

**Update 3 December 2013**

The Government announced the final levy rates for 2014/15.

**Work Account (\$ per \$100 liable earnings)**

	Current	Residual	Combined
2013/14 actual	\$0.84	\$0.31	\$1.15
2014/15 proposed	\$0.64	\$0.31	\$0.95
Change	-24%	0%	-17%

**Earners' Account (\$ per \$100 LE excl GST)**

	Current	Residual	Combined
2013/14 actual	\$1.44	\$0.04	\$1.48
2014/15 proposed	\$1.22	\$0.04	\$1.26
Change	-15%	0%	-15%

**Motor Account (\$ per vehicle excl GST)**

	Current	Residual	Combined
2013/14 actual	\$254	\$77	\$331
2014/15 proposed	\$203	\$77	\$280
Change	-20%	0%	-15%

**Partnership Programme**

There have been no changes to the structure of the ACCPP. There will be small percentage increases in the administration fee and bulk funded health costs, however the reduction in the standard levy rate will reduce these increases.

There have been no changes to levels of stop loss and High Cost Claims Cover available. The reduction in the rates means that the minimum and maximum levels of cover which are expressed as a percentage of the expected claim costs have increased slightly. The minimum of 160% of expected claims is now 123.2% of the standard levy and the maximum of 250% of expected claims costs is 192.5% of the standard levy.

The following table summarises the changes to the rates and discounts for the ACCPP.

**ACCPP fees & discounts as % of standard levy**

	Current 2013/14	Proposed 2014/15
Admin fee	2.3%	3.8%
Primary health costs	1.3%	1.2%
Bulk funded health costs	2.9%	4.0%
PDP discounts 1 year	51.9%	54.8%
2 year	59.3%	61.3%

**Further information on rates**

Our September newsletter on the rates ACC consulted on includes further information on:

- a breakdown of the cost components of the levy rates
- the change in costs over the last year and
- the funding position of the different accounts.

While there were some minor changes to the proposals in the Consultative document the average rates are as per ACC's initial proposals.

**ACC Annual report**

For interest we note the following figures taken from the 2013 ACC Annual report. The 2012 figures are in brackets:

- Surplus for year: \$4.9 billion (-\$0.5 billion)
- Investment funds: \$24.6 billion (\$21.8 billion)
- Outstanding claims liability: \$27.2 billion (\$28.4 billion)

The results clearly show improvements in ACC's finances.

**ABOUT MELVILLE JESSUP WEAVER**

Melville Jessup Weaver is a New Zealand firm of consulting actuaries. The firm was established in 1992 and has offices in Auckland and Wellington. The firm is affiliated to Towers Watson, a global professional services firm that helps organisations around the world optimise performance through effective people, risk and financial management. Towers Watson has offices in 25 countries and the business covers human resources services, reinsurance and Tillinghast.

*For further information please contact:*

Jeremy Holmes 09 300 7318  
[jeremy.holmes@mjlw.co.nz](mailto:jeremy.holmes@mjlw.co.nz)

Mark Weaver 09 300 7156  
[mark.weaver@mjlw.co.nz](mailto:mark.weaver@mjlw.co.nz)

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