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Farmers overpay ACC Levies



Having recently reviewed several clients Accident Compensation Corporation (ACC) invoices we have secured them a rather large refund says Robyn Pickett, ACC administrator at CooperAitken.

Professional services firm CooperAitken Ltd reviews payments to ACC and ACC allow us to go back as far as 2012. Often the review shows farmers are on the incorrect classification rate, paying on the high classification of diary cattle farming rate for everyone, when one or more partners/shareholders may only do the office work and therefore their levies could be charged on Office Administration rate. Pickett explains 'We often get the situation where one partner is running the household, paying the bills, sorting out the kids, etc. and rarely sets foot on the farm. They should only be paying the administration rate for her ACC; it can make \$1000's difference to your ACC premium.'

Pickett says 'we encourage clients to be on the ACC product called CoverPlus Extra (CPX) this means you have a fixed amount of cover in the event of an accident. You do not have to prove loss of income which is important as this sometimes can be very difficult to prove as the farm continues to operate without you there. By having a fixed amount of cover this removes the risk come claim time of the claim being calculated on an unusually poor income year, or you paying increased ACC premiums on an extraordinary high income year. Everything is fixed so you know exactly how much you are paying, what you will receive each week if you are injured and cannot work- whether the injury is work-related or not.

Once you have reduced your CPX levies one beneficial way to use the savings is to consider using private insurance (key Person or Income Protection). It is important that you really understand the cover you have, for example, ACC provides cover only for accidents but also provides help if a death results from an accident, whereas Key Person or Income Protection covers both sickness and accidents but not normally death and often you have a longer wait period before receiving weekly compensation. Some pre existing conditions may be excluded from private insurance.

We at CooperAitken understand ACC and realise that there is a lack of knowledge as to how the ACC system works with policy options, rates and cover calculations. Depending on your business, policy type, levies may be made in advance; in arrears or a bit of both, but in all situations a review can often be beneficial and we have the team here to help you with this.

Call today for a consultation on your ACC cover

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