



Calculating weekly compensation for employees

Your guide to financial support while you recover

He whakamārama mō te pūtea tautoko i a koe e whakarauora ana

This guide explains how weekly compensation is calculated for PAYE employees and why it's important to tell us if you earn income while receiving weekly compensation.

Key takeaways | Ngā kōrero matua

You may get up to 80% of the income you earned before your injury.

Tax and other deductions apply to weekly compensation payments.

Payments adjust to match your situation, to ensure what you earn is fair and consistent.

You can still get weekly compensation if you return to work at reduced hours or suitable duties.

Employment types | Ngā momo tūranga mahi

Your payment amount depends on your employment type, how long you receive weekly compensation and if you earn other income. A PAYE employee is someone whose tax is deducted by their employer.

Permanent employee

You would have continued earning from the same employer every week for the next year (52 weeks) after your injury.

Non-permanent employee

You work casually, seasonally, on a fixed-term contract with less than a year remaining, had given notice to leave your job before your injury or have unpaid leave, including parental leave, within the next year.

Important. Receiving other income? Let us know to avoid overpayment
Kia mataara. Kei te whiwhi pūtea anō koe? Whakamōhiohia mai, kei hipa tō pae utu

Tell us as soon as possible if you earn income while receiving weekly compensation. We'll adjust your payments (abatement) to prevent overpayment. Your total income must not be more than 100% of your usual pay.

Talk to Inland Revenue as you'll need a secondary tax code to pay the correct tax.

If you're overpaid, we'll contact you about repayment.

Calculation examples | Ngā tauira tātaitai

The following examples are for guidance. Actual payments depend on your situation.

Your first 4 weeks are calculated using the short-term rate

This is based on your earnings in the 4 weeks before injury.

1	Earnings over 4 weeks: (before tax and deductions)	\$5,000
2	Average weekly earnings:	$\$5,000 \div 4$ = \$1,250
3	ACC pays 80%:	$\$1,250 \times 80\%$ = \$1,000
4	Tax and deductions: (eg student loan, KiwiSaver, or child support)	- \$300
	Weekly payment received:	$\$1,000 - \300 = \$700

After the first 4 weeks the long-term rate applies

Permanent employees: This is based on total income from your current PAYE job, divided by number of weeks worked (up to 52).

Non-permanent employees: This is based on total income from all non-permanent PAYE jobs, divided by 52, regardless of weeks worked.

Different rules apply depending on your situation. Talk to us about your situation.

Why the change between short-term and long-term rates?

Your income may vary during the year (bonuses, seasonal work, agreed unpaid leave, job changes). Looking at your past year gives a fairer picture of your usual income.

Returning to work

If you return to work at reduced hours or suitable duties, we adjust your weekly compensation — this is called abatement. It makes sure your total income (compensation + earnings) isn't more than 100% of your usual pay.

Example:

1	Average weekly earnings before injury:	\$1,250	5	ACC adjusts your payment (abatement):	\$1,000 - \$250 = \$750
2	ACC pays 80%:	\$1,250 x 80% = \$1,000	6	New total income:	\$750 (ACC) + \$500 (work) = \$1,250
3	You earn \$500 from working reduced hours.				
4	Total income before adjustment:	\$1,000 (ACC) + \$500 (work) = \$1,500	<div>Why it works this way</div> <p>We adjust your payments because it makes sure what you earn is fair and consistent.</p>		
	This is \$250 more than your usual \$1,250.				



Need support?
Kei te kimi āwhina koe?

The contents of this guide may change. Our website has the most current information.
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ACC website

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Contact us

If you're unsure about your payments, we're here to help.

Email: claims@acc.co.nz

Phone: [0800 101 996](tel:0800101996)