



26 May 2023

Kia ora [REDACTED]

Your Official Information Act request, reference: GOV-024954

Thank you for your email of 10 May 2023, asking under the Official Information Act 1982, to discuss ACC's levy collection process in relation to financial hardship with a staff member. You noted the following in your email:

Specifically, I would like to understand whether ACC has a process for writing-off levies where the payment of outstanding levies would place a person into financial hardship, or whether there are provisions to consider the maximum recovery of levies in the context of the financial circumstances of a business or person.

You discussed your request with ACC's Collections and Recovery Team

We passed on your request for a discussion on the matters outlined in your email to ACC's Collections and Recovery Team. Subsequently [REDACTED] Collections Strategy Lead, got in contact with you. He advised that ACC does not have specific provisions within our legislation which provide for the management of levy payer accounts in relation to hardship. However, he informed you that ACC has internal processes which allow our staff to determine the best approach for supporting such cases.

In summary, a decision around hardship in relation to levy payments is dealt with on a case-by-case basis. Staff in the Collections and Recoveries team will consider the circumstances and, based on those, make a decision on the best option. Please find attached the policy document *Assessing Hardship for Levy Payers Policy* which captures the steps staff taken by staff in making that decision. The policy confirms that we have a process to enable customers to seek support in relation to any hardship.

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.

If you have any questions about this response, please get in touch

You can email me at GovernmentServices@acc.co.nz.

Ngā mihi

Sara Freitag
Acting Manager Official Information Act Services
Government Engagement

Summary

Objective

To provide guidance on what to consider when assessing financial or medical hardship for levy payers in relation to managing levy payer accounts.

Background

Hardship may be considered when collecting levy debt from business customers or when a business customer has requested a levy payment be returned to them.

3.0 Evidence of Hardship

- a** The following are examples of evidence of financial or medical hardship:
- two months of bank statements
 - a copy of a letter from WINZ confirming their current status on a benefit
 - copies of letter from a doctor confirming their diagnosis/prognosis
 - copies of confirmation of any other major debts/outgoings

Policy

1.0 Hardship Considerations

- a** ACC will consider financial or medical hardship for the following customer circumstances::

- the customer's ability to pay in the immediate future
- potential risk to ACC (if they continue trading)
- impact on the customer's lifestyle
- the amount of the debt
- the customer's payment history

NOTE What if a customer is identified as being in financial or medical hardship and they have levy debt?

ACC may choose to:

- write off the levy debt
- delay pursuing payment
- agree a non standard payment arrangement

NOTE What if a customer is identified as being in financial or medical hardship and they have requested the return of a levy payment?

ACC may choose to:

- return the payment to the customer

- b** The following are factors to consider when looking into financial or medical hardship:

- the customer's ability to pay in the immediate future
- potential risk to ACC (if they continue trading)
- impact on the customer's ability to afford essential living expenses.
- the amount of the debt
- the customer's payment history
- the customer's assets (if there is any assets that can be sold or borrowed against to pay for the amount owing)

2.0 Sizing Risk and Impacts

- a** Invoices or missed instalments under \$1,000 (including GST) are considered low risk/impact.
- b** Invoices or missed instalments over \$1,000 (including GST) are considered higher risk/impact.
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