Benefit Fact Sheets

Snapshot - December 2021 Quarter

The Benefit Fact Sheets provide a high-level view of trends in benefit receipt. The Benefit Fact Sheets are published quarterly and contain information on income support provided by the Ministry.
In the Benefit Fact Sheets Snapshot

Contents

Main benefit assistance

Main benefits
Jobseeker Support (JS)
Sole Parent Support (SPS)
Supported Living Payment (SLP)
Regional distribution of Jobseeker Support
Regional distribution of Sole Parent Support

Benefit grants and cancellations

Benefit grants
Benefit cancellations

Benefit sanctions

Benefit sanctions

Supplementary assistance

Supplementary assistance

Hardship assistance

Total hardship assistance
Reasons for granting hardship assistance
Special Needs Grants (SNGs)
Benefit Advances (ADVs)

Protecting our clients information – confidentiality

All information in this document has been randomly rounded to base 3. Data found here is rounded independently from other products produced by the Ministry of Social Development (MSD) resulting in small differences in the data between products.

From 12 February 2021, MSD is applying a range of new confidentiality procedures to public data releases. These will continue to protect client information, while making more data available. To find out how we have changed the way we work with client information visit: https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-keep-data-private.html

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Published January 2022
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Benefit Fact Sheets | December 2021 Quarter
The number of working-age people receiving a main benefit, as at the end of December 2021, was 5.5 percent lower when compared to the December 2020 quarter. Benefit numbers as a proportion of the working-age population decreased to 11.7 percent from 12.4 percent as at the end of December 2020.

The working-age population is a subset of the estimated New Zealand resident population, defined as those aged 18–64. To calculate population proportions, the working-age population is used, as at the most recent June estimate available.

Jobseeker Support (JS)

As at the end of December 2021, the number of working-age people on Jobseeker Support decreased by 11.5 percent, when compared to the December 2020 quarter. This is due to the decrease in Jobseeker Support – Work Ready, which decreased by 21.1 percent when comparing the end of December 2021 (106,632) to December 2020 (134,829).

Jobseeker Support is for people who are actively looking for or preparing for work. It includes people with part-time work obligations and those who cannot look for work at the moment (e.g. those with a health condition, injury, or disability).
As at the end of December 2021, the number of working-age people on Sole Parent Support increased by 8.4 percent, when compared to the December 2020 quarter. The proportion of working-age people receiving SPS increased to 2.3 percent as at the end of December 2021.

Sole Parent Support is for single parents, with at least one dependent child under 14 years.

73,263 working-age people receiving Sole Parent Support as at the end of December 2021

2.3 percent of the working-age population receiving Sole Parent Support as at the end of December 2021

As at the end of December 2021, the number of working-age people on Supported Living Payment decreased by 0.5 percent, when compared to the December 2020 quarter. The proportion of working-age people receiving SLP remained steady at 3.0 percent as at the end of December 2021.

Supported Living Payment is for people who have, or care for someone with, a health condition, injury or disability that limits their ability to work. The long-term nature of conditions for people on Supported Living Payment mean that fewer people transfer to other benefits or move into paid employment, compared to other benefit types.

93,918 working-age people receiving Supported Living Payment as at the end of December 2021

3.0 percent of the working-age population receiving Supported Living Payment as at the end of December 2021
Regional distribution of Jobseeker Support as a proportion of the working-age population, by Work and Income region, as at December 2021

The proportion of the working-age population* receiving Jobseeker Support decreased in all regions. Northland had the highest proportion receiving Jobseeker Support at 10.2 percent, as at the end of December 2021.

Comparing the end of December 2021 with December 2020, the largest percentage point decreases were seen in Taranaki (1.2 percent), East Coast (1.1 percent), and Northland and Central (1.0 percent).

Work and Income has 11 geographical regions. An extra category, "Other Region", is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

* The regional estimated working-age population figures used on pages three and four of this report have been calculated using Statistics New Zealand’s revised regional population estimates as at June 2021.
The proportion of the working-age population receiving Sole Parent Support slightly increased or remained the same in most regions. Northland had the highest proportion at 4.2 percent, as at the end of December 2021.

Comparing end of December 2021 with December 2020, the largest percentage point increases were seen in Northland (0.4 percent), and Bay of Plenty and Waikato (0.3 percent).

Work and Income has 11 geographical regions. An extra category, “Other Region” is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.
The total number of benefits granted during the December 2021 quarter decreased by 2,985, or 4.5 percent, when compared with the December 2020 quarter.

There were 35,346 benefit grants for Jobseeker Support (JS) during the December 2021 quarter, a decrease of 8,127, or 18.7 percent, when compared with the December 2020 quarter.

A benefit grant is the formal acceptance of entitlement to a benefit. The numbers reported here are for the total number of main benefits granted during the December quarter, for the last six December quarters (i.e. 1 October to 31 December).

The number of sanctions issued during the December 2021 quarter was 5,040. Between 23 March 2020 and 27 May 2020, work related obligation failures were suspended. They restarted back in late June 2020 and have been increasing quarter on quarter since then.

