



Cabinet Legislation Committee

Minute of Decision

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Social Security (Rates of Benefits and Allowances) Amendment Order 2020

Portfolio **Social Development**

On 10 March 2020, the Cabinet Legislation Committee:

- 1 **noted** that on 18 February 2020, the Cabinet Legislation Committee authorised the submission to the Executive Council of seven legislative instruments giving effect to the 2020 Annual General Adjustment and related regulatory matters arising from the Budget 2019 Income Support Package, including the Social Security (Rates of Benefits and Allowances) Order 2020 (the Order) [LEG-20-MIN-0025];
- 2 **noted** that the Social Security (Rates of Benefits and Allowances) Order 2020 includes the following errors:
 - 2.1 increases to the income abatement thresholds and income limits for the Youth Payment and Young Parent Payment of 1.66 per cent in line with upwards movement in the Consumers Price Index changes were omitted;
 - 2.2 the increase to the additional subsidy paid on earnings of a blind beneficiary is mischaracterised as a discretionary adjustment in line with the Consumers Price Index when it is a mandatory adjustment by the net average wage;
- 3 **noted** that the Social Security (Rates of Benefits and Allowances) Amendment Order 2020 addresses the errors by:
 - 3.1 inserting the adjusted abatement thresholds and income limits for assistance for Youth Payment and Young Parent Payment;
 - 3.2 for legislative clarity, shifting the adjustments of the additional subsidy paid on earnings of a blind beneficiary to the correct Schedule of the Order to reflect that it is a mandatory rather than discretionary adjustment;
- 4 **authorised** the submission to the Executive Council of the Social Security (Rates of Benefits and Allowances) Amendment Order 2020 [PCO 22787/3.0];
- 5 **noted** that a waiver to the 28-day rule is sought on the grounds that the Amendment Order confers only benefits for those affected by it, and that early commencement is necessary to be consistent with other changes introduced by the 2020 Annual General Adjustment;

- 6 **agreed** to a waiver of the 28-day rule so that the Amendment Order can come into force on 20 March 2020, which will ensure that the proposed amendments are incorporated into the Social Security (Rates of Benefits and Allowances) Order 2020 when it takes effect from 1 April 2020.

Gerrard Carter
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Carmel Sepuloni
Hon David Parker
Hon Jenny Salesa
Hon Julie Ann Genter
Hon Eugenie Sage
Michael Wood MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

Hard-copy distribution:

Minister for Social Development