

# Aide-mémoire



**MINISTRY OF SOCIAL  
DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

## Cabinet paper

**Date:** 28 March 2019 **Security Level:** Cabinet Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/19/3/259

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### **Ensuring continued eligibility for social security assistance for those affected by the Christchurch terrorist attack who receive financial donations and gifts**

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<b>Cabinet Committee</b>	Cabinet
<b>Date of meeting</b>	1 April 2019
<b>Minister</b>	Hon Carmel Sepuloni, Minister for Social Development
<b>Proposal</b>	You are presenting this Cabinet paper that seeks approval to exempt financial donations and gifts for people affected by the Christchurch terrorist attack of 15 March 2019 from income and cash asset tests for social security assistance.
<b>Talking points</b>	<ul style="list-style-type: none"><li>• I am aware that donations and funding are being provided to support those affected, some of whom will likely be receiving social security assistance.</li><li>• These payments and donations may impact affected <b>people's access to social security assistance.</b></li><li>• I consider that it would be unfair to those affected by the terrorist attack have their social security assistance reduced.</li><li>• I therefore propose that income and cash asset tests are <b>amended to ensure that affected people's social security assistance</b> is not negatively impacted.</li><li>• I also propose that the changes are progressed rapidly, and the 28-day rule is waived to ensure that the exemption applies from the earliest date available.</li><li>• I note that the exemptions will apply for a 12 month period, consistent with similar exemptions in the welfare system.</li><li>• I also note that some exemptions will be retrospective, applying from 15 March 2019, as some payments were made immediately after the event to assist emergency needs.</li></ul>

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- I seek Cabinet’s approval to submit the Amendment Regulations to the Executive Council on 1 April 2019 to give effect to the proposal.
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**Our advice**

**Communities are providing financial support through donations to victims and their families following the Christchurch terrorist attack**

The exact amount of money raised in donations is unclear, but three of the largest funds together will provide over \$15 million to support those affected by the Christchurch terrorist attack.

**Payments and donations may impact affected people’s access to social security**

Some of the people affected will be receiving social security assistance. MSD must consider a client’s income and cash assets when determining what support they may be eligible for. The payment of donations may affect social security entitlement as part of income and cash asset testing.

**Income and cash asset tests are proposed to be amended to ensure that affected people’s social security assistance is not negatively impacted**

We consider that it would be unfair for people who have been affected by the Christchurch terrorist attack to have their social security entitlements reduced due to receiving donations.

*The exemptions can be made through submission to the Executive Council of the Amendment Regulations*

The Amendment Regulations will ensure that affected people will not have their eligibility for social security assistance affected by receiving donations:

- the Social Security (Cash Assets and Income Exemptions—Christchurch Mosques Attack Support Payments) Amendment Regulations 2019
- the Residential Care and Disability Support Services (Exempt Assets—Christchurch Mosques Attack Support Payments) Amendment Regulations 2019.

We recommend that the Amendment Regulations be progressed quickly because of the gravity of the situation and to ensure that people’s social security assistance is not negatively impacted.

Recipients may take time to decide how they use their donations and we propose that a 12 month exemption period apply. This is consistent with other exemption periods in the welfare system, and is the same approach as previously used to exempt donations in relation to impacts from the Christchurch earthquakes.

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The Amendment Regulations will also apply an exemption to the cash assets test for people in need of Public Housing.

The cash asset exemptions for Accommodation Supplement and Temporary Additional Support (TAS) and income exemptions for the purposes of the Social Security Act will be retrospective to exempt relevant payments from 15 March 2019.

Regulations to exempt chargeable income for TAS and exempt assets from means assessments for the purposes of the Residential Care and Disability Support Services Regulations 2018 will come into force on 2 April 2019.

The Cabinet paper also proposes that you amend the Ministerial Direction on the Special Benefit to ensure that financial donations and gifts will not be considered as chargeable income for Special Benefit purposes. We will be providing you with advice on this matter soon.

***MSD is currently undertaking a full review of income and cash asset exemptions***

The length of exemptions generally is currently being considered as part of this broader work programme and the 12 month timeframe proposed in this exemption will be considered as part of the review.

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