



27 MAR 2018

Dear [REDACTED]

On 23 January 2018, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

In the previous response it says "between 01 Jan 2013 and 20 Sept 2017, 7,659 NZS overpayment debts have been written off under section 86(9A) of the Social Security Act."

- *Can you please give me a breakdown for each year, and also how much in total for each year was written off?*
- *Also, what was the average amount written off, and the largest amount for each year?*

The Ministry is legislatively required, under the Social Security Act 1964, to collect payment from clients who were overpaid money they were not entitled to. Clients are expected to repay overpayments unless they are written off. Debts can only be written off in a few specific circumstances including under section 86(9A).

Before Ministry staff can write-off a debt under section 86(9A) they must first consider if the debt was caused by error. In addition to this, they must check the debt established against the criteria of Section 86 (9A). These are available on the Work and Income website:

<https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/section-86-9a-criteria-01.html>.

The Ministry's criteria for writing off debt are well defined and documented, and all reasonable and practical recovery options must be exhausted before any debt can be written off.

As per the Ministry's previous response to you, New Zealand Superannuation overpayments can occur for a variety of reasons. This can be due to a change in a client's living situation that means they may no longer qualify for a living alone payment, a change in address, hospitalisation for over 13 weeks, a client's absence from New Zealand exceeding 26 weeks, a child has left their care, a change in marital status, the death of a partner, or the client is imprisoned.

The table below shows the number and total amount of debts written off under section 86(9A) of the Social Security Act 1964, including the average and maximum debts written off for recipients of New Zealand Superannuation, in the calendar years January 1 2013 to 30 September 2017

You will note that in the year 2017 the number of debts written off is relatively higher than previous years. This is the result of bulk processing of the 'Netherlands General Adjustment' on 13 January 2017.

The Netherlands General Adjustment is an adjustment applied to pensions received by Netherlands clients. The Netherlands have a General Adjustment as at 1 January and 1 July.

On 1 January 2017, the Netherlands General Adjustment was incorrectly run from 1 January 2017 instead of 11 January 2017 for a portion of clients receiving a Netherlands pension. The issue was investigated, with individual debts created and subsequently written off, to ensure each client's record reflected the correct rate of payment and pension dates. This event contributed to the number of overpayment debts written off for the 2017 calendar year.

Number and total dollar value of overpayment debts written off under section 86(9A) of the Social Security Act 1964 for recipients of New Zealand Superannuation, including the average and largest value of debts written off in the calendar years 2013 to 30 September 2017.

Calendar Year	Number of debts written off	Mean value of debt written off	Value of largest debt written off	Total value of debt written off
2013	1,181	\$436	\$13,101	\$515,380
2014	1,429	\$542	\$24,616	\$775,170
2015	1,525	\$655	\$25,031	\$998,843
2016	1,328	\$581	\$43,301	\$771,326
2017 (up to 30 September 17)	2,196	\$344	\$35,563	\$755,699

Notes:

- The number of overpayment debts above represent the number of debts written off under section 86(9A) of the Social Security Act 1964, not the number of clients.
- A client may have more than one debt written off under section 86(9A) of the Social Security Act 1964.
- The debts in the above table refer to debts that have been written off while the recipient is receiving New Zealand Superannuation. However, debts may have been created while the recipient was on a different benefit or pension.
- All amounts are rounded to the nearest whole number.
- In 2015, the Netherlands Government stopped the KOB payment and replaced it with a new payment based on the number of years a person has been insured under the AOW pension scheme. 1 January 2015 was also the date of the bi-annual general adjustment of the basic Dutch pension. The Ministry made adjustments to those clients affected by these changes, and worked with the Netherlands authorities to ensure seamless payments to approximately 1,100 clients.

The principles and purposes of the Official Information Act 1982 under which you made your request are:


- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us regarding New Zealand Superannuation overpayments, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely,



Ruth Bound
Deputy Chief Executive, Service Delivery