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SELF-EMPLOYED

Guide 2 of 2

Read time: 7mins

Calculating weekly compensation for self-employed

Your guide to financial support while you recover
He whakamārama mō te pūtea tautoko i a koe e whakarauora ana

This guide walks you through how weekly compensation is calculated for self-employed people recovering from injury, with clear examples for different situations.

Key takeaways | **Ngā kōrero matua**

Your payments are calculated differently depending on how long you've been self-employed.

Tell us if you continue to work or your business keeps earning while receiving weekly compensation to reduce the risk of overpayment.

We'll recalculate your payments once your tax return is filed. We'll pay you any money owed or ask you to repay any difference.

You can still get weekly compensation if you work some hours or duties. Payments adjust to match your situation to make sure what you earn is fair and consistent. This is called abatement.

Calculation examples | **Ngā tauira tātaitai**

These examples show how weekly compensation might be worked out, but your actual payment will depend on your situation. They don't apply if you have a CoverPlus Extra policy.

There are also other payment options, like interim, estimated and advance payments. Want to know more? Explore our guide *Weekly compensation for self-employed* or give us a call on 0800 101 996.

Newly self-employed - you haven't passed the end of a tax year.

This example shows $23,400 earned over 18 weeks.

We calculate weekly compensation by:

- using any PAYE earnings in the 52 weeks before your injury
- then dividing by the number of weeks worked.

Note
Self-employed earnings aren't included because a tax return hasn't been filed. If you didn't earn PAYE income in the 52 weeks before your injury and you don't qualify for the full-time minimum payment, your payment may be zero dollars.

1	Average weekly earnings:	$23,400 ÷ 18 = **$1,300**
2	ACC pays 80%:	$1,300 x 80% = **$1,040**
3	Tax and deductions: (eg student loan, KiwiSaver, or child support)	**-$240**
	Weekly payment received:	$1,040 - $240 = **$800**

Recently self-employed - you have passed only one tax year end.

This example shows $40,000 self-employed earnings over 26 weeks added to $12,500 PAYE employee earnings over 9 weeks.

We calculate weekly compensation by:

- using declared earnings in the last tax year
- adding any PAYE earnings in the 52 weeks before your injury
- then dividing by the number of weeks worked.

1	Total earnings: (before tax and deductions)	**$52,500**
2	Average weekly earnings:	$52,500 ÷ 35 = **$1,500**
3	ACC pays 80%:	$1,500 x 80% = **$1,200**
4	Tax and deductions: (eg student loan, KiwiSaver, or child support)	**- $300**
	Weekly payment received:	$1,200 - $300 = **$900**

Established self-employed - you have passed two or more tax year ends.

This example shows $35,000 self-employed earnings and $30,000 PAYE employee earnings. We pay 80% of this before tax and deductions.

We calculate weekly compensation by:

- using declared earnings in the last tax year
- adding any PAYE earnings in the 52 weeks before your injury
- then dividing by 52, regardless of the number of weeks worked.

1	Total earnings before injury: (self-employed + PAYE)	**$65,000**
2	Divided by 52 weeks:	$65,000 ÷ 52 = **$1,250**
3	Average weekly earnings:	= **$1,250**
4	ACC pays 80%:	$1,250 x 80% = **$1,000**
5	Tax and deductions: (eg student loan, KiwiSaver, or child support)	**- $210**
	Weekly payment received:	$1,000 - $210 = **$790**

Important. Tell us if your income changes as soon as possible
Kia mataara. Kia wawe te whakapā mai mēnā ka tīni tō whiwhinga pūtea

If you earn any income — either by working or through your business — let us know us as soon as you can. Tell us if you:

- return to work part- or full-time, even in an administrative or advisory capacity
- change your hours
- start or leave a job
- do any unpaid work
- receive money or benefits in place of income.

You can still receive some weekly compensation if you're working reduced hours or suitable duties while recovering. We need to know how much you're working so we can adjust your payments to reduce the risk of overpayment. This is called abatement and makes sure what you earn is fair and consistent. Log your work details in MyACC or call us.

We recommend talking to Inland Revenue about a secondary tax code to make sure you pay the right amount of tax.

Returning to work while recovering

If you return to work while recovering, even part-time or on suitable duties, we'll adjust your weekly compensation — this is called abatement. It makes sure your total income (earnings + weekly compensation) isn't more than what you'd usually earn. This helps support your recovery while encouraging a safe and gradual return to work.

Working less while recovering

This example shows $65,000 earned in the year before your injury based on a 40-hour working week. We estimate your average weekly earnings and hourly rate to calculate payments based on the actual hours you work. Your weekly compensation payment would be around $375 before tax and deductions, or around $300 after.

Note

Once you've filed your tax return, we'll reassess and adjust for any overpayment or underpayment. Your weekly compensation payment can be up to 80% of your usual income.

1	Average weekly earnings: (total earnings before injury ÷ by 52 weeks)	$65,000 ÷ 52 = **$1,250**
2	Estimated hourly rate:	$1,250 ÷ 40 = **$31.25**
3	You return to work 28 hours a week while recovering:	28 x $31.25 = **$875** (in estimated weekly earnings)
4	We adjust your weekly compensation payment:	$1,250 - $875 = **$375** (before tax and deductions)

Frequently asked questions | **Ngā pātai auau**

What happens if I'm on weekly compensation for more than a full tax year?

If you receive weekly compensation longer than a full tax year we need to reassess your payments using your declared earnings.

Because your adjusted payments were based on estimated earnings (see the returning to work part-time example), we'll compare these against your reassessed payment amount.

If the weekly compensation paid to you was higher than the reassessed amount based on your declared earnings, you have been overpaid. We'll ask you to pay the difference back.

What if I work in more than one job?

We'll calculate your weekly compensation separately for each job. We then add them together to give your total weekly compensation rate. If any earnings could apply to more than one calculation, we'll only use them once in the way that gives you the highest overall benefit.

When should I use MyACC?

Use MyACC to:

- apply for weekly compensation and other support
- see your past and future payments
- check your claim and update your details
- upload new medical certificates
- log any work hours weekly.

What if I have CoverPlus Extra?

CoverPlus Extra is optional cover where payments are based on 100% of your agreed cover, before tax and deductions, not your filed earnings — ideal if your income varies or you want certainty. To be eligible, your CoverPlus Extra policy must be active at the time you're injured and unable to work, and if you need further time off. Check your policy for payment details — the calculations in this guide don't apply to you. Visit our website to learn more: acc.co.nz/cpx.

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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