

## New Zealand

Exchange rate: US\$1.00 =  
1.41 New Zealand dollars (NZ\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1898 (old-age pension), 1911 (widow's pension), 1924 (blind person's pension), and 1936 (disability pension).

**Current law:** 1964 (social security), implemented in 1965.

**Type of program:** Universal and social assistance system.

Note: Net amounts are reported for benefits that can be considered a primary source of income and are taxable at the applied primary tax rate.

#### Coverage

Legal residents of New Zealand.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

#### Qualifying Conditions

**Old-age pension (New Zealand superannuation):** Age 65 with at least 10 years of continuous residence and physical presence in New Zealand since age 20, including at least five years after age 50, and a resident on the date of application. There is no income or asset test (except for pensioners who choose to include an unqualified partner in their pension).

The pension is payable abroad for up to 26 weeks if the beneficiary is not abroad for more than 30 weeks; may be payable abroad for longer than 26 weeks proportional to the length of residence in New Zealand, according to reciprocal agreements and domestic legislation.

**Old-age assistance benefits (means tested):** An accommodation supplement, a disability allowance, a special needs grant, and other benefits may be paid to old-age pensioners who meet certain conditions.

**Disability pension (supported living payment, income tested):** Paid to citizens or permanent residents aged 16 or older with at least two years of residence who are assessed with a limited capacity for work (less than 15 hours a week for more than two years) due to a serious disability

or mental health condition or are caring for a person who would otherwise need full-time professional care.

The disability pension (supported living payment) may be payable abroad temporarily in certain circumstances.

**Caregiver allowance (supported living payment, income tested):** Paid to citizens or permanent residents aged 18 or older (aged 16 to 17 in exceptional circumstances) with at least two years of residence who provide full-time care for persons with a serious disability or mental health condition. The person receiving care must not be the caregiver's spouse or partner.

**Disability assistance benefits (means tested):** An accommodation supplement, a family tax credit, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a temporary additional benefit, a special needs grant, and other benefits may be paid to disability pensioners who meet certain conditions.

**Survivor pension (job seeker support):** Paid to a widow with no children or whose youngest child is aged 14 or older or to a widower whose youngest child is aged 14 or older. Must be available for full-time or part-time work and be a citizen or permanent resident aged 19 or older with at least two years of residence.

**Survivor pension (sole parent support):** Paid to a widow(er) whose youngest child is younger than age 14. Must participate in employment training or job placement seminars (if the youngest child is younger than age 3) or seek part-time work of at least 20 hours a week (if the youngest child is aged 3 to 13). Must be a citizen or permanent resident aged 20 or older with at least two years of residence.

**Orphan's benefit (income tested):** Paid to the primary caregiver of an orphan younger than age 18 whose biological or adoptive parents are dead, cannot be found, or are incapable of caring for the child due to a serious long-term disability. The caregiver must be aged 18 or older and expect to care for the child for at least 12 months. The child must be a resident and physically present in New Zealand; or the caregiver must be a resident and continuously physically present in New Zealand for at least 12 months.

**Funeral grant:** May be paid to assist with funeral expenses. There is an income and asset test based on the deceased's circumstances before death.

**Survivor assistance benefits (means tested):** An accommodation supplement, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a special needs grant, and other benefits may be paid to survivor pensioners who meet certain conditions.

## Old-Age Benefits

### Old-age pension (New Zealand superannuation):

NZ\$384.76 (net) a week is paid for a single person living alone, NZ\$355.16 (net) a week if sharing accommodation, or NZ\$591.94 (net) a week for a married, civil-union, or de facto couple living together where both partners qualify for the pension.

The pension may be reduced by NZ\$1 for every NZ\$1 in pension benefits the beneficiary receives from an overseas government.

A pensioner with a spouse or partner who does not qualify for the pension may receive the married rate (NZ\$295.97 (net) a week) with no income test (the partner receives no payment). If the pensioner chooses to include a partner who does not qualify in the calculation of the pension, up to NZ\$562.60 (net) a week is paid, subject to an income test (benefits are reduced by NZ\$0.70 for every NZ\$1 of joint income above NZ\$5,200 (gross) a year).

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous year, with a further adjustment based on the net average ordinary time weekly wage. The net average ordinary time weekly wage is determined by the quarterly employment survey published by Statistics New Zealand.

**Old-age assistance benefits (means tested):** The amount of additional assistance depends on earnings, family situation, living conditions, and other factors.

