

# Abatement Threshold Increase (Transitional Assistance) Amendment 2021

This instrument is made under section 101 of the Social Security Act 2018 by the Minister for Social Development and Employment.

## Contents

1	Title	1
2	Commencement	1
3	Programme amended	1
4	Clause 4 amended (Interpretation)	1
5	Clause 5 amended (Application of the Social Security Act 2018)	2
6	Clause 11 amended (Calculation of the rate of transitional assistance payable)	2
7	Clause 12 amended (Commencement and duration of transitional assistance)	2

## Instrument

### 1 Title

This instrument is the Abatement Threshold Increase (Transitional Assistance) Amendment 2021.

### 2 Commencement

This instrument comes into effect on 28 June 2021.

### 3 Programme amended

This instrument amends the Abatement Threshold Increase (Transitional Assistance) Programme 2021<sup>1</sup> (as established and approved on 4 March 2021) (the **principal programme**).

### 4 Clause 4 amended (Interpretation)

(1) In clause 4(1), in the definition of **change of circumstances**, after subparagraph (ii) of paragraph (b), insert:

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<sup>1</sup> New Zealand Gazette, 8 March 2021, notice 2021-go837.

(iia) an increase in net income due to the effect of the July 2021 amendments where there has been no other change of circumstances:

(2) In clause 4(1), in the appropriate alphabetical order, insert:

July 2021 amendments means–

- (a) the discretionary increases made under the Social Security (Rates of Main Benefits) Order 2021 from 1 July 2021;
- (b) the amendments in clause 4 of the Social Security Amendment Regulations (No 2) 2021 that amend regulation 20 of the Social Security Regulations 2018 (definition of total income) from 1 July 2021;
- (c) the amendments in clause 5 of the Social Security Amendment Regulations (No 2) 2021 that amend regulation 64 of the Social Security Regulations 2018 (disability exception amount) from 1 July 2021

(3) In clause 4, after the definition of “transitional assistance”, replace “(1)” with “(2)”.

**5 Clause 5 amended (Application of the Social Security Act 2018)**

In clause 5(1), after “114”, insert “187, 188, 189, 190, 191,”.

**6 Clause 11 amended (Calculation of the rate of transitional assistance payable)**

In clause 11, after subclause (1), insert:

- (1A) Despite subclause (1), where MSD is satisfied that the applicant’s net income has increased from 1 July 2021 due to the effect of the July 2021 amendments the amount of transitional assistance payable reduces by the amount of increase in the applicant’s net income.
- (1B) The reduction in transitional assistance referred to in subclause (1A) takes effect from–
  - (a) 1 July 2021 for transitional assistance payable to the applicant under clauses 7 and 9;
  - (b) 28 June 2021 for transitional assistance payable to the applicant under clause 8.

**7 Clause 12 amended (Commencement and duration of transitional assistance)**

(1) In clause 12(3), after paragraph (a), insert:

- (ab) because of the July 2021 amendments, the amount of the increase in the applicant's net income is equal to or exceeds the amount of the transitional assistance:
- (2) In clause 12(1)(3)(a), replace "net income of the applicant or their spouse or partner (if any)" with "applicant's net income".
- (3) In clause 12, after subclause (3), insert:
- (4) Despite subclause (3), where transitional assistance granted under clause 8 ceases under clause 12(3)(ab), payment of transitional assistance continues until 27 June 2021.



Minister for Social Development and Employment

At Auckland this 23<sup>rd</sup> day of May 2021

### Explanatory Note

*This note is not part of the instrument, but is intended to indicate its general effect.*

This instrument, which comes into effect on 28 June 2021, amends the principal programme to ensure that individuals receiving transitional assistance under the principal programme do not lose that assistance if their net income increases as a consequence of changes made on 1 July 2021 to benefit rates, the calculation of the disability exception amount for temporary additional support purposes, and to the definition of income for childcare assistance purposes by an amount less than the transitional assistance they are receiving. It also provides that in such cases the amount of transitional assistance individuals receive will reduce by the amount of the increase in their income.