



10 August 2022

Tēnā koe

On 13 July 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *confirmation of either yes or no that after the changes to Section 187 on November 9 2020 to exclude the voluntary and spousal parts from direct deduction, these changes were sent out to all those over 92,000 affected by direct deduction of their overseas govt pensions in order for those who could benefit would be aware of such changes.*

Under sections 187-191 of the Social Security Act 2018, the Ministry is required to deduct the amount of any government-administered benefit or pension a person receives from their New Zealand benefit.

In November 2020, the requirement to deduct a person's excess government-administered overseas pension from their partner's New Zealand Superannuation (NZS) or Veterans Pension (VP) payment, also known as spousal deduction, was removed. The direct deduction of any voluntary component of a government-administered overseas pension was also excluded. These changes were made to reflect a move toward individual entitlement to NZS which meant that people would receive NZS or VP through their own entitlement, based on their own situation.

As at March 2020, there were over 99,900 government-administered overseas pensions were being deducted from New Zealand benefits and pensions. The Ministry did not think it was necessary to be in direct contact with all people who had their overseas pension deducted.

There were approximately 400 people whose NZS payments would no longer be affected by their partner's overseas government-administered pension once the changes came into effect. International Services contacted these clients and updated their payments to remove their partner's overseas pension deduction.

The Ministry sent letters to approximately 14,000 couples who had a non-qualified spouse included in their NZS, so that they could understand how the change would apply to them.

Pensions arising from voluntary contributions to government-administered overseas pensions had not been direct deducted since 2005. If a client had previously advised the Ministry that they had made voluntary contributions, then the Ministry would be able to consider whether the contributions they had made were voluntary. The Ministry considered that it was both impractical and without benefit to write to every individual client as many government-administered schemes do not allow for voluntary contributions.

If someone has paid voluntary contributions to their government-administered overseas pension scheme, they can ask the Ministry to stop deducting the amount of pension they receive because of those contributions. The client will need to provide a letter from their overseas pension administrator that shows the amount of pension that results from their voluntary contributions.

The Ministry ensured that clients and staff had access to information about the legislative changes and how this impacted Ministry processes and payments. The Ministry provided communication and information about entitlement and eligibility as early as possible. Information was updated on the Ministry's website, publications and internal knowledge bases.

Please see the below timeline of communications the Ministry made regarding these legislative changes.

#### **Timeline of communications:**

- The proposed legislative change was announced as part of the 2019 Budget by Government: [www.msd.govt.nz/documents/about-msd-and-our-work/newsroom/factsheets/budget/factsheet-super-and-yp-modernisation-2019.pdf](http://www.msd.govt.nz/documents/about-msd-and-our-work/newsroom/factsheets/budget/factsheet-super-and-yp-modernisation-2019.pdf)
- On 30 May 2019, the Ministry updated our website to include information about the 2019 Wellbeing Budget: [www.workandincome.govt.nz/about-work-and-income/news/2019/wellbeing-budget-2019.html#null](http://www.workandincome.govt.nz/about-work-and-income/news/2019/wellbeing-budget-2019.html#null)
- On 29 May 2020, the Ministry updated our website with news about the delay in changes from 1 July 2020 to 9 November 2020: [www.workandincome.govt.nz/about-work-and-income/news/2019/wellbeing-budget-2019.html#null](http://www.workandincome.govt.nz/about-work-and-income/news/2019/wellbeing-budget-2019.html#null)
- On 1 August 2020, information about the changes were included in the SuperSeniors newsletter.
- On 10 August 2020, the Ministry updated our website with news about the changes coming into effect on 9 November 2020:

[www.workandincome.govt.nz/about-work-and-income/news/2020/nz-super-and-veterans-pension-changes.html](http://www.workandincome.govt.nz/about-work-and-income/news/2020/nz-super-and-veterans-pension-changes.html)

- On 7 September 2020, information about the changes were provided to the following groups
  - Age Concern NZ
  - Grey Power
  - The National Beneficiaries Consultative Group
  - Community Law
  - The Office of the Ombudsman
- From 14 September 2020, the Ministry sent letters to clients with a non-qualified partner included in their payment. This letter was sent to approximately 14,000 couples.
- In October 2020, information was included in the Veteran's Affairs VA News e-newsletter: [www.veteransaffairs.mil.nz/assets/VA-News/VA-News-2020-Edition-3-Spring.pdf](http://www.veteransaffairs.mil.nz/assets/VA-News/VA-News-2020-Edition-3-Spring.pdf)
- Between 8 October 2020 and 6 November 2020, the Ministry had segments on Tongan, Samoan, and Fijian radio stations based in Auckland.

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. The Ministry will do this by publishing this letter on the Ministry'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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding Ministry communications to clients about legislative changes to New Zealand Superannuation and Veterans Pension deductions, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'Lynne Cousins', written in a cursive style.

Lynne Cousins  
**Policy Manager**  
**Disability, Seniors and International Policy**