



# Social Assistance Legislation (Budget 2019 Welfare Package) Amendment Act 2019

Public Act 2019 No 23  
Date of assent 5 June 2019  
Commencement see section 2

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

**1 Title**

This Act is the Social Assistance Legislation (Budget 2019 Welfare Package) Amendment Act 2019.

## 2 Commencement

- (1) This Act comes into force on the day after the date of Royal assent.
- (2) However, the following specified provisions come into force on 1 April 2020:
  - (a) sections 4 to 7, 10(3), 13, and 14 (and Part 1 of the Schedule) (repeal of MSD's duty to reduce rates of benefits for sole parents for failure to assist child support):
  - (b) section 16 (authorising the Commissioner to decide that a social security beneficiary is not required to apply for a formula assessment):
  - (c) sections 18 to 20 (abatement of veteran's pension).

## Part 1 Amendments to Social Security Act 2018

### *Principal Act*

## 3 Principal Act

This Part amends the Social Security Act 2018 (the **principal Act**).

*Repeal of MSD's duty to reduce rates of benefits for sole parents  
for failure to assist child support*

## 4 Section 5 amended (Guide to this Act)

In section 5(4), delete "failure to assist child support,".

## 5 Section 183 amended (What this Part does)

Repeal section 183(2)(d).

## 6 Sections 192 to 194 and cross-heading above section 192 repealed

Repeal—

- (a) sections 192 to 194; and
- (b) the cross-heading above section 192.

## 7 Section 418 amended (Regulations: general)

Repeal—

- (a) section 418(1)(i); and
- (b) the paragraph heading above section 418(1)(i).

*Mandatory annual adjustment of rates of main benefits*

## 8 New section 452A inserted (Orders in Council: mandatory annual average weekly earnings adjustment of rates of main benefits)

After section 452, insert:

**452A Orders in Council: mandatory annual average weekly earnings adjustment of rates of main benefits**

- (1) The rates of benefits set out in the provisions to which this subsection applies must be adjusted, by Order in Council, as at 1 April each year so that in each case the new rate is the rate at that date adjusted by any percentage movement upwards in average ordinary time weekly earnings between—
  - (a) average ordinary time weekly earnings, expressed on a base quarter, last published before 1 March in that year; and
  - (b) average ordinary time weekly earnings expressed on the same base quarter of the year immediately preceding the year of the base quarter referred to in paragraph (a).
- (2) Subsection (1) applies to the following provisions:
  - (a) Part 1 of Schedule 4 (rates of jobseeker support):
  - (b) Part 2 of Schedule 4 (rates of sole parent support):
  - (c) Part 3 of Schedule 4, including clause 2, but excluding clauses 3 and 4 (rates of supported living payment):
  - (d) Part 6 of Schedule 4, other than any rate of incentive payment in subpart 3 of Part 6 of Schedule 4 (rates and component of youth payment and young parent payment, and criteria for incentive payments):
  - (e) Part 10 of Schedule 4 (rates of generally abolished former widows' benefits under section 21 of the Social Security Act 1964 as saved by clause 55 of Schedule 1 for reciprocity agreement applicants or recipients):
  - (f) Part 11 of Schedule 4 (rates of generally abolished former DPB for solo parents under section 27B of the Social Security Act 1964 as saved by clause 55 of Schedule 1 for reciprocity agreement applicants or recipients).
- (3) An adjustment under subsection (1) also affects the maximum rate at which MSD may grant an emergency benefit (*see* section 63(4)).
- (4) An adjustment under subsection (1) must not reduce the weekly amounts of benefits payable under those Parts of Schedule 4.
- (5) Every Order in Council made under subsection (1)—
  - (a) comes into force or is considered to come into force on 1 April of the calendar year in which it is made; and
  - (b) applies to benefits payable on and after that date.
- (6) In this section,—

**average ordinary time weekly earnings** means average ordinary time weekly earnings (per full-time equivalent) as determined by the Quarterly Employment Survey of wages published (as original, or revised, statistics) by Statistics New

Zealand (after the deduction of standard tax, and the earner levies, payable as at 1 April of the following year, on those earnings)

**earner levies** means the levies payable under section 219(1) of the Accident Compensation Act 2001

**standard tax** means the amount of tax reckoned on a weekly basis that would be deductible in accordance with the tax code “M” stated in schedule 5, part A, clause 4, table row 1 of the Tax Administration Act 1994.