## Permanent Disability Benefits

**Disability pension and caregiver allowance (supported living payment, income tested):** Up to NZ\$212.54 (net) a week is paid for a single person aged 16 or 17; NZ\$262.64 (net) a week for a single person aged 18 or older; NZ\$231.36 (net) a week for each member of a married, civil-union, or de facto couple, with children or NZ\$218.86 (net) a week for each member of a married, civil-union, or de facto couple without children; NZ\$370.02 (net) a week for a single person with children.

Income test: The benefit is reduced by NZ\$0.30 for every NZ\$1 of gross annual earned income above NZ\$5,200 and by NZ\$0.70 for every NZ\$1 of gross annual earned income above NZ\$10,400. The personal earnings of totally blind persons are exempt.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Disability assistance benefits (means tested):** The amount of additional assistance depends on earnings, family situation, living conditions, and other factors.

## Survivor Benefits

**Survivor pension (job seeker support):** Up to NZ\$210.13 (net) a week is paid with no dependent children; up

to NZ\$325.98 (net) a week with dependent children; NZ\$218.86 (net) a week for persons who began receiving a widow's benefit or domestic purposes benefit for widowers before July 15, 2013.

**Survivor pension (sole parent support):** NZ\$325.98 (net) a week is paid.

**Orphan's benefit (income tested):** Up to NZ\$204.46 (gross) a week is paid, according to age, for each orphan younger than age 18 (not taxable).

Income test: The benefit is reduced by NZ\$1 for every NZ\$1 of unearned income the child receives above 50% of the basic annual orphan's benefit rate (up to NZ\$203.42 (net) a week). (The caregiver's income is not taken into account.)

**Funeral grant:** Up to NZ\$2,008.76 (gross) is paid to the surviving spouse, partner, or dependent child for funeral costs (not taxable but income and asset tested).

Income test: The survivor pensions (job seeker support and sole parent support) are reduced by NZ\$0.30 for every NZ\$1 of gross annual earned income above NZ\$5,200 and by NZ\$0.70 for every NZ\$1 of gross annual earned income above NZ\$10,400.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Survivor assistance benefits (means tested):** The amount of additional assistance depends on earnings, family situation, living conditions, and other factors.

## Administrative Organization

Service Line Work and Income (<https://www.workandincome.govt.nz/>), under the Ministry of Social Development (<http://www.msd.govt.nz/>), administers pensions and benefits through its local offices.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1938.

**Current laws:** 1964 (social security), implemented in 1965.

**Type of program:** Universal and social assistance system.

### Coverage

**Cash sickness benefits (job seeker support):** Citizens or permanent residents of New Zealand aged 18 or older (aged 19 or older with a dependent child) with at least two years of continuous residence.

**Cash maternity benefits (job seeker support):** Single female citizens or permanent residents of New Zealand aged 18 or older (aged 19 or older with a dependent child) with at least two years of continuous residence.

**Paid parental leave:** Female employees or adoptive parents who are legally residing in New Zealand, according to employment and self-employment history. Partial or full entitlement is transferable to a qualifying spouse or partner.

**Medical benefits:** Legal residents of New Zealand and some other persons according to the 2012 Health and Disability Services Eligibility Direction (such as beneficiaries under reciprocal agreements, refugees, and suspected victims of human trafficking). No residency requirement for subsidized treatment for accidents under the Accident Compensation Corporation.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

### Qualifying Conditions

**Cash sickness and maternity benefits (job seeker support, income tested):** Must have stopped working, have reduced hours and income, or be unemployed or working part-time and be unable to perform full-time work due to sickness, injury, pregnancy, or disability.

For persons with less than two years of residency, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

**Paid parental leave:** Must have worked an average of at least 10 hours a week for at least 26 of the 52 weeks before the expected date of childbirth or the date the adopted child comes into the parent's care.

**Medical benefits:** Must have legally resided or have a stated intent to remain in New Zealand for at least two years. There is no income test.

### Sickness and Maternity Benefits

**Sickness benefit (job seeker support):** Up to NZ\$210.13 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$175.10 (net) a week if aged 20 to 24, or if aged 18 or 19 and living away from home; NZ\$140.08 (net) a week if aged 18 or 19 and living with a parent.

Up to NZ\$325.98 (net) a week is paid for a single beneficiary with children; up to NZ\$175.10 (net) a week for each member of a married or civil-union couple with children or NZ\$187.60 (net) a week without children.

The benefit is paid after a waiting period of up to two weeks, depending on previous income.

There is no limit on the period of eligibility for the sickness benefit (job seeker support) but the beneficiary must reapply

every 52 weeks. A medical professional must periodically assess the illness.

