



ENTERPRISING SOLUTIONS
FOR EMPLOYEE HEALTH

Accident Compensation Act 2001

Accident Compensation Amendment Act 2010 includes:

Item	Key points	Effective date
Extending 'full funding' date from 2014 to 2019	<ul style="list-style-type: none"> The date for full-funding of residual claims liabilities (the life-time costs of claims incurred before 1 July 1999) has been extended to 2019. This change will help to ensure that 'residual claims levies' remain stable in the coming years. The ACC Residual Claims Account has become part of the ACC Work Account, and the residual claims liabilities of the Motor Vehicle and Earners' Accounts have merged into the relevant main Accounts. 	3 March 2010
Reversing some of the 2008 changes to 'weekly compensation'	<ul style="list-style-type: none"> Weekly compensation for casual, seasonal and part-time workers who have been off work because of injury for more than five weeks will now be calculated by dividing their previous 52 weeks of earnings by 52. Compensation for loss of potential earnings (LoPE) will reduce from 100% to 80% of the adult 'minimum weekly earnings rate'. LoPE is paid to people who haven't yet had the opportunity to earn and are incapacitated either before turning 18 or while in full-time study from the age of 18). Employees already receiving LoPE will remain on the current rate until the amended rate reaches the current rate through increases in the minimum wage. The ability to abate (reduce) weekly compensation for an employee who leaves their employment and receives holiday pay while also receiving weekly compensation. 	1 July 2010
Vocational Rehabilitation Changes	<ul style="list-style-type: none"> Injured employees are provided with vocational rehabilitation to help them return to work or get ready for work. Before 2001, employees were deemed 'vocationally independent' if it could be shown that they could work for 30 or more hours a week. In 2001, this threshold was changed to 35 hours or more a week. The amendment Act reverses the 2001 change, reducing the threshold to align with that used by Statistics New Zealand, the Ministry of Social Development and Inland Revenue. The amendment Act also makes it optional (rather than compulsory) for occupational assessors to consider employees' pre-incapacity earnings when undertaking initial occupational and vocational independence assessments. 	1 July 2010
6% hearing loss threshold	<ul style="list-style-type: none"> There is currently cover for hearing loss caused by accidents, treatment injuries and noise exposure at work. The increased costs of hearing loss claims are placing considerable pressure on levies. To ensure effective and cost-effective services, employees must now meet a 6% threshold for injury-related hearing loss before receiving cover. 	1 July 2010
Reversing entitlements for wilfully self-inflicted injury & suicide	<ul style="list-style-type: none"> There will no longer be entitlements (other than treatment) for wilfully self-inflicted injury, including suicide, except in limited circumstances. 	1 July 2010
Strengthening disentitlement for criminals	<ul style="list-style-type: none"> People who are injured while committing serious crimes and subsequently imprisoned for those crimes will not qualify for full ACC entitlements. 	1 July 2010
Enabling safety incentives for employers & vehicles	<ul style="list-style-type: none"> The Government may create regulations to put in place systems for experience/risk rating or risk sharing. The enabling legislation took effect from 3 March 2010. Before regulations are developed, work will be undertaken to determine the most effective systems to put in place. Changes could include new systems in the: <ul style="list-style-type: none"> - ACC Work Account, such as no-claims bonuses, higher or lower levies based on individual levy payers' claim experiences and business size, and higher claim thresholds.- ACC Motor Vehicle Account, such as discounts for vehicles with high safety ratings. The aim of these systems is to provide incentives for improved injury prevention and injury management. 	
Other amendments		
<ul style="list-style-type: none"> Changed the name of ACC's principal Act from the Injury Prevention, Rehabilitation, and Compensation Act 2001 to the Accident Compensation Act 2001 (effective from 3 March 2010). Improves access to ACC CoverPlus Extra (effective from 1 July 2010) and removes the statutory requirement for Ministerial Advisory Panels (effective from 3 March 2010). Enables better liaison between ACC and government departments (effective from 3 March 2010). Requires ACC to prepare a financial condition report (effective from 3 March 2010) and removes amendments made in 2008 relating to cover for work-related gradual process diseases and infections (effective from 1 July 2010) Authorises a separate levy to fund motorcycle/moped safety programmes (effective from 3 March 2010). Allows the petrol levy to fund residual claims (effective 3 March 2010). 		