

# Permanently increasing hardship assistance income limits

**We're responding to increased demand to improve accessibility to hardship assistance for low-income New Zealanders.**

**Wellbeing Budget 2022**

**Government is investing \$55.981 million over four years to permanently increase income limits to increase eligibility for hardship assistance.**

This initiative permanently increases the income limits for Special Needs Grants (SNGs), Recoverable Assistance Payments (RAPs) and Advance Payments of Benefit (Advances) from 1 July 2022 and indexes the limits to average wage growth from 1 April 2023.

Category	New Income Limits
Single	\$737.86
Single 18+	\$848.00
Couple (with or without children)	\$1,231.72
Sole parent 1 child	\$1,029.02
Sole parent 2+ children	\$1,084.13

- Hardship assistance supports people on low incomes to meet the cost of one-off immediate and/or essential needs for people with no other resources available to them.

This will help ensure more people are able to access hardship assistance, and more able to cover unforeseen and urgent costs and access other support and services they need.

- Due to wage growth having increased by more than inflation in recent years, income limits have eroded in value. This means that the cohort of people eligible for hardship assistance has reduced over time. This change will mean that a single person aged 18+ working 40 hours a week on the minimum wage will still maintain eligibility for Hardship Assistance.
- This initiative also indexes the limits for the payments to average wage growth from 1 April 2023. This will ensure that hardship assistance remains accessible to low-income families in the longer term.
- Increasing income limits means more low-income working households will become eligible for hardship assistance to meet immediate and essential needs.
- Widening access to hardship assistance may also have the impact of reducing private debt for some people.

Costs (operating) \$/m	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears	TOTAL
	-	13.572	13.941	14.058	14.410	<b>55.981</b>