



# **Social Security (Long-term Residential Care—Budget Measures) Amendment Act 2012**

Public Act 2012 No 40  
Date of assent 29 May 2012  
Commencement see section 2

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**The Parliament of New Zealand enacts as follows:**

- 1 Title**  
This Act is the Social Security (Long-term Residential Care—Budget Measures) Amendment Act 2012.

**2 Commencement**

This Act comes into force on 1 July 2012.

**3 Principal Act**

This Act amends the Social Security Act 1964 (the **principal Act**).

**Part 1**

**Applicable asset thresholds: Indexation**

**4 Purpose and application**

- (1) This Part amends the Social Security Act 1964 to ensure that the long-term residential care applicable asset thresholds for the year 1 July 2011 to 30 June 2012 are on 1 July in 2013, and on every following 1 July, subject to a required annual Consumers Price Index (or CPI) adjustment.
- (2) By way of explanation, the applicable asset threshold is the value of assets applied to determine whether a resident assessed as requiring care must use his or her assets to pay the cost of contracted care services provided to the person.
- (3) The principal Act as amended by this Part on 1 July 2012 applies in respect of residents assessed as requiring care before, on, or after 1 July 2012.

**5 Section 155 amended (Regulations relating to this Part)**

- (1) In section 155(1)(i), after “increasing”, insert “the applicable asset thresholds and”.
- (2) In section 155(2), before “income-from-assets exemption”, insert “applicable asset thresholds set out in Part 1 of Schedule 27 must be increased on 1 July 2013, and on every following 1 July, and the”.
- (3) In section 155(2A), before “must”, insert “insofar as they are required for the income-from-assets exemption (but not insofar as they are required for the applicable asset thresholds)”.
- (4) In section 155(3), after “the adjusted amount of”, insert “an applicable asset threshold or, as the case requires, of”.
- (5) In section 155(3)(b), after “based on the”, insert “applicable asset threshold or the”.

## Part 2

### Applicable asset thresholds: General

#### 6 Purpose and application

- (1) This Part amends the Social Security Act 1964 to ensure that the long-term residential care applicable asset thresholds for the year 1 July 2011 to 30 June 2012—
  - (a) also apply for all later years beginning on 1 July; but
  - (b) are, for the year 1 July 2012 to 30 June 2013, Consumers Price Index (or CPI) adjusted.
- (2) By way of explanation, the applicable asset threshold is the value of assets applied to determine whether a resident assessed as requiring care must use his or her assets to pay the cost of contracted care services provided to the person.
- (3) The principal Act as amended by this Part on 1 July 2012 applies in respect of residents assessed as requiring care before, on, or after 1 July 2012.

#### 7 Schedule 27 amended

In Schedule 27, replace clauses 1 and 2 with:

##### “1 Applicable asset thresholds

- “(1) This clause specifies the applicable asset thresholds that apply annually for the year 1 July 2012 to 30 June 2013 and for all later years beginning on 1 July.
- “(2) Threshold A is \$213,297 and applies to every resident assessed as requiring care—
  - “(a) who has no spouse or partner; or
  - “(b) whose spouse or partner is also a resident assessed as requiring care; or
  - “(c) whose spouse or partner is not a resident assessed as requiring care but who has elected, under clause 2, to have Threshold A apply to him or her rather than Threshold B.
- “(3) Threshold B is \$116,806 and applies to every resident assessed as requiring care—
  - “(a) whose spouse or partner is not a resident assessed as requiring care; and
  - “(b) who has not elected, under clause 2, to have Threshold A apply to him or her.

- “2 Certain residents may elect which threshold to apply**
- “(1) A resident assessed as requiring care whose spouse or partner is not a resident assessed as requiring care may elect to have Threshold A in clause 1 apply to him or her instead of having Threshold B in clause 1 apply.
- “(2) A resident’s election before 1 July 2012 and under this clause (as in force before 1 July 2012) to have Column A of the table in clause 1 (as in force before 1 July 2012) apply to him or her is, after 30 June 2012, treated as an election to have Threshold A in clause 1 apply to him or her.”

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**Legislative history**

24 May 2012	Introduction (Bill 21–1), first reading, second reading, committee of the whole House, and third reading
29 May 2012	Royal assent

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This Act is administered by the Ministry of Social Development.

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