



16 JUN 2020

Dear [REDACTED]

On 18 May 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

Superannuation eligibility criteria (in their legislative form, and in the forms in which guidance is given to their application, including any calculators, workflows or similar for staff or customers to use for making assessment) for a non-qualifying spouse of a superannuitant, including particularly those underlying the questions in the application form regarding assets, gifting, income, and provision of trust information.

The legislation for Superannuation eligibility is available here: www.legislation.govt.nz/act/public/2001/0084/latest/DLM113924.html. The provision for a superannuitant to elect to include their non-qualified partner in their rate of Superannuation is found at section 12(2). Section 12(3) governs when that election takes effect if the non-qualified partner is employed, and section 12(4) allows the superannuitant to change their election at any time.

New Zealand Superannuation becomes income tested when the client chooses to include their non-qualified partner. When a partner is not included, other income is disregarded. Questions in the application relating to assets, gifting, income and the provision of trust information are a part of the income and asset test when including a non-qualified partner.

New Zealand Superannuation is administered as a benefit under the Social Security Act 2018, and as such, many of the provisions of that Act are relevant to how the income testing works. The Social Security Act 2018 is available here: www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783115.html.

Schedule Three of the Social Security Act 2018 is of particular relevance. Part Two of that schedule provides a definition of income. Part Four allows the Ministry to refuse to grant, cancel or reduce a benefit already granted, or grant a benefit at a reduced rate, where an applicant and/or their partner have deprived themselves of income or property, and that deprivation results in the applicant qualifying for that benefit, or for an increased rate of benefit.

The Ministry's guidance on including a non-qualified partner in a client's Superannuation is available here: www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/including-a-non-qualified-partner-01.html.

Further information about income testing is available here: www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/charging-income-01.html.

You might be interested to note that the Government is closing the non-qualified partner provision as part of a broader package to modernise and simplify New Zealand Superannuation and Veteran's Pension. Superannuitants who are already including their non-qualified partner will be able to continue doing so until the partner qualifies in their own right, or until their circumstances change. It was originally intended that this would take place from 1 July 2020. However, due to work pressures created by COVID-19, the Government has agreed that this will now take place on 9 November 2020.

The closure makes a contribution toward the long-term sustainability of the core policy settings for New Zealand Superannuation and Veteran's Pension universal entitlement at age 65 to all who meet the residence criteria, not subject to income or asset testing. Its broader purpose is to reflect the changes in society and the labour market that have taken place since the provision was originally introduced.

When the non-qualified partner provision was introduced, single earner families predominated. Women's labour force participation rates were much lower, and society did not generally expect women to work up until the qualifying age for the retirement pension. In some cases, workers were required to retire by a particular age, so could not necessarily support a dependent spouse on their own. Consequently, the principal earner's retirement could reasonably be seen to mark the couple's retirement.

Labour force participation is now higher than ever amongst both women and older people. Most people are expected to work until the age of eligibility for New Zealand Superannuation and Veteran's Pension, and this expectation has been an increasing focus of New Zealand's social security system. Closing the non-qualified partner provision to new applicants reflects those societal changes.

Following the change, the same range of options will be available to people who would otherwise have become a non-qualified partner that are available to anyone else who does not qualify for New Zealand Superannuation or Veteran's Pension, including access to the benefit system if needed.

In regards to your other questions, we believe it would be more beneficial to you if you had a conversation with one of our staff by contacting the Ministry's dedicated free phoneline for Seniors on 0800 552 002. If you have further questions about eligibility for other financial assistance, you can contact Work and Income on 0800 559 009, or visit the website at www.workandincome.govt.nz/online-services/eligibility/index.html.

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 available to the wider public. 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 about the New Zealand Superannuation criteria for a non-qualifying partner, 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.

Your sincerely



Julia Bergman
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Disability, Seniors and International Policy