A sanction is a reduction in a person’s benefit that may occur if they do not fulfil their work obligations. Sanctions can affect benefit recipients in a number of ways, depending on their circumstances and the number of times they have had a sanction over the last 12 months. There are three types of sanctions: graduated (i.e. percentage reduction in benefit amount), suspended, or cancelled.
The Accommodation Supplement is a weekly payment to assist people on low incomes with their rent, board, or the cost of owning a home, but is not available to those in public housing or charged Income-Related Rent. The number of people receiving an Accommodation Supplement tends to change in line with main benefit numbers.

The Disability Allowance is a weekly payment to assist people who have on-going costs because of a disability. A person does not need to be receiving a main benefit in order to qualify for the Disability Allowance. The number of people receiving a Disability Allowance tends to change in line with main benefit and New Zealand Superannuation numbers.

Temporary Additional Support is a weekly payment that helps people to cover essential living costs that cannot be met from their income or other resources. A person does not have to be receiving a main benefit to qualify for Temporary Additional Support. Temporary Additional Support replaced Special Benefit in 2006, however some people are still entitled to receive Special Benefit, therefore these are counted together.

The maximum main benefit reduction for sole parents and couples with dependent children is 50 percent, when sanctioned within a 12-month period. For people without a de facto partner or couples with no dependent children, the first sanction is a maximum 50 percent reduction of their main benefit; for a second non-fulfilment of an obligation, they face a 100 percent suspension of their main benefit; and a third sanction will then result in a cancellation of their benefit.

As at the end of December 2021, there were 690 graduated sanctions actively in place (i.e. when a client has a percentage reduction in their weekly benefit rate).

Not everyone who does not fulfil their obligations gets sanctioned; if benefit recipients re-comply or provide additional information, the sanction can be overturned.
Hardship assistance

A total of 567,075 hardship assistance payments, worth $231,332,494 were provided during the December 2021 quarter. Compared with the December 2020 quarter, the number of hardship assistance payments was 10.6 percent lower but the value of hardship payments was 7.6 percent higher.

Hardship assistance includes, but is not limited to: Special Needs Grants (SNGs), Benefit Advances (ADVs) and Recoverable Assistance Payments (RAPs). These forms of assistance are designed to help people who have immediate needs. The numbers reported for hardship assistance are those provided within the December quarter (i.e. 1 October to 31 December). Hardship assistance data is not limited to the working-age population (i.e. 18–64 years).

Total hardship assistance

Figure 13a. Number of hardship payments provided during the quarter for the last six December quarters, by type of assistance

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Dec-17</th>
<th>Dec-18</th>
<th>Dec-19</th>
<th>Dec-20</th>
<th>Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNGs</td>
<td>225,423</td>
<td>252,423</td>
<td>385,041</td>
<td>573,852</td>
<td>634,209</td>
<td>567,075</td>
</tr>
<tr>
<td>BAPs</td>
<td>290,070</td>
<td>290,070</td>
<td>385,041</td>
<td>573,852</td>
<td>634,209</td>
<td>567,075</td>
</tr>
<tr>
<td>RAPs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

567,075 hardship payments provided during the December 2021 quarter

Figure 13b. Value of hardship payments provided during the quarter for the last six December quarters, by type of assistance

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Dec-17</th>
<th>Dec-18</th>
<th>Dec-19</th>
<th>Dec-20</th>
<th>Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNGs</td>
<td>$71.2m</td>
<td>$75.0m</td>
<td>$108.9m</td>
<td>$165.4m</td>
<td>$215.1m</td>
<td>$231.3m</td>
</tr>
<tr>
<td>BAPs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAPs</td>
<td></td>
<td></td>
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</tbody>
</table>

567,075 is the value of hardship payments provided during the December 2021 quarter

Reasons for granting hardship assistance

Figure 14a. Number of hardship payments provided during the quarter for the last six December quarters, by selected reason

Figure 14b. Value of hardship payments provided during the quarter for the last six December quarters, by selected reason

The number of Special Needs Grants (SNGs) for food has decreased since the December 2020 quarter. There were 41,235 fewer food SNGs provided, totalling 317,769 during the December 2021 quarter. The value of food SNGs provided decreased by 9.7 percent to $31,755,246 during the December 2021 quarter.

The number of Emergency Housing Special Needs Grants (EH SNGs) during the December 2021 quarter increased when compared with the same period last year. There were 933 more EH SNGs provided, totalling 40,275 during the December 2021 quarter.
The number of Special Needs Grants provided was 44,844 fewer during the December 2021 quarter when compared to the same period in 2020. The value of grants provided increased from $130,770,852 during the December 2020 quarter to $151,657,458 during the December 2021 quarter.

A Special Needs Grant provides a non-taxable, one-off recoverable or non-recoverable payment to help people meet immediate needs. A person does not need to be receiving a main benefit to be eligible for a Special Needs Grant.

The number of Benefit Advances provided was 23,640 fewer during the December 2021 quarter, compared with the December 2020 quarter. This has resulted in the value of Benefit Advances provided decreasing by 7.8 percent to a total of $71,264,634.

Anyone receiving a main benefit who requires assistance to meet an immediate essential need can have access to a Benefit Advance. The advance can be up to six weeks of their net entitlement, and is recovered from subsequent payments of benefit. People not receiving a main benefit may receive Recoverable Assistance Payments.