6A AND 2-6B IN ALL CASES BEFORE FILES ARE RELEASED TO THE IMPREST SECTION FOR PAYMENT

- 1.0 After payments have been written up the Claims Officer is to pass his claim files to a specified officer for checking and authorisation at a specific time each day. When feasible the files are to be maintained in alphabetical order, to facilitate file searching.
- 2.0 Checking officers are responsible for the overall accuracy of the payment which is to be made. In the course of the check the following specific items are to receive attention :
- 2.1 Forms C62 : . Discretions exercised where appropriate
- . Arithmetical accuracy
 - . Legible entries
 - . Maximum level of ERC not exceeded
 - . P.A.Y.E. tax and, where applicable Superannuation deducted.
 - . Assessment based on correct period - Short Term or Further.
- 2.2 Forms C55 : . Amounts from C62 transferred correctly
- . Accounting codes correct (Refer AC 2-10 Appendix I)
 - . If Interim codes have been used for earlier payments, ensure that the requirements of AC 2-10 30.5.1 have been followed to re-allocate the Interim code.
 - . Claim Number legible.

RE ERC

AC 2-6C

. "Auth. By" panel at bottom of C55 signed by an officer with delegated authority to accept claims (Refer AC 2-5 7.0)

. Where payment is to be made to a claimants agent, check that Form F18 has been completed and is on file.

In these circumstances, ensure that the agent's name appears in the 'Pay To' column beside the current payment entry. Refer AC 2-10 8.0

. Dates for the period of payment are correct and not in advance of the current anniversary of the day of the accident.

. Payment has not already been made for the same period.

. Period of payment supported by a Medical Certificate

. Notice given to the person of the determination on ACC From Letter C2.

Refer to AC 2-6 4.6

RE ERC

DECISION MODEL

EFFECT OF STATUTORY HOLIDAY ON ASSESSMENT OF WEEKLY E.R.C.