MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Scott Simpson	**Portfolio**	ACC
Title of Cabinet paper	Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations (No 2) 2026	**Date to be published**	7 July 2026

List of documents that have been proactively released		
Date	**Title**	**Author**
14 May 2026	Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations (No 2) 2026	Office of Hon Scott Simpson, Minister for ACC
21 May 2026	Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations (No 2) 2026 LEG-26-MIN-0098 Minute	Cabinet Office

Information redacted **YES / NO** *(please select)*

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In Confidence

Office of the Minister for ACC

Chair, Cabinet Legislation Committee

Accident Compensation Levy Regulations 2026 - waiver/remittance of interest from instalment plans

Proposal

1 I propose that the Cabinet Legislation Committee authorise the submission of the Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations 2026 to the Executive Council.

Executive Summary

2 This paper seeks the Cabinet Legislation Committee's agreement to submit the Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations 2026 to the Executive Council.

3 These regulations prescribe the circumstances in which the payment of the whole or any part of the interest on an instalment plan may be remitted or waived.

Policy

4 Since at least 2018, ACC has offered levy payers the option to pay their levies in instalments. Most levy payers receive an invoice requiring their entire levy balance to be paid, which some levy payers can find challenging. Instalment plans offer an alternative to this. Instalment plans attract interest, recognising the 'loss' to a creditor for not receiving payment quickly and incentivises full, on-time payment.

5 In November 2024, as part of the levy rates review, Cabinet agreed to 'introduce new regulations to clarify the circumstances under which ACC may waive or cancel interest on instalment plans' (the Waive/Remit regulations) [CBC-24-MIN-0118 refers]. These regulations give effect to that Cabinet decision. Development of regulations was initially delayed as further policy work was required. This policy work has now been completed.

6 ACC consulted on a set of circumstances for when interest could be remitted or waived as part of the 2024 levy round. Submitters broadly supported the proposed circumstances. For the proposed 2026 Amendment, the circumstances have been bundled into categories to align with ACC's operational needs and make them easier to administer.

7 The regulations will clarify that ACC can remit or waive interest where it is impractical to collect or not appropriate to charge. For example:

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7.1 the cost of recovery exceeds the value of the debt

7.2 a levy payer has become insolvent

7.3 a levy payer is experiencing financial or medical hardship.

8 Because this proposed regulatory change aligns with ACC's existing operational practice, no material fiscal implications are anticipated.

Timing and 28-day rule

9 The regulations will come into force on 1 July 2026. No exemption from the 28-day rule is sought.

Compliance

10 Section 329(1) of the Accident Compensation Act 2001 states that the making of amendment regulations is subject to these being made on the recommendation of the Minister for ACC. I am satisfied that this requirement is met.

11 I consider that the proposed Levy Regulations comply with each of the following:

11.1 the principles of the Treaty of Waitangi;

11.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;

11.3 the principles and guidelines set out in the Privacy Act 2020;

11.4 relevant international standards and obligations;

11.5 the Legislation Design and Advisory Committee's Legislation Guidelines (2021 edition).

Regulations Review Committee

12 There are no anticipated grounds for the Regulations Review Committee to draw the Regulations to the attention of the House of Representatives under Standing Order 327.

Certification by Parliamentary Counsel Office

13 The regulations are certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.

Impact Analysis

14 Regulatory Impact Assessments were prepared in accordance with the necessary requirements and submitted at the time. Cabinet Business Committee approval for the recommended changes was sought on 25 November 2024 [CBC-24-MIN-0118 refers].

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Publicity

15 ACC, as the operational agency, will communicate with impacted levy payers to inform them of how the changes will affect them.

Proactive release

16 MBIE will proactively release this Cabinet paper and accompanying Cabinet minute.

Consultation

17 The following Government agencies were provided an opportunity to comment on the leg paper: Accident Compensation Corporation, the Treasury and Inland Revenue.

Recommendations

I recommend that the Cabinet Legislation Committee:

1 **note** that on 25 November 2024 Cabinet Business Committee agreed to introduce new regulations to clarify circumstances under which ACC may waive or cancel interest on instalment plans [CBC-24-MIN-0118 refers];

2 **note** that these regulations align with ACC's existing operational practice;

3 **note** that Section 329(1) of the Accident Compensation Act 2001 states that the making of amendment regulations is subject to these being made on the recommendation of the Minister for ACC and I am satisfied that this requirement is met;

4 **authorise** the submission to the Executive Council of the Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations 2026;

5 **note** that the Accident Compensation (Interest Rates for Payment of Levies) Amendment Regulations 2026 will come into force on 1 July 2026.

Authorised for lodgement

Hon Scott Simpson

Minister for ACC

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