**9 Section 453 amended (Orders in Council: mandatory annual CPI adjustment of rates of certain benefits)**

- (1) In the heading to section 453, after “**certain benefits**”, insert “**that are not main benefits**”.
- (2) Replace section 453(2) with:
  - (2) Subsection (1) applies to the following provisions:
    - (a) Part 4 of Schedule 4 (orphan’s benefit):
    - (b) Part 5 of Schedule 4 (unsupported child’s benefit):
    - (c) Part 12 of Schedule 4 (rates of benefits payable to long-term hospital patients).
- (3) In section 453(4), replace “schedules” with “Parts of Schedule 4”.

*Mandatory annual adjustment of rates of main benefits and  
repeal of MSD’s duty to reduce rates of benefits for sole parents  
for failure to assist child support*

**10 Schedule 1 amended**

- (1) In Schedule 1, heading to clause 55(6), replace “*CPI*” with “*average weekly earnings*”.
- (2) In Schedule 1, clause 55(6), replace “453” with “452A”.
- (3) In Schedule 1, after Part 2, insert the Part 3 set out in Part 1 of the Schedule of this Act.

*Mandatory annual adjustment of rates of main benefits*

**11 Schedule 2 amended**

- (1) In Schedule 2, insert in their appropriate alphabetical order:

**average ordinary time weekly earnings** is defined in section 452A(6) for the purposes of section 452A

**earner levies** is defined in section 452A(6) for the purposes of section 452A

**standard tax** is defined in section 452A(6) for the purposes of section 452A

- (2) In Schedule 2, definition of **incentive payment**, replace “453(2)(f)” with “452A(2)(d)”.

**12 Schedule 4 amended**

In the Schedule 4 heading, after “452,”, insert “452A,”.

*Repeal of MSD’s duty to reduce rates of benefits for sole parents  
for failure to assist child support:  
consequential amendments to other enactments*

**13 Social Security Regulations 2018 amended**

- (1) This section amends the Social Security Regulations 2018.
- (2) Revoke—
  - (a) regulation 108(e); and
  - (b) subpart 5 of Part 4.

**14 Child Support Act 1991 amended**

- (1) This section amends the Child Support Act 1991.
- (2) Repeal—
  - (a) section 9(6), (6B), and (7); and
  - (b) section 122(2).

**Part 2****Amendments to other Acts****Subpart 1—Amendment to Child Support Act 1991***Principal Act***15 Principal Act**

This subpart amends the Child Support Act 1991 (the **principal Act**).

*Commissioner authorised to decide social security beneficiary is not required  
to apply for formula assessment*

**16 Section 9 amended (Social security beneficiaries must apply for formula assessment)**

In section 9(5B), before “the chief executive of the department for the time being responsible for the administration of the Social Security Act 2018”, insert “either the Commissioner or”.

## Subpart 2—Amendments to Veterans’ Support Act 2014

*Principal Act***17 Principal Act**

This subpart amends the Veterans’ Support Act 2014 (the **principal Act**).

*Abatement of veteran’s pension***18 Section 158 amended (Interpretation)**

In section 158(1), repeal the definition of Income Test 3.

