

Reprint
as at 25 October 2016



**Social Security (Criteria for Incentive Payments and
Money Management) Regulations 2012**
(SR 2012/207)

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 6th day of August 2012

Present:

His Excellency the Governor-General in Council

Pursuant to section 132 of the Social Security Act 1964, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

These regulations are administered by the Ministry of Social Development.

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Regulations

1 Title

These regulations are the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012.

2 Commencement

These regulations come into force on 20 August 2012.

3 Interpretation

(1) In these regulations, unless the context otherwise requires,—

Act means the Social Security Act 1964

contracted service provider, in relation to a young person, means the contracted service provider assigned to that young person under section 181 of the Act

incentive payment has the same meaning as in section 3(1) of the Act

specified benefit means a benefit referred to in any of paragraphs (a) to (d) of the definition of **specified beneficiary** in section 157 of the Act

specified payment, in relation to a young person, means—

- (a) any youth support payment payable to the young person (including the in-hand allowance up to the maximum set out in clause 6 of Schedule 26 of the Act):

- (b) any WFF tax credit payable to the young person by the chief executive:
- (c) for the purposes of section 179(4)(a)(iv) of the Act,—
 - (i) the amount of any accommodation supplement, temporary additional support, or childcare assistance to which the young person is entitled (other than a payment for childcare assistance made to a provider under the Social Security (Childcare Assistance) Regulations 2004):
 - (ii) the amount of any special assistance of an ongoing kind under section 124(1)(d) of the Act to which the young person is entitled (other than a payment for childcare made to a provider under any such welfare programme):
 - (iii) the amount of any incentive payment payable to the young person:
 - (iv) in relation to a young person to whom section 171(1) or (2) of the Act applies, the portion of the specified benefit payable to the young person under section 83 of the Act

young person means a person aged at least 16 years but under the age of 20 years

youth support payment has the same meaning as in section 3(1) of the Act.

- (2) A term that is used in these regulations and not defined, but defined in the Act, has the same meaning as in the Act.

Part 1

Criteria for incentive payments

4 When young person meets criteria for payment of education, training, or work-based learning incentive payment

A young person meets the criteria for the payment of an education, training, or work-based learning incentive payment if—

- (a) the young person is receiving a youth payment or a young parent payment; and
- (b) the young person has, since starting to receive a youth support payment, completed 6 months' participation and achievement in education, training, or work-based learning, as the case may be; and
- (c) the contracted service provider in question has confirmed to the department or, as the case requires, the department is satisfied that the young person has complied with paragraph (b).

5 When young person meets criteria for payment of budgeting incentive payment

A young person meets the criteria for the payment of a budgeting incentive payment if—

- (a) the young person is receiving a youth payment or a young parent payment; and
- (b) the young person has, since starting to receive a youth support payment, completed 3 continuous months' attendance and participation in discussions on budgeting with his or her contracted service provider or, as the case requires, an officer of the department; and
- (c) the young person has completed a budgeting programme approved by the chief executive for the purposes of section 170(1)(b) of the Act; and
- (d) the service provider has confirmed to the department, or, as the case requires, the department is satisfied, that the young person has complied with paragraph (b).

6 When young person meets criteria for payment of parenting education incentive payment

- (1) A young person meets the criteria for the payment of a parenting education incentive payment if—
 - (a) the young person is receiving a young parent payment; and
 - (b) the young person has, since starting to receive a youth support payment, completed 3 continuous months' regular engagement with his or her contracted service provider or, as the case requires, an officer of the department; and
 - (c) the service provider has confirmed to the department, or, as the case requires, the department is satisfied, that the young person has complied with paragraph (b); and
 - (d) the young person has participated in and completed a parenting education programme approved by the chief executive for the purposes of section 170(1)(c) of the Act; and
 - (e) each of his or her dependent children is enrolled with a primary health organisation; and
 - (f) each of his or her dependent children aged 5 years or below is up to date with checks under the WellChild programme or any similar programme established in its place; and
 - (g) each of his or her dependent children aged 5 years or below attends an approved early childhood education programme or is placed in other suitable childcare during any time that the young person spends in education, training, work-based learning, or part-time work.
- (2) If a young person is unable to comply with the requirements of any of sub-clause (1)(d) to (g) because of the unavailability of the programme, service, or enrolment in question, the young person must be treated as complying if he or she takes steps agreed with the young person's contracted service provider or,

as the case requires, with the department in preparation for the availability of the programme, service, or enrolment (for example, enrolling on a waiting list).

Part 2

Money management

7 When money management applies

- (1) Subject to subclause (2), regulation 8 applies to a young person if—
 - (a) a specified payment is payable to a young person; and
 - (b) the young person has given to the department or to his or her contracted service provider the information required under section 170(1)(ea) of the Act; and
 - (c) the young person has not opted out under regulation 10.
- (2) Until the information required under section 170(1)(ea) of the Act has been given, a benefit or payment referred to in subclause (1)(a) must be paid to or on account of the young person entitled to it in accordance with section 82(3) of the Act.

Regulation 7(1)(b): replaced, on 8 July 2016, by section 42(1) of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2016 (2016 No 36).

