

In Confidence

Office of the Minister for Social Development and Employment

Cabinet Legislation Committee

Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill: Approval for Introduction

Proposal

- 1 This paper seeks approval for the introduction of the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill in May 2026.

Relation to government priorities

- 2 Fiscal sustainability was identified as a key priority for Budget 2025. The Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill (the Bill) supports fiscal sustainability in the welfare system through better targeting of financial assistance to those most in need of support. The Tightening Eligibility to Jobseeker Support and the equivalent Emergency Benefit for 18 and 19 year olds Initiative (Jobseeker Support Initiative) will help the government meet the Jobseeker Support target. We have set a target of 50,000 fewer people receiving Jobseeker Support by December 2029 than in December 2023 [CAB-24-MIN-0098].

Policy

- 3 The Bill amends the Social Security Act 2018 (the Act). The Bill supports fiscal sustainability in the welfare system through better targeting of financial assistance to those most in need of support. The Bill amends the Act by implementing two initiatives agreed in Budget 2025 and sponsored by the Minister for Social Development and Employment [CAB-25-MIN-0126.61 refers]:¹
 - 3.1 Jobseeker Support Initiative; and
 - 3.2 Increasing the Accommodation Supplement Entry Threshold for Some Homeowners (Accommodation Supplement Initiative).
- 4 For the Jobseeker Support Initiative, there has been an increase in the number of young people who are not in employment, education or training, and an increase in benefit dependency among young people. Latest modelling indicates that 18 and 19 year-olds on Jobseeker Support are estimated to spend an average of 21 years supported by benefit (as of 2024).² Evidence shows that longer periods on benefit can

¹ Financial Recommendations: Budget Significant Cabinet Minute - 2025 - 61 Social Development - 14 April 2025 - Budget 2025 Information Release.

² These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI, please visit: <https://www.stats.govt.nz/integrated-data/>.

lead to negative outcomes for young people. It also contributes to increased cost to government.

- 5 For the Accommodation Supplement Initiative, the entry threshold specifies how much must be contributed towards weekly qualifying accommodation costs before the Accommodation Supplement (AS) is received. The entry threshold is 25 percent of the base rate³ for renters and 30 percent for homeowners (to reflect that they are being supported to accumulate a personal asset). Since the AS was introduced in 1993, the proportion of income commonly spent on accommodation costs and the cost to government has increased. Increasing the homeowner entry threshold ensures the AS remains targeted. The initiative will not apply to couples where a person is receiving New Zealand Superannuation (NZS), Veteran's Pension (VP), Supported Living Payment (SLP), or Emergency Benefit where the equivalent benefit is SLP.
- 6 Following Cabinet's authorisation for delegated decision-making to me as the Minister for Social Development and Employment [SOU-25-MIN-0126 refers], I have made a number of policy decisions to finalise draft legislation to implement the initiatives. These decisions are outlined in **Appendix 1**.

The Bill Tightens Eligibility for Jobseeker Support and the equivalent Emergency Benefit by introducing a Parental Assistance Test

- 7 The Bill introduces a Parental Assistance Test (PAT), which will apply to specified young people. For the PAT, young people are defined as 18 and 19 year-olds (and in particular circumstances those aged 16 and 17) without dependent children who apply for a relevant benefit, including Jobseeker Support and the Emergency Benefit where the equivalent benefit is Jobseeker Support [SOU-25-MIN-0126 refers].⁴
- 8 It is estimated that 4,300 young people will no longer be eligible for Jobseeker Support or the equivalent Emergency Benefit in the 2027/28 financial year. It is expected that this initiative will achieve a net operating savings of \$163.704 million in Vote Social Development over four years (2025/26 to 2028/29). MSD will apply the PAT at the point of benefit application, reapplication, during ongoing eligibility checks, and when a young person reports a change in circumstances (if applicable to the PAT).
- 9 This initiative will reinforce the expectation that young people who are not in employment, education or training be financially supported by their parents, instead of relying on the welfare system. This is expected to support the reduction in benefit dependency, while ensuring that welfare assistance remains targeted to young people who have no other resources to rely on.
- 10 The PAT will consist of a Parental Support Gap Test (PSGT), and a Parental Income Test (PIT) [SOU-25-MIN-0126 refers]. A young person will have to complete one, or both of these components depending on their personal circumstances.

³ The base rate is an indicator of a client's (and their partner's) income which is based on main benefit rates (and the family tax credit, if applicable).

⁴ Jobseeker Support benefits refer to Jobseeker Support Work Ready, Jobseeker Support Health Condition, Injury, or Disability, Jobseeker Support Student Hardship, and Jobseeker Support on the ground of Hardship.

- 11 Where there is a safety concern with one of a young person’s parents, then the partner of this parent will not be an ‘applicable parent’ for the PIT. The intent of this rule is that MSD does not consider it reasonable to expect a young person to rely on a parent or a parent’s partner for financial support when there is a recognised safety concern.
- 12 There is a pre-determined order in which a young person’s parents are assessed for the PAT. The order promotes the responsibility of natural or adoptive parents to add integrity to this initiative. The order of parents is prescribed by MSD, rather than nominated by the young person.
- 13 Young people will continue to have an obligation to notify MSD of any changes in their circumstances that affects their eligibility to, or rate of benefit. The Bill extends the obligation for a young person to notify MSD of a change in their parent’s income or change in relationship that may impact the young person’s continued eligibility.
- 14 For the key transitional and saving provisions I have agreed that young people receiving relevant benefits at the time of commencement will be subject to a PAT at their next reapplication following commencement.⁵

The PSGT will assess whether a young person cannot reasonably be expected to rely on their parents for financial support

- 15 A young person will have a parental support gap where it is not reasonable for them to rely on their parent/s for financial support (for example, due to a parent’s death, incarceration, or a serious family breakdown) [CAB-25-MIN-0330 and SOU-25-MIN-0126 refers]. Where MSD is satisfied, based on relevant information provided by the young person, that there is a parental support gap, the parent will be excluded from the PAT and not be an ‘applicable parent’ for the purposes of the PIT.
- 16 Relevant information which MSD can rely on to be satisfied that a parental support gap exists could include:
- 16.1 evidence of a pre-established parental support gap,⁶
- 16.2 evidence from an official source or other evidence that MSD is satisfied with (e.g. a Protection Order, or a Death Certificate or Medical Certificate), or
- 16.3 a written supporting statement provided by a professional.⁷
- 17 I have decided that, in order for MSD to rely on a supporting statement, the professional giving the statement must meet set criteria such as being a practising professional in the health, education, justice or social services sector. The professional must be registered with the relevant body regulating their profession, able to provide a current practising certificate and be aware of the young person’s personal circumstances through their professional capacity. The tight criteria for professionals will help ensure the effectiveness and integrity of this initiative.
- 18 Where MSD is satisfied that the young person has taken reasonable steps but is unable to access a relevant professional, I have authorised MSD to nominate a third party to

⁵ If the young person has a change in circumstance that is particular to the PAT, this will not trigger a PAT.

⁶ These circumstances are set out in Appendix One decision 6.1.1 and 6.1.2.

⁷ Details regarding this are set out in Appendix One decision 6.4 and 6.5.

provide a supporting statement for the young person. The nominated person must still meet some set criteria.⁸

- 19 § 9(2)(h) [REDACTED] I intend to use a Ministerial Direction to enact the verification settings for the PSGT in paragraphs 16.2 to 18. § 9(2)(h) [REDACTED]

The PIT will determine whether parent/s income is at or below the income limit

- 20 To be eligible for a relevant benefit, the young person’s parental income must be at or below the parental income limit. Where the parental income is above the limit, the young person will not be eligible for a relevant benefit. The income limit will be aligned to the gross income cut-out point for a couple with dependent children receiving Supported Living Payment (\$67,225) and will be adjusted annually in line with the Annual General Adjustment process [SOU-25-MIN-0126 refers]. This rate is one of the highest benefit cut-out points in the welfare system and is intended to allow young people from very low-income families to access relevant benefits.
- 21 Cabinet previously agreed that parental income will be tested over either the past 52, 26 or four weeks, depending on what period MSD determines best represent the parent/s ability to financially support the young person for the next 26 weeks [CAB-25-MIN-0330 refers]. I have decided to extend this to include assessment periods that are one, two or three weeks, to enable MSD to determine the period which is most representative of the parent’s ability to financially support the young person. These additional assessment periods can be used where the parent has had a recent change in their income.

I intend to update the scope of the PAT for particular circumstances

Extend the PAT to specific 16 and 17 year old clients

- 22 Currently, the scope of the PAT only applies to 18 and 19 year olds. I seek Cabinet’s approval to require a PAT for 16 and 17 year olds in particular circumstances. For:
- 22.1 16 and 17 year olds who are included in the relevant benefit of their partner who is 18 years or older.⁹ There were three people in this cohort as of November 2025, and
- 22.2 16 and 17 year olds who are receiving or applying for Jobseeker Support Student Hardship or the equivalent Emergency Benefit as the qualifying client, and their partner is 18 years or older is or would be included in their benefit.
- 23 Paragraph 22.2 will include the circumstance where the 16 or 17 year old is the qualifying client and their partner is 18 years or older and included in their benefit. This situation is only possible for Jobseeker Support Student Hardship or the

⁸ For details regarding this see Appendix One decision 6.4.

⁹ If a client qualifies for Jobseeker Support and has a 16 or 17 year old partner, the partner can be included in the benefit when legally married, in a civil union, or in a de facto relationship with Family Court Judge consent.

equivalent Emergency Benefit because this benefit allows 16 and 17 year olds to qualify compared to other Jobseeker Support types. Including these 16 and 17 year olds will align with the policy intent that parents of all young people under the age of 20 without dependent children are expected to financially support their children if they are not in employment, education, or training.

Exclude young people who receive Foster Care Allowance from being subject to the PAT

- 24 Cabinet previously agreed that 18 and 19 year olds who have dependent children will not be subject to the PAT. I have made decisions under delegated authority that a PAT will not be required for someone receiving Orphan's Benefit or Unsupported Child's Benefit for a child in their care. However, the child for whom someone receives Foster Care Allowance (FCA) for is not a dependent child based on existing settings in the Act, as this is administered by Oranga Tamariki.
- 25 I seek Cabinets agreement to also exclude young people receiving the FCA for a child in their care from being subject to complete a PAT. This will ensure consistent treatment across these young people who are caregivers of children. It is intended that it covers any partner of that person who is receiving FCA for a person in their care.

Include where appropriate 16 and 17 year olds in all agreed PAT settings

- 26 Many decisions in the previous Cabinet paper only refer to 18 and 19 year olds, which will mean previous Cabinet decisions which specify 18 and 19 year olds do not apply to the 16 or 17 year olds this initiative aims to include. To enable the inclusion of the 16 and 17 year olds in the above situations, I seek Cabinets agreement that where applicable, all PAT settings extend to cohorts in paragraphs 22.1 and 22.2.

The Bill also increases the entry threshold for some homeowners receiving the Accommodation Supplement

- 27 There are approximately 37,000 homeowners receiving AS. The Accommodation Supplement Initiative is estimated to impact 9,300 homeowners receiving AS.¹⁰ It is expected that the Accommodation Supplement Initiative will achieve a net savings of \$36.593 million in Vote Social Development over four years (2025/26 to 2028/29). A portion of these savings are reprioritised to fund a separate Budget 2025 spending initiative: *Accommodation Supplement – Adjusting Area Boundaries*.
- 28 This Bill targets the AS more tightly to some homeowners with higher weekly qualifying accommodation costs by increasing the entry threshold from 30 percent to 40 percent of the relevant base rate [CAB-25-MIN-0126.61 refers]. The entry threshold is the minimum amount homeowners must pay towards their weekly qualifying accommodation costs before being eligible for AS.
- 29 Some homeowners will contribute more of their income to their weekly qualifying accommodation costs before being able to receive AS support. This supports the Government's priority of delivering more effective and fiscally sustainable public

¹⁰ A small number of Student Allowance Accommodation Benefit for a sole parent students may be impacted, as this is calculated the same way the AS. There are approximately 130 sole parent homeowners receiving the Student Allowance Accommodation Benefit.

services, while ensuring that welfare assistance remains targeted to those with the greatest need.

30 I have agreed that:

30.1 there will be no grandparenting of current AS settings and that from 1 April 2027 the new entry thresholds (where applicable) will apply to all existing and new clients.

30.2 AS applications made, but not processed, before 1 April 2027 must be assessed based on previous legislation for the period the person was eligible for AS before 1 April 2027.

The Accommodation Supplement Initiative will not apply to some people

31 The Accommodation Supplement Initiative will not apply to people receiving NZS, VP, SLP, or Emergency Benefit where the equivalent benefit is SLP, or their partners. This recognises that the circumstances of these people are unlikely to change, and they are likely to require welfare assistance over the longer term. This ensures that welfare assistance continues to be provided to vulnerable groups, while reducing reliance on AS support.

The increased entry threshold will not apply to recipients of Emergency Benefit where the equivalent benefit is SLP

32 Cabinet agreed that the entry threshold increase would not apply to recipients of NZS, VP, or SLP as these people are considered to require social assistance over the longer-term [CAB-25-MIN-0126.61 refers]. I have decided that the increase will also not apply to recipients of Emergency Benefit where the equivalent benefit is SLP. The circumstances of these clients are similar to SLP clients, and therefore, the same rationale applies to not apply the increased entry threshold. This is not expected to impact the estimated net savings. It was forecast that less than 50 clients receiving Emergency Benefit would be impacted by the Accommodation Supplement Initiative.

The increased entry threshold will not apply to couples where at least one person is receiving the following 'specified benefits', NZS, VP, SLP, or Emergency Benefit where the equivalent benefit is SLP.

33 The AS is paid to the applicant but is assessed with regard to their family unit. In some cases, one partner in a couple receives a specified benefit and the other does not.

34 I have decided that the homeowner entry threshold increase will not apply to couples where at least one person in the relationship is receiving a specified benefit. This most accurately aligns with Cabinet's intent for the change not to negatively impact clients receiving a specified benefit. This is not expected to impact the estimated net savings. The number of couples on different benefits that could have been impacted is small (around 200 couples).

Contentious items

- 35 As the initiatives forming this Bill are intended to tighten eligibility to financial assistance, it is likely that this Bill may be seen as contentious. I expect MSD to explain the changes to affected clients, and other stakeholders.

Impact analysis

- 36 For the Jobseeker Support Initiative, in accordance with the necessary requirements, a Regulatory Impact Statement (RIS) has been prepared and finalised 10 September 2025. The RIS was reviewed by a panel of representatives from the MSD. It received a ‘partially meets’ rating against the quality assurance criteria for the purpose of informing Cabinet decisions. This assessment recognised there was some limitations to the analysis due to time constraints and no public consultation on the proposals.
- 37 For the Accommodation Supplement Initiative, in accordance with the necessary requirements, a Supplementary Analysis Report (SAR) has been prepared. The SAR was reviewed by a panel of representatives from the MSD and the Ministry of Housing and Urban Development. The SAR received a ‘partially meets’ rating against the quality assurance criteria for the purpose of informing Cabinet decisions. This assessment recognised that “some parts, such as the modelling assumptions and the effects on specific groups, would benefit from more detailed explanation, particularly behavioural changes and wider social effects.”

Compliance

- 38 The Bill complies with each of the following:
- 38.1 the principles of the Treaty of Waitangi;
 - 38.2 advice from the Treaty Provisions Officials Group on any Treaty of Waitangi provisions (not applicable to the Bill);
 - 38.3 the disclosure statement requirements (a disclosure statement has been prepared and is attached to the paper);
 - 38.4 the principles and guidelines set out in the Privacy Act 2020;
 - 38.5 relevant international standards and obligations;
 - 38.6 the [Legislation Guidelines](#) (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 39 I note that the Ministry of Justice will complete vetting of the Bill with respect to its consistency with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990.

- 40 s 9(2)(h)
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s 9(2)(h)

Consultation

- 41 This paper was provided for consultation on 4 April 2026 to the Child Wellbeing and Poverty Reduction Group, Department of Internal Affairs, Office of the Privacy Commissioner, Ministry for Ethnic Communities, Ministry of Health, Ministry of Education, Ministry of Housing and Urban Development, Inland Revenue Department, Ministry of Justice, Ministry of Business Innovation and Employment, Ministry for Primary Industries, Social Investment Agency, Oranga Tamariki, Ministry for Pacific Peoples, Te Puni Kōkiri, Whaikaha, the Public Service Commission, Statistics New Zealand, Te Tari Whakataua, Kāinga Ora, Ministry for Women, Ministry for Youth Development, Ministry for Regulation, and the Treasury.
- 42 The Department of the Prime Minister and Cabinet have been informed.

Binding on the Crown

- 43 The Act will bind the Crown.

Creating new agencies or amending law relating to existing agencies.

- 44 The Bill does not create any new agencies.

Allocation of decision-making powers

- 45 The Bill does not involve the allocation of decision-making powers.

Associated regulations

- 46 The current Social Security Act 2018 includes provisions empowering the making of regulations (the Social Security Regulations 2018). I will be proposing changes to the Regulations regarding exemptions to stand-downs for the Jobseeker Support Initiative which will be progressed through the regulation making process.

Other instruments

- 47 The current Social Security Act 2018 includes provisions empowering the making of regulations (the Social Security Regulations 2018).
- 48 Tightening access to Jobseeker Support and the equivalent Emergency Benefit will introduce two new regulation-making powers that will enable the Governor-General by Order in Council to make Regulations that can:
- 48.1 include income that has been exempted as income, from the general definition of income, under Part 4 of Schedule 8 of the Social Security Regulations 2018, in the definition of parental income
- 48.2 exclude additional sources of income from the definition of parental income.

- 49 I have been advised a Ministerial Direction will be drafted to legislate the verification settings for the PSGT. This direction will enable MSD to implement and enact my earlier decisions (included in **Appendix 1** below).

Definition of Minister/department

- 50 The Bill does not contain a definition of Minister, department, or chief executive.

Commencement of legislation

- 51 Cabinet has agreed that the Bill will come into effect from November 2026 for the Budget 2025 Initiative - Jobseeker Support Initiative; [SOU-25-MIN-0126 refers] and from 1 April 2027 for the Budget 2025 Initiative - Accommodation Supplement Initiative [CAB-25-MIN-0126.61 refers].

Parliamentary stages

- 52 I propose the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill be introduced to the House of Representatives on 11 May 2026
S9(2)(ba)(ii)
- 53 I propose that the Bill be referred to the Social Services and Community Select Committee for consideration to report back in mid-August 2026.

Proactive Release

- 54 I propose to proactively release this paper, the policy papers, and related minutes following introduction of the Bill, subject to any appropriate redactions.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 S9(2)(ba)(ii)
- 2 **note** that via Budget 2025, Cabinet agreed to [CAB-25-MIN-0126.61 refers];
 - 2.1 tightening eligibility to Jobseeker Support and the equivalent Emergency Benefit for 18 and 19 year olds; and
 - 2.2 increasing the Accommodation Supplement Entry Threshold for Some Homeowners;
- 3 **agree** to extend of the scope of the PAT to include 16 and 17 year olds when:
 - 3.1 in a recognised relationship with a person aged 18 years or older and included as a partner in this person's Jobseeker Support or an equivalent Emergency Benefit; or

- 3.2 the 16 or 17 year old has a partner who is aged 18 years or older and included or would be included in their Jobseeker Support Student Hardship or an equivalent Emergency Benefit;
- 4 **agree** that all PAT settings previously agreed for 18 and 19 year olds also extends to the cohort of 16 and 17 year olds in recommendation 3;
- 5 **agree** that where Foster Care Allowance is received by a young person for a child in their care, these young people are not subject to the PAT;
- 6 **agree** to the inclusion of regulation making powers in the Bill that enable the Governor-General by Order in Council to make Regulations that can:
- 6.1 include income that has been exempted from the general definition of income, under Part 4 of Schedule 8 of the Social Security Regulations 2018 in the definition of parental income;
- 6.2 exclude sources of income from the definition of parental income;
- 7 **note** that a Ministerial Direction will be developed to enact the verification requirements for the PSGT;
- 8 **note** that the regulations will be made by Order in Council under section 440 of the Social Security Act 2018;
- 9 **note** that I have made a number of decisions under delegated authority to finalise draft legislation (see **Appendix 1**);
- 10 **authorise** the Parliamentary Counsel Office to make editorial corrections, or other non-substantive (policy neutral) drafting changes, to the Bill in preparation for introduction to the House of Representatives;
- 11 **approve** the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill for introduction, subject to the final approval of the Government caucuses and sufficient support in the House of Representatives;
- 12 **agree** that the Government propose that the Bill be:
- 12.1 referred to the Social Services and Community Select Committee for consideration;
- 12.2 enacted by 2 November 2026 for changes relating to Tightening Eligibility for Jobseeker Support and equivalent Emergency Benefit and 1 April 2027 for Increasing the entry threshold for some homeowners receiving the Accommodation Supplement.

Approved for lodgement

Hon Louise Upston

Minister for Social Development and Employment

Appendix 1: Policy decisions made under delegated authority¹¹

Tightening access to Jobseeker Support and the equivalent Emergency Benefit for 18 and 19 year olds

Parental Assistance Test

- 1 Cabinet has previously agreed [SOU-25-MIN-0126 refers] to the scope of the Parental Assistance Test (PAT). I have made the following additional decisions on the scope of the PAT:
 - 1.1 MSD will reconfirm that a young person meets the PAT every 26 weeks;
 - 1.2 The existing Jobseeker Support single rates for ‘home’ and ‘away from home’ will be maintained;
 - 1.3 The PAT will also apply to 16 and 17 year olds who are in a recognised relationship with a Jobseeker Support or the equivalent Emergency Benefit client who is 18 years or older and included in their benefit;
 - 1.4 Instructed MSD to seek Cabinet approval for the above change in scope via the Cabinet Legislation Committee report;
 - 1.5 The PAT will also be required for a 16 or 17 year old when they are receiving or applying for Jobseeker Support Student Hardship or the equivalent Emergency Benefit as the qualifying client and a partner who is 18 years or older is or would be included in their benefit;
 - 1.6 All PAT settings previously agreed for 18 and 19 year olds also extends to this cohort of 16 and 17 year olds in decisions 1.3 and 1.4, and I have recommended to Cabinet that their previous decisions apply to this cohort;
 - 1.7 That 18 and 19 year olds who receive Foster Care Allowance for a child in their care are not included in the PAT;
 - 1.8 To achieve the intent of all applicants for Emergency Benefit equivalent to Jobseeker Support doing a PAT, they must complete the PAT before they can be considered for the equivalent Emergency Benefit.
- 2 Additionally, Cabinet has previously agreed [SOU-25-MIN-0126 refers] that MSD will confirm that a young person meets the PAT every 26 weeks. I have made the following additional decisions:
 - 2.1 MSD can satisfy the requirement of the PSGT re-check using information MSD already holds in relation to that parental support gap;
 - 2.2 Clients who completed a Parental Income Test (PIT) will be required to confirm whether the parental income has increased as part of the PAT re-check;

¹¹ Delegated Authority provided in the Financial Recommendations: Budget Significant Cabinet Minute - 2025 - 61 Social Development - 14 April 2025 - Budget 2025 Information Release.

- 2.3 Existing settings for Jobseeker Support 26-week reapplication apply for PAT re-checks, in particular those relating to extensions, exceptions and the settings for couples;
 - 2.4 The PAT will be reconfirmed at a young person's next reapplication for Jobseeker Support or application for the equivalent Emergency Benefit.
- 3 Cabinet also previously agreed [SOU-25-MIN-0126 refers] that 18 and 19 year olds who are in a relationship (married or in a civil union or de-facto relationship) will be subject to the PAT. I have made the following additional decisions on how couples are treated by the PAT:
- 3.1 In line with current operational practice, MSD will pay a half-couple rate of the applicable rate of Jobseeker Support or Emergency Benefit to the qualifying partner (where only one partner meets the PAT requirements).
- 4 I have also agreed to the following details relating to transitional arrangements and savings:
- 4.1 If a young person's application or entitlement date (whichever is earlier) for Jobseeker Support or the equivalent Emergency Benefit is before commencement, they will not be subject to the PAT until their next reapplication;
 - 4.2 Young people getting Jobseeker Support at the time of commencement will be required to complete the PAT at their first reapplication after commencement, with an exception for clients who have been sent an 'initial notice to reapply' letter before commencement.
- 5 Additionally, I have made the following decisions relating to a young person's ongoing eligibility following change in circumstances:
- 5.1 If MSD is satisfied there is a change to the young person's parental income which exceeds the parental income limit and this change is likely to last for the duration of grant, the young person no longer meets the PIT and their benefit will stop, unless they meet the PSGT;
 - 5.2 Where there has been a change in circumstances resulting in an increase in parental income, MSD will determine whether the young person's parental income is likely to be above the weekly equivalent of the annual parental income limit for the rest of the duration of grant, to determine their eligibility;
 - 5.3 If MSD is satisfied that a young person no longer has a parental support gap then the young person will no longer meet the PSGT and their benefit will stop, unless they meet the PIT;
 - 5.4 The young person will have an obligation to notify MSD where there has been a change in their parental income or parental support gap that affects their eligibility for benefit;

IN-CONFIDENCE

- 5.5 Young people who were not previously subject to a PAT will have their parental assistance tested before being included in their partner's Jobseeker Support or equivalent Emergency Benefit;
- 5.6 Young people who are receiving Jobseeker Support or equivalent Emergency Benefit, for which they have satisfied a PAT, and are still within 26 weeks since their PAT was assessed, will not have their parental assistance tested when they apply to be included as a partner in the primary client's Jobseeker Support or equivalent Emergency Benefit, but will be subject to the PAT as part of the primary client's next reapplication or application for benefit;
- 5.7 When there is a child exclusion where that exclusion would mean the young person is now subject to the PAT (for example, where the only dependent child was excluded from the person's benefit or a person no longer receives Orphan's Benefit/Unsupported Child's Benefit or Foster Care Allowance for the child), a young person has 20 working days to complete the PAT;
- 5.8 If a young person's last or only child in their care suddenly leaves their care and the young person fails to provide PAT information, or fails to meet the PAT, MSD will stop the benefit and establish a debt from the beginning of the 20 working day period;
- 5.9 When a dependent child is excluded from a young person's benefit for any other reason, and this is the only or last child included in their benefit, the young person will be subject to the PAT immediately from the date the child exclusion occurs and if they do not provide the PAT information by that date their payments will stop;
- 5.10 To progress a change to the Social Security Regulations 2018 which provides an exemption to a stand-down for a person who is applying for a benefit because they were the included partner in a qualifying client's benefit that was cancelled because that client no longer met the Parental Assistance Test (PAT);
- 5.11 That if the required mandatory review notice period (for child exclusions and a client turning 18) occurs while a benefit is suspended or not otherwise payable, MSD will not be required to send a notice;
- 5.12 That MSD must as soon as practicable take reasonable steps to advise the client of the review if the suspension ends or the benefit becomes payable before the review is due;
- 5.13 That where the mandatory review notice period ends while the benefit is suspended or not otherwise payable, and the young person is subject to the PAT, MSD will complete a discretionary review if the client seeks resumption of their benefit;
- 5.14 That for young people who are born on 29 February, MSD will treat the day the young person turns 18 as 1 March in a non-leap year.

Parental Support Gap Test

- 6 Cabinet have previously agreed [SOU-25-MIN-0126 refers] to the high-level settings of the PSGT. I have agreed to the following additional decisions on the settings of the PSGT:
 - 6.1 A parental support gap will be determined for the purposes of the PAT in the following circumstances where a parental support gap has previously been established, for a young person who:
 - 6.1.1 has been in the care or custody of Oranga Tamariki and is entitled under section 386A of the Oranga Tamariki Act 1989 to Transition Support Services;
 - 6.1.2 has a caregiver that was receiving Orphan's Benefit or Unsupported Child's Benefit until the young person's 18th birthday (or until 31 December of the year the young person turns 18 if they are not financially independent and continuing education);
 - 6.2 MSD can use evidence from an official source, such as a parent's death certificate or document confirming that a Protection Order is in place, to determine a client has a parental support gap;
 - 6.3 A person who can verify the applicant's declaration of a parental support gap will be someone in a professional capacity;
 - 6.4 The person who can verify the applicant's declaration of a parental support gap must:
 - 6.4.1 be able to confirm the young person's personal circumstances related to the declared parental support gap;
 - 6.4.2 be willing to be contacted by MSD regarding the parental support gap as declared by a young person;
 - 6.4.3 be at least 20 years old;
 - 6.4.4 not be an immediate family member.
 - 6.5 The person who can verify the applicant's declaration of a parental support gap must also be:
 - 6.5.1 a practicing professional in the health, education, justice or social services sector who is registered with the relevant body regulating the profession, and
 - 6.5.2 able to provide a current practicing certificate in a role that is overseen by a body regulating their profession if required by MSD, and
 - 6.5.3 aware of the young person's personal circumstances through their professional capacity.

- 6.6 Where MSD is satisfied that the young person has taken reasonable steps to access a relevant professional but were unable to, MSD may be satisfied that a parental support gap exists through verification from a third party nominated by MSD who is able to confirm the young person's personal circumstances;
- 6.7 Youth coaches who are contracted service providers are able to verify declarations of a parental support gap as part of the PAT for Youth Payment or Young Parent Payment clients who apply to transfer to Jobseeker Support or the equivalent Emergency Benefit;
- 6.8 Where a parental support gap is established with one parent on the grounds of a safety concern, MSD will not consider the partner of that parent for the PAT to protect the safety of the young person;
- 6.9 When a parental support gap is determined with a natural or adoptive parent (with no safety concern) and the young person has two step -parents, MSD will use the following rules to determine which step-parent to assess for the young Person's PAT:
 - 6.9.1 the step-parent in a relationship with the natural or adoptive parent who the young person does not have a parental support gap with will be assessed first;
 - 6.9.2 except for circumstances where the young person resides with the step-parent whose partner the young person has a parental support gap with for a non-safety related reason, then that step-parent will be assessed first.

Parental Income Test

- 7 Cabinet has previously agreed [SOU-25-MIN-0126 refers] to the high-level settings of the PIT. I have agreed to the following additional decisions on the settings of the PIT:
 - 7.1 To use the general definition of income under Schedule 3 of the Social Security Act 2018 (the SSA) to define parental income for the PIT, subject to the below variations:
 - 7.1.1 To ensure equal treatment of different types of parental income, the following gross payments will also be considered parental income for the PIT:
 - 7.1.1.1 main benefits (as defined in Schedule 2 of the SSA)
 - 7.1.1.2 New Zealand Superannuation and Veteran's Pension
 - 7.1.2 The Accommodation Benefit paid under the Student Allowances Regulations 1998 will not be considered parental income as it is payable for a similar purpose as Accommodation Supplement and the Income-Related Rent Subsidy which are excluded from the general definition of income in Schedule 3 of the SSA.

- 7.2 To expand the four-week parental income assessment period that was previously agreed by Cabinet and include assessment periods of one, two, or three weeks;
- 7.3 To create a discretionary provision that allows MSD to consider including deprived parental income as income for the PIT;
- 7.4 For the purposes of assessing parental income for the PIT MSD will assess income when it is received by the parent;
- 7.5 MSD will assess parental income going back from the date the young person provides that parental income information to MSD's satisfaction, under current application/reapplication settings, when they apply or re-apply for benefit.

Regulation-making powers

- 8 In addition to Cabinet agreements [SOU-25-MIN-0126 refers] relating to the PIT, I have agreed to introduce regulation-making powers that will enable the Governor-General by Order in Council to make Regulations that can:
 - 8.1 include income that has been exempted as income, from the general definition of income, under Part 4 of Schedule 8 of the Social Security Regulations 2018 in the definition of parental income, and
 - 8.2 exclude additional sources of income from the definition of parental income.

Increasing the entry threshold for some homeowners receiving the Accommodation Supplement

- 9 In addition to Cabinet agreement [CAB-25-MIN-0126.61 refers] relating to the Accommodation Supplement, I have made the following decisions:
 - 9.1 not apply the entry threshold increase to homeowners receiving an Emergency Benefit where the equivalent benefit is the Supported Living Payment;
 - 9.2 not apply the entry threshold increase to couples where at least one person in the relationship is receiving New Zealand Superannuation, Veteran's Pension, Supported Living Payment, or the Emergency Benefit where the equivalent benefit is Supported Living Payment;
 - 9.3 that there will be no grandparenting of current Accommodation Supplement settings and that from 1 April 2027 the new entry thresholds (where applicable) will apply to all existing and new clients; and
 - 9.4 introduce transitional provisions which will mean that Accommodation Supplement applications made, but not processed, before 1 April 2027 must be assessed based on previous legislation for any period the person was eligible for Accommodation Supplement before 1 April 2027.