

Reprint
as at 26 November 2018



**Social Security (Income and Cash Assets Exemptions)
Amendment Regulations (No 2) 2017**
(LI 2017/224)

Social Security (Income and Cash Assets Exemptions) Amendment Regulations (No 2) 2017:
revoked, on 26 November 2018, pursuant to regulation 295(12) of the Social Security Regulations
2018 (LI 2018/202).

Patsy Reddy, Governor-General

Order in Council

At Wellington this 14th day of August 2017

Present:

Her Excellency the Governor-General in Council

These regulations are made under section 132 of the Social Security Act 1964 on the
advice and with the consent of the Executive Council.

Contents

	Page
1 Title	2
2 Commencement	2
3 Principal regulations	2
4 New Part 1B inserted	2

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.

Part 1B			
Payments of energy trust dividends			
	7D	Interpretation	2
	7E	Application	3
	7F	Payments declared not to be income	3
5	Regulation 17 replaced (Application)		3
	17	Application	3
6	Regulation 18 replaced (Items and payments declared not to be income)		3
	18	Items and payments declared not to be income or cash assets	3
7	New Part 9A inserted		4
Part 9A			
Temporary additional support arrears payments			
	35A	Interpretation	4
	35B	Application	5
	35C	Items declared not to be income	5
	35D	Payments declared not to be cash assets	5

Regulations

1 Title

These regulations are the Social Security (Income and Cash Assets Exemptions) Amendment Regulations (No 2) 2017.

2 Commencement

These regulations come into force on 18 August 2017.

3 Principal regulations

These regulations amend the Social Security (Income and Cash Assets Exemptions) Regulations 2011 (the **principal regulations**).

4 New Part 1B inserted

After regulation 7C, insert:

Part 1B		
Payments of energy trust dividends		
7D	Interpretation	
	In this Part, unless the context otherwise requires, energy trust dividend means a payment that—	

- (a) is received by a person as a discount on a power bill, or as a distribution, from a lines company or an energy trust; but
- (b) is not made because the person has bought or owns shares in the company or the trust.

7E Application

The exemption in regulation 7F—

- (a) applies to an energy trust dividend received on or after 18 August 2017; and
- (b) has effect, in respect of the income specified in regulation 7F, on and after 18 August 2017; but
- (c) applies only for the first 12 months after the payment concerned is received.

7F Payments declared not to be income

An energy trust dividend is not income for the purposes of the Act.

5 Regulation 17 replaced (Application)

Replace regulation 17 with:

17 Application

The exemptions in regulation 18—

- (a) apply to a service provided, or a payment made, on or after 18 August 2017; and
- (b) have effect, in respect of the income or cash assets specified in regulation 18(4), on and after 18 August 2017.

6 Regulation 18 replaced (Items and payments declared not to be income)

Replace regulation 18 with:

18 Items and payments declared not to be income or cash assets

- (1) This subclause applies to the value of any health services or disability support services, or both,—
 - (a) provided on or after 18 August 2017 to all or any of the following:
 - (i) a person (A):
 - (ii) a dependent child of A:
 - (iii) a health or disability dependant of A; and
 - (b) provided or funded (in whole or in part) by or on behalf of the Crown.
- (2) This subclause applies to any payment—

- (a) made on or after 18 August 2017 to a person (**B**) and used by the person for purchasing health services or disability support services, or both, for all or any of the following:
 - (i) **B**;
 - (ii) a dependent child of **B**;
 - (iii) a health or disability dependant of **B**; and
- (b) made (in whole or in part) by or on behalf of the Crown.
- (3) Despite subclauses (1) and (2), nothing in those subclauses applies to—
 - (a) services provided, or payments made, because of an employment relationship to which **A** or **B** is or was a party as the employee; or
 - (b) any payment received by a person (**C**) from **B** in the course of an employment relationship, if **B** has purchased the services by employing **C** to provide them; or
 - (c) any part of any payment used by **B** to meet **B**'s ordinary living expenses.
- (4) For the purposes of the Act, in relation to **A** or, as the case requires, **B**, any service or payment to which subclause (1) or (2) applies is not—
 - (a) income; or
 - (b) cash assets.

7 New Part 9A inserted

After regulation 35, insert:

Part 9A Temporary additional support arrears payments

35A Interpretation

In this Part, unless the context otherwise requires,—

lump sum eligibility requirements, for a person (**A**), means that,—

- (a) on 1 April 2006, **A** was entitled to continue receiving the special benefit; and
- (b) during any period on or after 1 April 2006, **A** would have received more assistance from temporary additional support than the special benefit but was not advised by the department that **A** could apply for temporary additional support (**lump sum eligibility period**); and
- (c) in response to advice by the department on or after 18 August 2017, **A** cancels the special benefit and applies for temporary additional support in respect of any lump sum eligibility period

lump sum payment of arrears of temporary additional support means a lump sum payment of arrears of temporary additional support—

- (a) made as a result of an application of section 80AA of the Act (Minister may allow back-dating of benefit where earlier failure to grant it based on error); and
- (b) made to—
 - (i) a person (**A**) who meets the lump sum eligibility requirements; or
 - (ii) a person (**B**) who, during any lump sum eligibility period, is or was the spouse or partner of A and is or was entitled, under section 83 of the Act, to an apportionment of any other benefit payable to A; and
- (c) calculated after the deduction of the amount of the special benefit that was paid to A or B during any lump sum eligibility period

special benefit means the special benefit as continued under section 23 of the Social Security (Working for Families) Amendment Act 2004

temporary additional support means the benefit described in section 61G of the Act.

35B Application

The exemptions in regulations 35C and 35D—

- (a) apply to a lump sum payment of arrears of temporary additional support made to a person on or after 18 August 2017; and
- (b) have effect, in respect of the income or cash assets specified in regulations 35C and 35D, on and after 18 August 2017; but
- (c) apply only for the first 12 months after the payment concerned is made.

35C Items declared not to be income

Any income derived by the person from a payment specified in regulation 35B(a) is not income for the purposes of the Act.

35D Payments declared not to be cash assets

A payment specified in regulation 35B(a) is not cash assets for the purposes of the Act.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 18 August 2017, are made under the Social Security Act 1964 (the **Act**). They make amendments to the Social Security (Income and Cash Assets Exemptions) Regulations 2011.

New Part 1B relates to energy trust dividends received on or after 18 August 2017. *New Part 1B* ensures that, on and after 18 August 2017, but only for the first 12 months after the payments are received, the energy trust dividends are not income for the purposes of the Act.

Part 4, which concerns health services and disability support services funded or provided by the Crown, is amended. *New regulations 17 and 18* ensure that services or payments for the services are not income or cash assets for the purposes of the Act. The new cash asset exemption applies to services funded or provided on and after 18 August 2017.

New regulation 18(3)(a) clarifies the nature of the employment relationship to which the regulation applies. A person who receives payment from the Crown to employ a service provider does not have to declare that payment as income or cash assets. However, a person who receives services or payment from the Crown as an employee, and the employed service provider, must declare the value of the services, or that payment, as income and cash assets.

New Part 9A is inserted. This Part relates to a lump sum payment of arrears of temporary additional support made, on or after 18 August 2017, as a result of an application of section 80AA of the Act (Minister may allow back-dating of benefit where earlier failure to grant it based on error). The amendment ensures that, for the first 12 months after the lump sum payment is made,—

- the payment is not cash assets:
- any income derived from the payment is not income for the purposes of the Act.

Regulatory impact statement

The Ministry of Social Development produced a regulatory impact statement on 14 June 2017 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/regulatory-impact-statements/index.html>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 17 August 2017.

Reprints notes

1 *General*

This is a reprint of the Social Security (Income and Cash Assets Exemptions) Amendment Regulations (No 2) 2017 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 Regulations 2018 (LI 2018/202): regulation 295(12)