



Cabinet Legislation Committee

Minute of Decision

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Social Security Regulations

Portfolio **Social Development and Employment**

On 20 May 2021, the Cabinet Legislation Committee:

- 1 **noted** that as part of Budget 2021, Cabinet agreed to:
 - 1.1 increase main benefit rates on 1 July 2021 by \$20 net, per week, per adult, and on 1 April 2022 up to the Welfare Expert Advisory Group's recommended adult rates and a further \$15 for families with children;
 - 1.2 amend the definition of chargeable income for Childcare Assistance and the formula for the Disability Exception Amount in Temporary Additional Support payments;

[CAB-21-MIN-0116.33]
- 2 **noted** that the Social Security (Rates of Main Benefits) Order 2021 will give effect to the main benefit increase by adjusting main benefit rates by \$20 net, per week, per adult, on 1 July 2021;
- 3 **noted** that the Social Security Amendment Regulations (No 2) 2021 will:
 - 3.1 exempt supplementary benefit payments from being considered chargeable income for Childcare Assistance to ensure recipients are not financially disadvantaged from future income increases;
 - 3.2 amend the Disability Exception Amount in the Temporary Additional Support formula to better reflect excess disability costs and prevent some people from losing their Disability Exception Amount due to marginal increases in income;
 - 3.3 exempt the Benefit Rate Increase (Transitional Assistance) Programme 2021 from being considered chargeable income for Temporary Additional Support payments, to prevent unintended circular flows between the two payments;
- 4 **authorised** the submission to the Executive Council of the:
 - 4.1 Social Security (Rates of Main Benefits) Order 2021 [PCO 23758/4.0];
 - 4.2 Social Security Amendment Regulations (No 2) 2021 [PCO 23759/5.0];

- 5 **noted** that the Social Security (Rates of Main Benefits) Order 2021, the Social Security Amendment Regulations (No 2) 2021, and the Benefit Rate Increase (Transitional Assistance) Programme 2021, will come into effect on 1 July 2021;
- 6 **noted** that the 1 April 2022 legislative changes will be implemented as part of the Annual General Adjustment in early 2022.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Megan Woods
Hon Carmel Sepuloni
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon Michael Wood (Deputy Chair)
Hon Ayesha Verrall
Hon Meka Whaitiri
Kieran McAnulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG