

# New Zealand Superannuation and Veteran's Pension

## 2019 reform package (implement 1 July 2020)

	<b>Modernise and simplify</b>		<b>Rationale</b>
<p><b>Policy issues</b></p> <p>§ 9(2)(f)(iv)</p> <p>§ 9(2)(f)(iv)</p> <p>§ 9(2)(f)(iv)</p>	<p>§ 9(2)(f)(iv)</p> <p>§ 9(2)(f)(iv)</p> <p>§ 9(2)(f)(iv)</p>	<p>§ 9(2)(f)(iv)</p> <p>§ 9(2)(f)(iv)</p>	<ul style="list-style-type: none"> <li>• § 9(2)(f)(iv)</li> <li>• § 9(2)(f)(iv)</li> </ul>
<p><b>Assessing entitlements on an individual basis</b></p>	<p>Removing the direct deduction of an overseas government pension received by a partner or spouse (spousal deduction) <b>[373 people currently]</b></p> <p>Closure of the non-qualified partner (NQP) provision to new applicants – with existing applicants' entitlements continued <b>[13,000 current recipients]</b></p> <p style="text-align: center;">Effective 1 July 2020</p>	<p>Effective 1 July 2020</p>	<ul style="list-style-type: none"> <li>• Simplify eligibility rules for partners and move NZS towards a more individual entitlement</li> <li>• Modernise NZS rules and remove NQP provisions which are less relevant in today's society</li> </ul>
<p><b>For the future...</b></p>	<p>Together, the spousal deduction and NQP changes create the potential for auto enrolment of people turning 65 (with an opt out option) – for later consideration</p> <p><b>[60,000 applications for superannuation over the last 12 months]</b></p>		<ul style="list-style-type: none"> <li>• Reduce compliance costs for applicants</li> <li>• Potential opportunity created by removing spousal deduction and NQP provision</li> </ul>
<p><b>Other changes</b></p>	<p>Other changes including:</p> <ul style="list-style-type: none"> <li>• more equitable treatment for missionaries and other humanitarian volunteers who are overseas</li> <li>• clarifying that the component of any overseas government pension that results from voluntary contributions is not a direct deduction <b>[90 people currently]</b></li> <li>• removing inconsistencies within the 'living alone' definition</li> <li>• protecting the current wage indexation level</li> <li>• other minor technical changes (for example, to tax treatment of some NZS payments)</li> </ul>		<ul style="list-style-type: none"> <li>• Aligning policy practice and legislation (eg tax treatment of some NZS payments)</li> <li>• Address gaps in provision (eg definition of 'living alone')</li> </ul>