**Income test:** The benefit is reduced by NZ\$0.70 for every NZ\$1 of gross earned income above NZ\$80 a week for single persons without children and for couples; by NZ\$0.30 for every NZ\$1 of gross earned income from NZ\$100 to NZ\$200 a week and by NZ\$0.70 for every NZ\$1 of gross earned income above NZ\$200 a week for single persons with children.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Maternity benefit (job seeker support):** May be paid to a single pregnant woman at the sickness benefit rate (see above) after the 26th week of pregnancy (or earlier if the woman is unable to work due to pregnancy complications, an illness, or disability). Payment may continue for up to 13 weeks after childbirth.

**Income test:** The benefit is reduced by NZ\$0.70 for every NZ\$1 of gross earned income above NZ\$80 a week.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Paid parental leave:** 100% of the employee's average gross weekly earnings in the best 26 of the last 52 weeks of earnings before childbirth or adoption is paid for up to 18 weeks. The benefit is paid to one parent or shared between both parents if they are both eligible.

The maximum weekly benefit is NZ\$527.72 (gross).

Self-employed persons who earn less than the equivalent of 10 hours a week at the highest adult minimum wage receive the minimum benefit.

The minimum weekly benefit for self-employed persons is NZ\$152.50 (gross).

**Benefit adjustment:** The maximum benefit is adjusted annually on July 1, according to the increase in net average ordinary time weekly earnings. Net average ordinary time weekly earnings are determined by the quarterly employment survey published by Statistics New Zealand. The minimum benefit for self-employed persons is adjusted annually on July 1, according to the increase in the highest minimum wage.

### Workers' Medical Benefits

Free services include inpatient care in public hospitals, maternity care, and most laboratory services. Partial subsidies are provided for general practice visits. Costs for care in a private hospital are not subsidized.

**Cost sharing:** Partial subsidy for approved prescribed medicines, according to a patient's number of copayments, income, and frequency of use.

Subsequent items are fully subsidized after a patient or family makes 20 copayments of NZ\$5 for each item a year.

Low-income families have access to a Community Services Card (CSC) for reduced prescription charges, after hours doctor visits, specialist visits, children's eyeglasses (up to age 15), emergency dental care, travel and lodging support for certain hospitalizations, and home help.

Persons who do not qualify for a CSC can obtain a High Use Health Card (HUHC) if they have made 12 or more doctor's visits in the last 12 months. The HUHC is for individual use only and is not income tested. For HUHC cardholders, visits are subsidized at NZ\$15 a visit for adults aged 18 or older, and NZ\$20 a visit for children aged 6 to 17.

No reimbursement is provided for dental treatment, physical therapy, or work-related injuries.

The Accident Compensation Corporation (ACC) subsidizes treatment for accident-related injuries.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured. Free general practitioner care is provided for children up to age 13; free dental care for children up to age 18. No reimbursement for children's eyeglasses (aged 5 or younger).

Special subsidies are provided for low-income families or those who need intensive medical care.

### **Administrative Organization**

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz/>) administers cash benefits through its service centers.

Ministry of Social Development (Community Services Card Service Center) administers Community Services Cards.

Ministry of Health (Sector Services) (<http://www.health.govt.nz/>) administers medical benefits.

Inland Revenue Department (<http://www.ird.govt.nz/>) administers statutory paid parental leave benefits.

### **Work Injury**

#### **Regulatory Framework**

**First laws:** 1900 (worker's compensation) and 1974 (accident compensation).

**Current law:** 2001 (accident compensation), implemented in 2002.

**Type of program:** Universal and employer-liability (through a public carrier) system.

### **Coverage**

**Work injury:** Citizens and residents of New Zealand.

**Nonwork injury:** Citizens, residents of, and temporary visitors to New Zealand.

### **Source of Funds**

#### **Insured person**

*Work injury:* None.

*Nonwork injury:* Contribution rates are set each year based on the actual lifetime cost of injuries, according to a schedule in law.

#### **Self-employed person**

*Work injury:* Contribution rates are set each year based on the actual lifetime cost of injuries, according to a schedule in law.

*Nonwork injury:* Contribution rates are set each year based on the actual lifetime cost of injuries, according to a schedule in law.

#### **Employer**

*Work injury:* Contribution rates are set each year based on experience ratings and injury risk groups, which take into account both the industry and the employer's performances in injury prevention and returning employees to work.

*Nonwork injury:* None.