Regulation 7(2): replaced, on 8 July 2016, by section 42(2) of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2016 (2016 No 36).

8 How specified payment may be paid

- (1) Subject to section 177(2) of the Act, the chief executive must pay each instalment of a specified payment payable to the young person in the following order and manner:
 - (a) first, by paying such amount as the chief executive thinks reasonable in the circumstances of the young person directly towards the young person's accommodation costs and service costs;
 - (b) secondly, by paying such amount as the chief executive thinks reasonable in the circumstances of the young person directly towards the young person's debts or other liabilities (including any reduction or deduction required or authorised under the Act);
 - (c) thirdly, by paying to or on account of the young person the in-hand allowance up to the amount specified in clause 6 of Schedule 26 of the Act;
 - (d) fourthly, unless subclause (2) applies, by crediting such amount as the chief executive thinks reasonable in the circumstances of the young person to a payment card, voucher, or device that enables the young person to obtain goods or services from a participating supplier.

- (2) In the case of the supply of goods or services to a young person by a non-participating supplier, the chief executive may pay the amount that would have been paid under subclause (1)(d) either—
 - (a) directly to that supplier; or
 - (b) to or on account of the young person.
- (3) In this clause, **participating supplier** means a supplier who has agreed with the department to supply goods or services to young persons on presentation of a payment card, voucher, or other device, and **non-participating supplier** means a supplier who has not so agreed.

9 Other payments that may be paid to young person or on account of young person

- (1) Subject to subclause (2), the chief executive may pay all or part of the following payments to or on account of a young person to whom regulation 8 applies:
 - (a) any disability allowance or child disability allowance;
 - (b) any special assistance under section 124(1)(d) of the Act that is not of an ongoing kind;
 - (c) any payments under the training incentive allowance programme, the course participation assistance programme, or the sole parent study assistance programme established under section 124(1)(d) of the Act;
 - (d) any advance payment of a benefit under section 82(6) of the Act.
- (2) The chief executive may only make a payment under subclause (1)(b) to (d) after first consulting the young person's contracted service provider, if there is one.

Regulation 9(1)(c): amended, on 15 July 2013, by regulation 4 of the Social Security (Criteria for Incentive Payments and Money Management) Amendment Regulations 2013 (SR 2013/247).

10 When young person may opt out of money management

- (1) A young person receiving a youth payment may opt out of money management if—
 - (a) he or she is 18 years or older; and
 - (b) the payment is being continued under section 162(1)(b) of the Act.
- (2) A young person receiving a young parent payment may opt out of money management if—
 - (a) he or she is 20 years or older; and
 - (b) the payment is being continued under section 168(1)(b) of the Act.
- (3) A young person opts out of money management by giving the chief executive written notice that he or she opts out of money management.
- (4) Regulation 8 does not apply to a young person who has opted out of money management under this regulation.

Regulation 10(2)(a): amended, on 25 October 2016, by section 43(1) of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2016 (2016 No 36).

11 Criteria for managing payments

The criteria referred to in section 179(7) of the Act for the management of a young person's own payments are the following:

- (a) the young person has demonstrated continued compliance with his or her obligations under section 170 of the Act; and
- (b) the young person's contracted service provider has advised the department that it considers the young person to be financially competent or, as the case requires, the department considers the young person to be financially competent.

12 Young person who opts out of money management or meets criteria for managing own payments may request payments redirected

- (1) The chief executive, on the request of a young person who has opted out of money management under regulation 10 or has met the criteria set out in regulation 11 for managing his or her own payments, may pay all or part of a specified payment payable to the young person directly towards—
 - (a) his or her accommodation and service costs;
 - (b) his or her lawful debts or other liabilities (including any reduction or deduction required or authorised under the Act).
- (2) A request under subclause (1)—
 - (a) must be in writing; and
 - (b) must specify the costs, debts, or other liabilities towards which the chief executive must pay the payment; and
 - (c) may be withdrawn or otherwise cancelled at any time.

13 Electing money management

A young person to whom section 171(1) or (2) of the Act applies for the time being may elect money management by giving the chief executive written notice that he or she elects money management.

14 Payment of specified payments if young person has elected money management

The chief executive must pay each instalment of a specified payment payable to a young person who has elected money management under regulation 13 in the following order and manner:

- (a) first, by paying such amount as the chief executive thinks reasonable in the circumstances of the young person directly towards the young person's accommodation costs and service costs:

- (b) secondly, by paying such amount as the chief executive thinks reasonable in the circumstances of the young person directly towards the young person's debts or other liabilities (including any reduction or deduction required or authorised under the Act):
- (c) thirdly, by paying the balance (if any, after payments under paragraphs (a) and (b)) to or on account of the young person.

Michael Webster,
for Clerk of the Executive Council.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 9 August 2012.

Reprints notes

1 *General*

This is a reprint of the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012 that incorporates all the amendments to those regulations as at the date of the last amendment to them.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2016 (2016 No 36): sections 42, 43(1)

Social Security (Criteria for Incentive Payments and Money Management) Amendment Regulations 2013 (SR 2013/247)