

What matters to payroll leaders

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NZPPA

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He Kaupare. He Manaaki. He Whakaora.
Prevention. Care. Recovery.

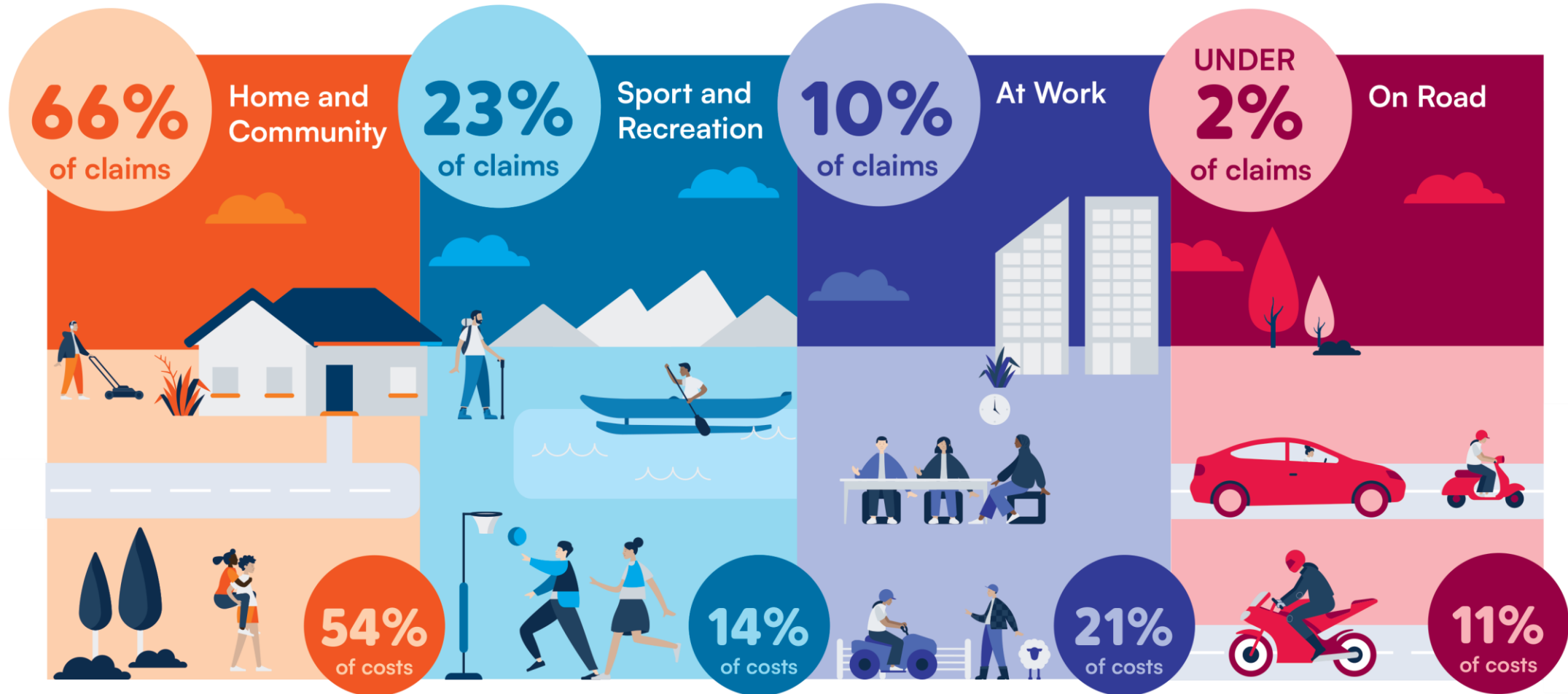
- ACC strategic priorities
- How is the first week of compensation calculated?
- Short term and long term compensation
- 'Top up'
- Employee on ACC wants to take leave, so what happens with entitlement and who's responsible?
- Abatement
- Employees responsibilities
- Employers responsibilities
- ACC resources

Strategic priorities 2025/26

- Improve rehabilitation performance
- Drive an injury prevention culture across Aotearoa New Zealand
- Improve scheme access for Māori and identified population groups
- Deliver an efficient, capable and resilient ACC

