

# ACC Fact Sheet #5/5: ACC INVOICES

## WHAT IS IT?

Employer, Shareholder and Self-employed ACC invoicing happens from July every year and ACC starts with all the larger accounts. Generally everyone will have received their invoices by the end of September. ACC has simplified the invoicing process over the last few years. Now you only receive one invoice which includes both the final wash-up invoice for the previous year and the provisional invoice for the current year.

## WHAT DO YOU PAY?

There are two things you pay to ACC namely 1) Your Work levy which covers all work based accidents and is based on how risky your business is, and 2) Working Safer Levy which ACC hands over to WorksafeNZ. The Working Safer levy is a flat \$0.08 for every \$100 in payroll.

## COVERPLUS EXTRA; THE EARNERS' LEVY

CoverPlus Extra invoices are sent in April every year. The Employer invoice is the only one that does not include your Earners' levy as this is already paid by you through the PAYE. The Non-PAYE Shareholder, Self-Employed and CoverPlus Extra invoices do include the Earners' Levy. The Earners' levy covers all non-work claims and is a set cost, i.e. everyone pays the same rate set at \$1.21 for every \$100 in payroll.

## UPSIDE OF ACC INVOICES

ACC for employers and self-employed is an insurance (albeit compulsory). As such you can put in place ways to reduce your cost such as by making sure you are on the right code, move shareholders to CoverPlus Extra, manage your workplace claims, and use the no-fee payment plan.

## DOWNSIDE OF ACC INVOICES

ACC is compulsory and there are no alternatives. The levy setting process including how levy codes are selected can seem counter intuitive.

## LET'S LOOK AT YOUR INDUSTRY SPECIFICALLY

We've done the number crunching, these are the statistics for year ending 31 Dec 2016 for CANZ, CU 42101:

- The total amount of levies collected was: \$6,502,045
- Average levy per business: \$57,035
- Number of businesses still on the 10 month payment plan is: 30

## WHAT TO DO:

When you get your invoices please check the following:

- On the provisional invoice, has ACC got the right provisional payroll? If your actual payroll will be lower based on your forecast (by approximately 20% or more) then ask ACC to recalculate the invoice based on the right payroll figure.
- Is the levy code used correct? It may seem obvious however plenty of businesses are on the wrong code.
- What payment plan are you in? If you need to pay the invoice in instalments please use the six month on-fee plan. Any longer plans will incur a flat-fee of 5.4%. Although this sounds cheap it is not equivalent to an interest rate as the effective rate is 11.75%.
- Please check you address and contact details.

## HEADS UP FOR 2018:

In 2018 ACC will send out your employer invoice in line with your tax year. So if your tax year is 31 March you should get your invoice later in April (rather than July as you are now).

## FREE RESOURCES: VISIT [WWW.WORKRISK.CO.NZ](http://WWW.WORKRISK.CO.NZ)

- Claims Toolkit: includes the ACC Pre-employment form & Medical Authority form
- ACC Benchmark: get your business benchmarked and find out how to save money
- ACC Savings Review



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