



2 August 2023

Tēnā koe

On 21 June 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

I have an OIA question around solo parent beneficiaries coming off a benefit and switching over to ACC's Loss of Potential Earnings (LOPE). I understand that benefits must be paid back for the years a person is being paid backdated LOPE. My OIA question is as follows:

1/. How is past child support that has been received by the MSD to offset a solo parent's benefit calculated (if at all) into the equation of the switch over from a benefit to LOPE (when LOPE is backdated)?

I'm wondering if it is paid back to the ex-beneficiary once they switch over to LOPE and their benefit has been paid back for the years that have received backdated LOPE? Or if it's deducted from the overall benefits received before it is paid by the ex-beneficiary (or by ACC on their behalf), etc.

On 19 July 2023, the Ministry contacted you to advise you that more time was required to respond to your request as consultations were necessary to make a decision on it. The Ministry advised that a decision will be with you no later than 2 August 2023.

On 27 July 2023, the Ministry contacted you again to advise you that your request was transferred in part to Inland Revenue as Child Support payments, to which your request relates to, is more closely connected with the functions of Inland Revenue. I apologise for the delay in transferring that part of your request. You can expect a response from Inland Revenue regarding the second part of your request in due course.

Child Support payments were kept by the Government to offset the cost of sole parent benefits prior to 1 July 2023, however, these payments were never passed onto the Ministry. The Ministry has not included any Child Support retained by Inland Revenue when calculating a benefit debt where ACC Loss of Potential Earnings entitlement is backdated.

In the spirit of being helpful, we have provided some contextual information below that you may find useful.

A client can receive a benefit and/or extra help (provided they meet the appropriate eligibility criteria) while they are waiting for a decision on their ACC application. The benefit is granted on the condition that the benefit paid would be refunded out of the weekly compensation subsequently paid for the same period.

Please see the following link containing information for clients who are waiting for a decision to be made on their ACC application:

- www.workandincome.govt.nz/map/income-support/core-policy/income/types-of-income/clients-waiting-for-compensation-01.html

When a person is retrospectively granted ACC weekly compensation for the same period a benefit was paid, the Ministry needs to reassess the client's benefit entitlement, and an overpayment is established for the amount of benefit paid during that period. ACC will reimburse Work and Income from any arrears due to the client before the client receives them. ACC pay the balance to the client.

You can find more information relating to the weekly compensation granted after benefit granted at the following link:

- www.workandincome.govt.nz/map/income-support/core-policy/income/types-of-income/weekly-compensation-granted-after-benefit-granted-01.html

You may also find useful information relating to the treatment of ACC payments which can be found at the link below.

- www.workandincome.govt.nz/map/income-support/core-policy/income/types-of-income/quick-reference-guide-for-the-treatment-of-acc-pay-01.html

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. The Ministry will do this by publishing this letter the Ministry'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, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding sole parent beneficiaries, 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.

Ngā mihi nui

Bridget Saunders

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**Manager Issue Resolution
Service Delivery**