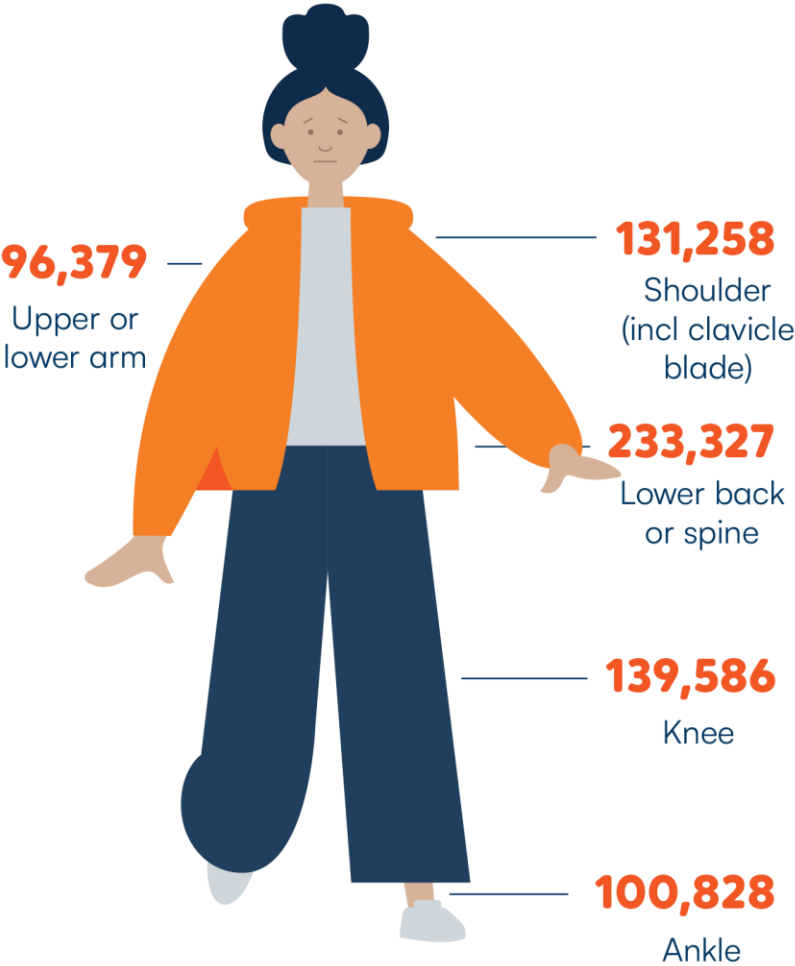


Where are we getting injured?

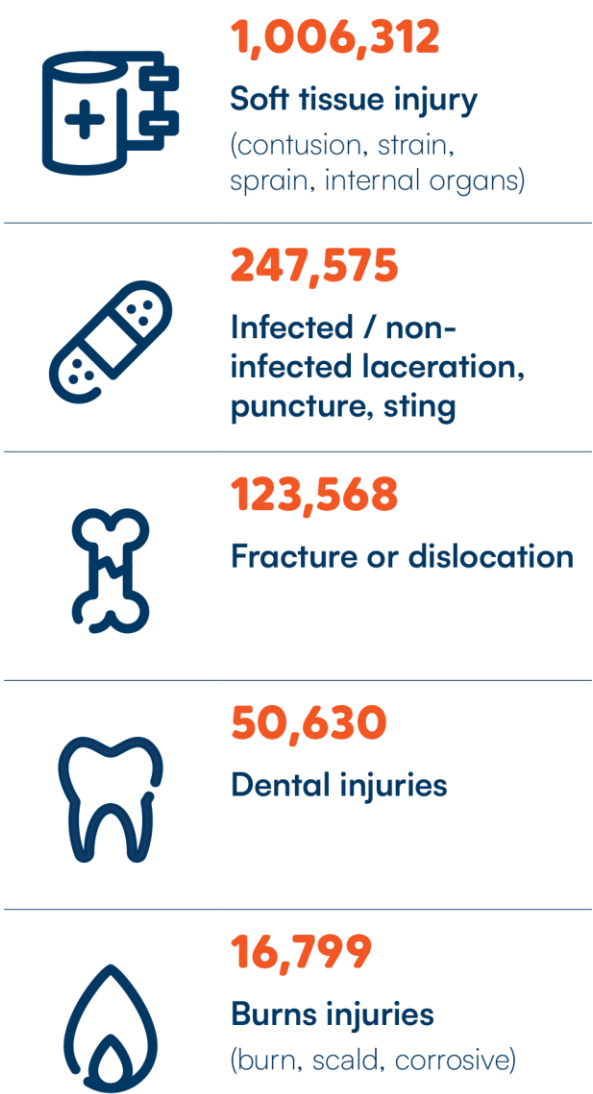


Data relates to 1 January 2024 to 31 December 2024.

Number of active claims for 2024 broken down by injury site



Number of active claims for 2024 broken down by diagnosis



How is the first week of compensation calculated?