#### **Government**

*Work injury:* Contributes as an employer.

*Nonwork injury:* The cost of the program for nonearners is financed from general revenues.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Must be substantially unable to perform usual work as a result of the work injury or occupational disease. A medical practitioner must provide a medical certificate. For noise-induced hearing loss, must be assessed with at least a 6% injury-related loss.

**Nonwork-related injury benefits:** There is a one-week waiting period.

### **Temporary Disability Benefits**

**Temporary disability benefit (weekly compensation):** 80% of the worker's average gross weekly earnings in the period before the incapacity began is paid until he or she is able to return to work.

For work-related personal injuries, the employer pays for the first week of incapacity. The benefit is paid for as long as a certified incapacity lasts or up to age 65 (when New Zealand superannuation is paid). Claimants aged 65 or

older who are eligible for weekly compensation can receive the benefit for up to 12 months after the date they were first eligible for weekly compensation or the date they became eligible for New Zealand superannuation, whichever is later.

The minimum weekly benefit for incapacitated full-time workers is NZ\$488 (gross).

The maximum weekly benefit is NZ\$1,908.50 (gross).

Earnings test: The benefit is reduced by NZ\$1 for every NZ\$1 of earnings above 20% of the worker's weekly earnings.

Employers may make an additional weekly payment to increase the employee's income during incapacity to the level of his or her normal wage. The additional payment is exempt from the benefit reduction.

Benefit adjustment: Benefits are increased annually according to changes in the labor cost index.

### **Permanent Disability Benefits**

#### **Permanent disability pension**

*Lump-sum payment:* A lump sum of NZ\$3,345.06 (gross) (assessed incapacity of 10%) to NZ\$133,802.28 (gross) (assessed incapacity of at least 80%) is paid. Assessment for entitlement begins two years after the injury occurred or occupational disease began, or once the condition stabilizes, whichever is earlier.

*Independence allowance:* NZ\$191.36 (gross) (assessed incapacity of 10%) to NZ\$1,148.81 (gross) (assessed incapacity of at least 80%) is paid quarterly for any long-term incapacity resulting from an injury suffered before April 1, 2002. There is no limit to duration. The allowance is paid in addition to other cash assistance.

Medical practitioners assess the degree of incapacity.

Benefit adjustment: Benefits may increase if the initial assessed level of incapacity increases.

### **Workers' Medical Benefits**

#### **Medical benefits**

*Medical care:* A copayment may be required for medical care and physical rehabilitation, according to a schedule in law. The worker pays for the full cost of benefits that are not specified. The full cost of elective surgery performed by a contracted provider is fully funded; partially funded if performed by a non-contracted provider.

*Social rehabilitation:* Attendant care, household help, childcare, assistive devices and appliances, modification of motor vehicles and residence, and travel-related costs are provided if there is an assessed need.

*Vocational rehabilitation:* Provided for up to three years (may be extended) to those entitled to compensation for loss of earnings and potential earnings.

### **Survivor Benefits**

#### **Survivor pension**

*Spouse's benefit:* 60% of the weekly benefit the deceased would have received for a total incapacity is paid. The benefit is paid for up to five years, the date the deceased's youngest child reaches age 18, or the date that the spouse no longer cares for the deceased's children younger than age 18 or any other eligible dependent, whichever is latest. (The spouse can choose between survivor benefits under superannuation or work injury.)

*Orphan's benefit:* 20% of the weekly benefit the deceased would have received for a total incapacity is paid for an orphan up to age 18 (age 21 if a full-time student; no limit if disabled, dependent on the deceased, and with earnings lower than a set amount); 40% for a full orphan.

*Other dependents:* 20% of the weekly benefit the deceased would have received for a total incapacity is paid to other dependents with average weekly earnings over a 12 month-period lower than the minimum full-time earner rate.

All survivor benefits combined must not exceed 80% of the deceased's weekly earnings, up to a maximum.

*Survivor's grant:* A lump sum of NZ\$6,455.40 (gross) is paid to a spouse; NZ\$3,227.72 (gross) to each child younger than age 18 or other dependent.

*Child care:* NZ\$137.27 (gross) a week is paid for one child; NZ\$82.35 (gross) each a week for two children; NZ\$192.18 (gross) a week for three or more children.

*Funeral grant:* A lump sum of up to NZ\$6,021.11 (gross) is paid to a named survivor.

### **Administrative Organization**

Ministry of Business, Innovation, and Employment (<http://www.mbie.govt.nz/>) oversees the program and legislation.

