



12 JUN 2018



Dear 

On 8 May 2018, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *How many people have had their benefits cut/suspended as a result of not taking up a job offered to them? Nationwide in the past 12 months?*
- *How does that compare to the previous 12 months?*

The Ministry works with over 1 million New Zealanders every year and administers over \$23 billion of government expenditure. As at 31 March 2018 there were 273,387 working-age people in receipt of a main benefit, this is the lowest number since March 2008 (255,754 people).

When a person is receiving a benefit from Work and Income, they have certain obligations they must meet, such as letting Work and Income know about any changes in circumstances to ensure that they are receiving all the help they need. Information about client's requirements to maintain regular contact with Work and Income is available on Work and Income's website here: www.workandincome.govt.nz/on-a-benefit/obligations/index.html.

People who fail to meet their obligations may have a sanction imposed. However, Work and Income works closely with beneficiaries and many obligation failures are subsequently overturned in favour of the person if they have a good and sufficient reason for not meeting their obligations.

In all cases where it is decided that a client does not have a good and sufficient reason for failing to meet their obligations, they are provided with a five working day notice period in which to dispute or review the decision before a sanction is imposed on their benefit.

There are a small number of beneficiaries with work obligations who refuse a suitable offer of employment. This sanction removes entitlement to benefit for 13 weeks, or if they have children, results in a reduction in benefit payments.

There are robust processes in place to protect clients with children who have been sanctioned. Clients with children always receive 50 per cent of their benefit payment until they meet their obligations, regardless of what grade of sanction they are on. They also continue to receive the full amount of any supplementary assistance. This ensures that there is always a level of income support for the children of clients.

Information regarding non-entitlement periods of 13 weeks is available on Work and Income's website at the following web-link: www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/recompliance-13-week-non-entitlement-period-01.html

Please find attached a table that provides the number of clients sanctioned for turning down employment during the period 01 April 2015 to 31 March 2018. You will note that in the quarter ending 31 March 2018 a total of 22 clients were sanctioned for turning down employment, this is 0.01% of working-age people in receipt of a main benefit.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Cassandra Wise
Team Manager Issue Resolution, Service Delivery


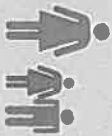




Table 1: The number of clients sanctioned for turning down employment during the period 01 April 2015 to 31 March 2018.

Quarter ending	Number of graduated sanctions	Number of suspensions or cancellations sanctions	Total
30 June 2015	7	27	34
30 September 2015	4	11	15
31 December 2015	3	12	15
31 March 2016	1	14	15
30 June 2016	2	13	15
30 September 2016	5	24	29
31 December 2016	3	7	10
31 March 2017	3	20	23
30 June 2017	3	18	21
30 September 2017	0	12	12
31 December 2017	3	27	30
31 March 2018	3	19	22

Notes:

- This is a count of sanctions not a count of clients.
- A client may have more than one sanction in any given period.
- Graduated sanctions are generally applied as a child is associated with the benefit.

WELFARE REFORM – RATES OF SANCTIONS

	Single, no dependent children 		Single, dependent children 		Couple, no dependent children, one person fails 			Couple, no dependent children, both people fail 			Couple, dependent children, one person fails 			Couple, dependent children, both people fail 		
	Main bft	Supp bft	Main bft	Supp bft	Person 1 Main bft	Person 2 Main bft	Supp bft	Person 1 Main bft	Person 2 Main bft	Supp bft	Person 1 Main bft	Person 2 Main bft	Supp bft	Person 1 Main bft	Person 2 Main bft	Supp bft
Grade 1 sanction Client has failed their obligations for the first time in the last 12 months and has not recompilled within five working days	50% reduction	Not affected	50% reduction	Not affected	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	No change (person 2 still receives 50% portion)	Not affected	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	Not affected	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	No change (person 2 still receives 50% portion)	Not affected	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	Not affected
Grade 2 sanction Client has failed their obligations for the second time in the last 12 months and has not recompilled within five working days	100% suspension	100% suspension	50% reduction	Not affected	Person 1's portion of benefit suspended	No change (person 2 still receives 50% portion)	Person 2 receives 50% portion of supp bft	Person 1's portion of benefit suspended	Person 2's portion of benefit suspended	100% suspension	Person 1's portion of benefit suspended	No change (person 2 still receives 50% portion)	Person 2 receives 50% portion of supp bft	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	Couple receive 50% (25% + 25%) of main benefit overall
Grade 3 sanction Client has failed their obligations for the third time in the last 12 months OR has not accepted an offer of suitable employment (Job Refusal) and has not recompilled within five working days	100% cancellation	100% cancellation	50% cancellation	Not affected	Person 1's portion of benefit cancelled	No change (person 2 still receives 50% portion)	Person 2 receives 50% portion of supp bft	Person 1's portion of benefit cancelled	Person 2's portion of benefit cancelled	100% cancellation	Person 1's portion of benefit cancelled	No change (person 2 still receives 50% portion)	Person 2 receives 50% portion of supp bft	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	Couple receive 50% (25% + 25%) of main benefit overall