

Coversheet

New Zealand Superannuation and Veteran's Pension: Modernisation and Simplification

Hon Carmel Sepuloni, Minister for Social Development

New Zealand Superannuation and Veteran's Pension: Modernisation and Simplification

These documents have been proactively released.

3 April 2019, NZS Reform Regulatory Impact Analysis – Ministry of Social Development

24 April 2019, New Zealand Superannuation and Veteran's Pension: Modernisation and Simplification, and associated appendices – Office of the Minister for Social Development

6 May 2019, Cabinet Minute – New Zealand Superannuation and Veteran's Pension: Modernisation and Simplification – Cabinet Office

8 May 2019, Cabinet Social Wellbeing Committee Minute – New Zealand Superannuation and Veteran's Pension: Modernisation and Simplification – Cabinet Office

In April 2018, Cabinet agreed to a work programme covering a number of aspects of New Zealand Superannuation and Veteran's Pension policy.

On 8 May 2019, Cabinet Social Wellbeing Committee, with delegated authority from Cabinet, agreed to a package of amendments arising from that work programme, and to the development of a Bill to implement these amendments.

The package will take effect from 1 July 2020.

The core of this package is a shift toward assessing entitlement to New Zealand Superannuation and Veteran's Pension on an individual basis:

- The option for a superannuitant to include a 'non-qualified partner' in their rate will be closed.

This means that only people who meet the age and residence criteria for New Zealand Superannuation and Veteran's Pension can receive them.

However, couples where the 'non-qualified partner' has already been included can continue on this rate.

- 'Spousal deduction' will no longer apply to the standard rates of New Zealand Superannuation and Veteran's Pension.

This means that a superannuitant's entitlement to New Zealand Superannuation or Veteran's Pension will no longer be affected by their partner's overseas pension.

Benefits that take into account the income and/or assets of both partners will still take into account the overseas pensions received by both partners. These include the 'non-qualified partner' rates of New Zealand Superannuation and Veteran's Pension, main benefits such as Jobseeker Support, and supplementary assistance.

The package agreed by Cabinet also includes a number of other policy changes:

- People who volunteer overseas for a secular charitable organisation will be treated more equitably with missionaries when determining eligibility for New Zealand Superannuation.
- Any portion of a government-administered overseas pension that derived from voluntary contributions will be exempted from the 'direct deduction' policy. That is, there will no longer be a requirement to deduct these parts of an overseas pension from the recipient's entitlement to a New Zealand benefit or pension.
- Single people living alone in a self-contained mobile home will be able to receive the single living alone rate.
- The current level of wage indexation will be set in legislation. The amount of New Zealand Superannuation or Veteran's Pension paid to a couple who both qualify will need to be at least 66 percent (and no more than 72.5 percent) of the net average weekly wage.
- Minor and technical amendments related to the Special Disability Allowance, taxation of certain payments, residence requirements, and exceptions for certain absences.

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it. This is the key to the redaction codes used for this release:

- Section 9(2)(f)(iv): This information is under active consideration. The release of this information at this time would be likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

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