New Zealand Treasury (<http://www.treasury.govt.nz/>) monitors the performance of the Accident Compensation Corporation.

Accident Compensation Corporation (<http://www.acc.co.nz/>) administers benefits.

Employers may self-manage claims.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1930.

**Current law:** 1964 (social security), implemented in 1965.

**Type of program:** Social assistance system.

## Coverage

Citizens or permanent residents of New Zealand aged 18 or older (aged 19 or older with a dependent child) with at least two years of continuous residency.

Exclusions: Pensioners, full-time students, and striking workers.

## Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

## Qualifying Conditions

**Unemployment benefit (job seeker support, income tested):** Must be available for and actively seeking full-time work and must comply with the work test, which includes acceptance of any offer of suitable employment. The unemployed person is ineligible for benefits for the first 13 weeks in cases of voluntary unemployment or dismissal for serious misconduct (during which time a provisional benefit may be paid if specified tasks are performed for six weeks).

For citizens or permanent residents with less than two years of residency in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

## Unemployment Benefits

**Unemployment benefit (job seeker support):** Up to NZ\$210.13 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$175.10 (net) a week if aged 20 to 24 or if aged 18 or 19 and living away from home; NZ\$140.08 (net) a week if aged 18 or 19 and living with a parent.

Up to NZ\$325.98 (net) a week is paid if single with children; up to NZ\$187.60 (net) a week for each member of a married, civil-union or de-facto couple with children or NZ\$175.10 (net) a week without children.

The benefit is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

**Income test:** The benefit is reduced by NZ\$0.70 for every NZ\$1 of gross earned income above NZ\$80 a week for beneficiaries who are not single parents. For single parents, the benefit is reduced by NZ\$0.70 for every NZ\$1 of gross earned income above NZ\$100 a week; by NZ\$0.30 for every NZ\$1 of income from \$100 to \$200 a week; and by NZ\$0.70 for every NZ\$1 of income above \$200 a week.

There is no limit on the period of eligibility for the unemployment benefit (job seeker support) but the beneficiary must reapply every 52 weeks.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

## Administrative Organization

Service Line Work and Income (<https://www.workandincome.govt.nz/>), under the Ministry of Social Development (<http://www.msd.govt.nz/>), administers benefits through its service centers.

## Family Allowances

### Regulatory Framework

**First and current laws:** 1964 (social security), implemented in 1965; 2004 (taxation), implemented in 2005; 2007 (income tax and tax credits), implemented in 2008; and 2014 (parental tax credits), to be implemented in 2015.

**Type of program:** Universal and social assistance system.

Note: It is possible to be eligible for more than one tax credit and allowance.

### Coverage

Residents of New Zealand.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

### Qualifying Conditions

**Sole parent support:** Paid to a single parent aged 19 or older with a dependent child younger than age 14. Must be available for part-time work or participate in employment training or job placement seminars, depending on the age of the parent's dependent children. Must have at least two years of continuous residence.

**Job seeker support for sole parents:** Paid to a single parent aged 19 or older with a dependent child aged 15 to 17. Must be available for full-time work. Must have at least two years of continuous residency.

**Emergency maintenance allowance:** Paid to single parents who are ineligible for the sole parent support, jobseeker support, supported living payment, youth payment, or young parent payment, and who would experience hardship without the benefit.

**Child disability allowance:** Paid to the principal caregiver of a dependent child with a serious disability. The benefit is not income or asset tested.

**Unsupported child's benefit:** The child must be younger than age 18 and financially dependent on the caregiver, and the child's parents (biological, adoptive or step) are unable to care for him or her. The primary caregiver must be aged 18 or older and expect to care for the child for at least 12 months.

**Young parent payment (income tested):** Paid to parents aged 16 to 18 with a dependent child or dependent children. Single parents aged 16 to 17 must be in exceptional circumstances (neither living with nor supported by parents or guardians), divorced or separated, or living at home or financially supported by parents or guardians with earnings below a certain threshold. Parents aged 16 to 18 who are married or in a civil union do not have to be in exceptional circumstances but neither partner must receive certain other benefits in his or her own right. Must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based learning; or must be exempt from this condition due to personal circumstances. Must have at least two years of continuous residence.

For persons with less than two years of residence, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

**Youth payment (income tested):** Aged 16 to 17 with no dependent children. Must be single and in exceptional circumstances (neither living with nor supported by parents or another guardian) or divorced or separated, or must be married or in a recognized union with a person who is not receiving certain benefits in his or her own right. Must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based learning; or must be exempt from this condition due to personal circumstances. Must have at least two years of continuous residence.

