



Cabinet

Minute of Decision

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Child Support (Pass On) Acts Amendment Bill: Approval for Introduction

Portfolios **Social Development and Employment / Revenue**

On 27 March 2023, Cabinet:

- 1 **noted** that a category two priority (to be passed before the 2023 general election) has been sought for the Child Support (Pass On) Acts Amendment Bill (the Bill) on the 2023 Legislative Programme;
- 2 **noted** that the Bill will mean that:
 - 2.1 child support collected by Inland Revenue will be passed on to parents on a sole parent rate of benefit, removing the different treatment of these parents;
 - 2.2 child support passed on will be automatically charged as income for determining the amount of benefit payable under the Social Security Act 2018, including for beneficiaries currently having child support passed on;
 - 2.3 the legislative obligation for parents receiving a sole parent rate of main benefit to have child support assessed and collected by Inland Revenue will be removed;
 - 2.4 formula assessed child support payment liability will be considered as an ‘allowable cost’ for Temporary Additional Support and Special Benefit purposes;
 - 2.5 clients’ obligation to declare changes in child support income are satisfied when that information is provided through the information share between Inland Revenue and the Ministry of Social Development (MSD), and the client promptly notifies MSD when there is an error with these payments being charged as income;
 - 2.6 these changes apply from 1 July 2023;
- 3 **noted** that in March 2022, the Cabinet Business Committee authorised the Minister for Social Development and Employment and Minister of Revenue (the Ministers), in consultation with other Ministers as appropriate, to make technical or minor policy decisions to finalise draft legislation and make consequential changes to regulations needed to implement the decisions in line with the overall aims of child support pass-on [CBC-22-MIN-0021];

- 4 **noted** that under the authority delegated above, the Ministers have agreed to include the following provisions in the Bill, which apply from 1 July 2023:
- 4.1 new regulation-making powers to make regulations by Order in Council to:
 - 4.1.1 include additional grounds for error review in respect of the automated charging of child support payments as income;
 - 4.1.2 define additional kinds of ‘non-information share child support payments’ to be charged as income according to the MSD general income charging rules;
 - 4.1.3 prescribe transitional and/or savings provisions to address any unintended outcomes that apply under the Social Security Act 2018, the Child Support Act 1991, and the Public and Community Housing Management Act 1992 and require agreement from relevant Minister(s);
 - 4.1.4 the proposed regulation-making power in paragraph 4.1.3, and any regulations made under it, cease to have effect at the start of 1 July 2026;
 - 4.2 amendment of the Public and Community Housing Management Act 1992 to:
 - 4.2.1 ensure that any person not applying for child support, or cancelling a child support agreement, will not be considered to be depriving themselves of income;
 - 4.2.2 repeal schedule 2 of this Act as it is now redundant and has no legal effect;
- 5 **noted** that the Bill makes substantive, remedial, and technical amendments to the:
- 5.1 Child Support Act 1991;
 - 5.2 Child Support Rules 1992;
 - 5.3 Family Court Rules 2002;
 - 5.4 Social Security Act 2018;
 - 5.5 Social Security Regulations 2018;
 - 5.6 Public and Community Housing Management Act 1992;
 - 5.7 Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018;
- 6 **approved** the Child Support (Pass On) Acts Amendment Bill [PCO 24527/2.18] for introduction, subject to the final approval of the Government caucus and sufficient support in the House of Representatives;
- 7 **agreed** that the Bill be introduced by 28 March 2023;
- 8 **agreed** that the Government propose that the Bill be:
- 8.1 referred to the Social Services and Community Committee for consideration;
 - 8.2 reported back to the House by 24 May 2023;
 - 8.3 enacted by 16 June 2023;

- 9 **noted** that under Standing Order 298, a debate in the House will be required for this shortened select committee period as it is less than four months.

Rachel Hayward
Secretary of the Cabinet