**19 Section 171 replaced (Abatement of veteran’s pension)**

Replace section 171 with:

**171 Abatement of veteran’s pension**

- (1) The amount payable to a veteran who is entitled to a veteran’s pension under section 161 or 164 is subject to abatement in accordance with regulations made under section 265.
- (2) Regulations made under section 265 may require different abatement (for example, different income tests, abatement rates, and abatement thresholds (for example, amounts, ranges, or both, of income per week)) for—
  - (a) a veteran’s pension under section 161 and a veteran’s pension under section 164:
  - (b) a veteran’s pension under section 164 if the veteran receives the veteran’s pension at—
    - (i) the relationship rate, the single living alone rate, or the single sharing accommodation rate:
    - (ii) the relationship (partner not receiving superannuation or pension) rate or the relationship (partner not receiving superannuation or pension) legacy rate.
- (3) Regulations made under section 265 that increase an amount of an abatement threshold (prescribed by regulations of that kind) for abatement of a veteran’s pension under section 161 or 164—
  - (a) must state the date on which they are to have effect (which may be a date before the date on which they were made); and
  - (b) apply to abatement thresholds as applicable on or after the date on which the regulations have effect.
- (4) Subsection (3) does not authorise any payment to be made before the date on which the regulations that increase the abatement threshold are made.

Compare: 2018 No 32 s 452

**20 Section 265 amended (Regulations)**

After section 265(1)(29), insert:

(29A) section 171 (abatement of veteran's pension):

**21 Schedule 1 amended**

In Schedule 1, after Part 2, insert the Part 4 set out in Part 2 of the Schedule of this Act.

**Schedule**  
**Transitional, savings, and related provisions**

ss 10(3), 21

**Part 1**  
**New Part 3 of Schedule 1 of Social Security Act 2018**

**Part 3**  
**Provision relating to Social Assistance Legislation (Budget 2019  
Welfare Package) Amendment Act 2019**

- 79 Effect of repeal of MSD's duty to reduce rates of benefits for sole parents for failure to assist child support**
- (1) This clause applies to a benefit referred to in section 192(1)(b) that a sole parent receives if, at the close of 31 March 2020, MSD—
- (a) has reduced the benefit under section 192(2); or
  - (b) has reduced the benefit under section 192(2) and has further reduced the benefit under section 194.
- (2) On and after 1 April 2020, the benefit is no longer subject to—
- (a) the reduction under section 192(2); or
  - (b) the reduction under section 192(2) and the additional reduction under section 194.
- (3) This clause applies even if that reduction, or that reduction and that additional reduction, would be required under the following enactments if they were not repealed or revoked on 1 April 2020:
- (a) sections 192 to 194; and
  - (b) subpart 5 of Part 4 of the Social Security Regulations 2018.
- (4) However, the repeal or revocation on 1 April 2020 of those enactments does not limit or affect any reduction or additional reduction MSD is required to make under those enactments because of their previous operation (in respect of any period, or periods, before or on 31 March 2020).

**Part 2**  
**New Part 4 of Schedule 1 of Veterans' Support Act 2014**

**Part 4**  
**Provision relating to Social Assistance Legislation (Budget 2019  
Welfare Package) Amendment Act 2019**

**21 Exercise of powers after enactment and before 1 April 2020**

- (1) This clause applies to a power conferred by section 265(1)(29A) (as that section is to be inserted by the Social Assistance Legislation (Budget 2019 Welfare Package) Amendment Act 2019).
- (2) The power may be exercised after the enactment of that Act and before the commencement on 1 April 2020 of that section.
- (3) If this clause is to be, or has been, relied on to exercise a power,—
  - (a) all other enactments relevant to the power's exercise, and that have not yet commenced, must be treated as if they had commenced; and
  - (b) a legal position that would be conferred or imposed by an enactment relevant to the power's exercise, and that has not yet commenced, must be treated as if it has accrued or been imposed.
- (4) Anything that results from the exercise of the power may take effect only on or after 1 April 2020.
- (5) However, that limit does not apply if the exercise of the power is necessary or desirable—
  - (a) to bring the power, and all other enactments relevant to the power's exercise, into operation; or
  - (b) in connection with bringing the power, and all other enactments relevant to the power's exercise, into operation; or
  - (c) to amend, revoke, or replace anything previously done in reliance on this clause.

**Legislative history**

30 May 2019

Introduction (Bill 150–1), first reading, second reading,  
committee of the whole House, third reading

5 June 2019

Royal assent

This Act is administered by the Ministry of Social Development.