For persons with less than two years of residence, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

**Family tax credit:** Paid to families with dependent children aged 17 or younger (age 18 if a student). The principal caregiver or the child must meet a family income test and a residence test.

**In-work tax credit (income tested):** Paid to families with dependent children aged 17 or younger (age 18 if a student). A two-parent family must work jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested

benefit, a student allowance, or a parental allowance under the War Pensions Act 1954. The principal caregiver or the child must meet a family income test and a residence test.

**Minimum family tax credit (income tested):** Paid to working families with dependent children aged 17 or younger (age 18 if a student) with annual income less than NZ\$23,764 (net). A two-parent family must be working jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested benefit or a student allowance. The principal caregiver or the child must meet a residence test.

**Parental tax credit (income tested):** Paid to working families on the birth of a child for eight weeks. The credit is paid to families who qualify for the family tax credit, the in-work tax credit, or both, but not to parents claiming paid parental leave, or receiving superannuation or income-tested benefits. The principal caregiver or the child must meet a residence test.

### **Family Allowance Benefits**

**Sole parent support and job seeker support for sole parents:** NZ\$325.98 (net) a week is paid for single parents after a waiting period of up to two weeks, depending on previous income and family circumstances. Other rates depend on age, relationship status, number of dependents, and income.

Income test: The benefits are reduced by NZ\$0.30 for every NZ\$ of gross annual earned income above NZ\$5,200 and by NZ\$0.70 for every NZ\$1 of gross annual earned income above NZ\$10,400.

**Emergency maintenance allowance:** NZ\$325.98 (net) a week is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

Income test: The benefit is reduced by NZ\$0.30 for every NZ\$1 of gross annual earned income above NZ\$5,200 and by NZ\$0.70 for every NZ\$1 of gross annual earned income above NZ\$10,400.

**Child disability allowance:** NZ\$46.49 (gross) a week is paid. There is no income test.

**Unsupported child's benefit:** Up to NZ\$204.46 (gross) a week is paid for each unsupported child younger than age 18, according to age.

**Young parent payment (income tested):** Up to NZ\$325.98 (net) a week is paid to a single person aged 18 or aged 16 to 17 and receiving no support from his or her parents. Accommodation, utilities, and other related expenses may be paid directly from the benefit payment; a food allowance is credited to a payment card; and a cash allowance is paid.

Income test: The benefit is reduced by NZ\$1 for every NZ\$1 of additional income above \$211.96 a week.

**Youth payment (income tested):** NZ\$175.10 (net) a week is paid.

Income test: The benefit is reduced by NZ\$1 for every NZ\$1 of additional income above \$211.96 a week.

Benefit adjustment: The sole parent support, the job seeker support for sole parents, the emergency maintenance allowance, the child disability allowance, the young parent payment, and the youth payment are adjusted on April 1, according to changes in the consumer price index for the previous year.

**Family tax credit (income tested):** Up to NZ\$101.98 (gross) a week is paid for the first child and up to NZ\$91.25 (gross) a week for each additional child, depending on the age of the children.

Income test: The total benefit is reduced by NZ\$0.2225 for every NZ\$1 of gross annual earned income above NZ\$36,350.

**In-work tax credit (income tested):** Up to NZ\$72.50 (gross) a week is paid for up to three children; NZ\$15 (gross) a week for each additional child.

Income test: The total benefit is reduced by NZ\$0.2225 for every NZ\$1 of gross annual earned income above NZ\$36,350.

**Minimum family tax credit (income tested):** A guaranteed gross income for working families of NZ\$23,764 a year is paid.

**Parental tax credit (income tested):** Up to NZ\$220 (gross) a week for each child is paid for the first ten weeks after the birth or adoption of a child.

Income test: The total benefit is reduced by NZ\$0.2225 for every NZ\$1 of gross earned income above an income threshold determined by the number of dependent children in the family.

Benefit adjustment: The family tax credit is automatically adjusted when the cumulative increase in the consumer price index reaches 5%. The in-work tax credit and the parental tax credit are subject to periodic review; the minimum family tax credit is reviewed annually; and all three are adjusted at the discretion of the government.

### **Administrative Organization**

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz/>) administers allowances through its service centers. It also administers family tax credits for beneficiaries with gross annual income below NZ\$36,350.

Inland Revenue Department (<http://www.ird.govt.nz/>) administers the in-work tax credit, minimum family tax credit, parental tax credit, and family tax credit for working families who do not receive a benefit.