First week compensation

Key points



Employer liable for compensation for first seven days (work claims only)



Weekly compensation up to 80% on loss of earnings



80% of the earnings in the week immediately preceding incapacity

Calculation example

	Dates	Earnings	80%	Comments
First incapacity	9 July 2025			Wednesday is first incapacity
First week (ACC)	9 July 2025-15 July 2025			Wednesday to Tuesday
Employer payroll Monday to Sunday	6 July 2025	\$1,000.00		
Next pay period	13 July 2025	\$1,000.00	\$880.00	<p>2 x days worked (7- 8 Jul) \$200 per day = \$400</p> <p>3 x days not worked @ \$600.00 x 80% = \$480.00</p> <p>(\$1000.00-\$400 = \$600 gross x 80% is \$480). \$400 + \$480 = \$880.00.</p>
First week top up			\$120.00	3 days @ 20% per day

Short term and long term compensation

How ACC calculates weekly compensation

For the first four weeks (short-term)

- ACC takes the total income in the four weeks before the employee's date of first incapacity and divides that by the number of weeks the employee worked.
- ACC then pays 80% of that amount as weekly compensation.

From the fifth week onwards (long-term)

- For permanent employees: ACC takes all income from their current jobs and divides it by the number of weeks worked in that job, up to 52 weeks, then pays 80% of that amount.
- For non-permanent (casual) employees: ACC takes all PAYE earnings in the last year and divides it by 52 weeks, regardless of number of weeks worked, then pays 80% of that amount.

‘Top up’

Top up payments

Weekly compensation

Example:

100% - \$1,200.00 gross

80% - \$960.00

Top up - \$240.00



Second week onwards

- ACC pays weekly compensation (work & non-work)
- Tax code
- Top up



Employee on ACC wants to take leave, so what happens with entitlement and who's responsible?

Employee leave while receiving ACC weekly compensation

- Leave can be taken during cover periods
- ACC needs to be advised of all payments.



Abatement

Abatement

- Employees can earn up to 100% of their earnings
- Receive payment from both the employer and ACC at the same time at the same time
- Employer pays the employee for the hours worked
- Onus on employee to submit earnings
- ACC abates the weekly compensation
- Importance for payrolls and injured client/manager to communicate



Abatement

Example:

Jack usually earns \$800 a week for 40 hours (100%)

While fully unfit to work, ACC pays \$640 per week (80%)

As Jack starts to recover, his GP says he can start working reduced hours and issues him a Fit For Selected Work medical certificate.

Jack can return to work for 20 hours and his employer pays him for this time = \$400

Jack tells ACC he worked 20 hours in the previous week.

ACC provides a top-up payment of \$400

So that combined, Jack has earned his usual weekly income of \$800 (100%)

ACC recommends that the injured employee contacts IR to ensure their tax code is correct.



Employees Responsibilities

What's an injured employees role

Notify employer

Ensure your employee notifies you about their injury as soon as possible.

Seek medical treatment

Encourage them to get medical care promptly if they haven't already.

Provide medical certificate

It's the responsibility of the employee to provide their employer with any medical certification as soon as possible. Ensure your injured employee takes the alternate duties list to the medical provider.

Workplace injury reporting

If the injury happened at work, confirm the accident has been reported to their manager.



[Resources to help you support recovery at work](#)



Employers Responsibilities

What's your role

If an employee gets injured...

- Connect with your employee early – complete a wellbeing check-in with your injured employee
 - Request a copy of their medical certificate
- Review list of alternative or other suitable duties if employee unable to do their usual duties
 - Develop a recovery at work plan to support their return to work. A template is available for this.
- Allow injured employees to remain engaged with work while they recover and to use work as an active part of their recovery and rehabilitation process
 - Share ACC recovery at work resources with employee
 - Understand weekly compensation, how it impacts your employee and what's required for your payroll



ACC resources

Resources

Links below to key information

- ☐ [Quick guide: Managing payments gradual return to work plan.pdf](#)
- ☐ [Quick guide: Employer weekly compensation timeline.pdf](#)
- ☐ [Income for your employee while they recover](#)
- ☐ [Supporting your injured employee getting started guide.pdf](#)
- ☐ [Quick guide - starting the conversation for supervisors/team leaders.pdf](#)
- ☐ [Quick guide - starting the conversation for injured employees.pdf](#)
- ☐ [Accident Compensation Act 2001 \(as at 29 March 2025\), Section 97 Employee's right to receive first week compensation – New Zealand Legislation](#)
- ☐ [Accident Compensation Act 2001 \(as at 29 March 2025\), Section 98 Employer's duty to pay first week compensation – New Zealand Legislation](#)

Where do payroll go for questions?

- ACC Payments Assessor
- Or 0800 101 996 (8am – 6pm Mon to Fri)





Questions



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