



8 February 2022

Tēnā koe

On 17 December 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *The section of the Social Securities Act and/or Social Securities Regulations which MSD relies on to determine: That lump sum payments paid from ACC are not to be treated as an asset for a period of 12 months, for the purpose for determining eligibility for accommodation support, but that lump sum payments for impairment are to be treated as an asset for the purpose of other asset-tested benefits such as temporary additional support, special needs grants and advance payment of benefits.*

For the sake of clarity, the Ministry has split up this response into three sections; Accommodation Supplement, Temporary Additional Support, Advanced Payment of Benefit and Special Needs Grants.

Accommodation Supplement:

An Accommodation Supplement is a non-taxable benefit that provides assistance towards a client's accommodation costs. A person does not have to be receiving a benefit to qualify for Accommodation Supplement. The eligibility criteria includes a cash asset test. You can find more information regarding the Accommodation Supplement at the following link:

- www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/introduction.html.

Accident Compensation Corporation (ACC) impairment lump sum payments are not cash assets for the purposes of assessing eligibility to the Accommodation Supplement, for a period of 12 months following the date the payment was received by the client (or partner).

At the end of the 12-month period, the lump sum payment for impairment (or any remaining amount) will then be treated as a cash asset. You can find further information at the following link:

- www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783260.html

Temporary Additional Support:

Temporary Additional Support is non-taxable payment for a maximum of 13 weeks. It is paid as a last resort to help clients with their regular essential living costs that cannot be met from their chargeable income and other resources. The eligibility criteria includes a cash asset test.

Clients must ensure that they are accessing all other assistance available to them and take reasonable steps towards reducing their costs and increasing their chargeable income. Furthermore, a client does not have to be getting a main benefit to qualify for Temporary Additional Support. You can find more information regarding Temporary Additional Support at the following link:

- www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/introduction.html.

ACC lump sum payments for impairment are a cash asset for assessing eligibility for Temporary Additional Support. As ACC lump sum payments for impairment are not listed as an exemption for cash assets, they are included as an asset for Temporary Additional Support.

You can find information regarding the cash asset test for Temporary Additional Support, cash assets that are exempted, and references to requirements in regulations at the following links:

- www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783290.html
- www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783998.html#DLM6783998, and
- www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96995.html.

Advance Payment of Benefit:

Clients receiving a main benefit (e.g. Jobseeker Support), Orphans Benefit, Unsupported Childs Benefit, New Zealand Superannuation or Veteran's Pension who need assistance to meet a particular immediate need for an essential item or service, may be eligible for an Advance Payment of Benefit of up to 6 weeks of their benefit or pension.

The eligibility criteria includes a cash asset test.

Other sources of assistance to meet the immediate need should be considered, and the client's ability to repay the Advance Payment of Benefit. You can find more information regarding Advance Payment of Benefit at the following link:

- www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/index.html.

ACC lump sum payments for impairment are a cash asset for an Advance Payment of Benefit. As ACC lump sum payments for impairment are not listed as an exemption for cash assets, they are included as an asset for Advance Payment of Benefit.

The definition of cash asset for an Advance Payment of Benefit can be found at the following links:

- www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96995.html, and
- www.workandincome.govt.nz/map/legislation/ministerial-directions/advance-payment-of-benefits-direction/clause-1-interpretation.html.

Special Needs Grants:

Special Needs Grants provide non-taxable, one-off recoverable or non-recoverable financial assistance to clients to meet immediate needs. Furthermore, a client does not have to be getting a benefit to qualify for Special Needs Grants. The eligibility criteria includes a cash asset test. You can find more information regarding Special Needs Grants at the following link:

- www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/introduction.html.

ACC lump sum payments for impairment are a cash asset for Special Needs Grants. As ACC lump sum payments for impairment are not listed as a cash asset exemption, they are included as a cash asset for Special Needs Grants.

You can find more information at the following links:

- www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96993.html, and
- www.workandincome.govt.nz/map/legislation/welfare-programmes/special-needs-grants-programme/clause-3-definitions.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 and any attached documents 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 regarding the Social Security Act and/or Regulations that the Ministry relies on, 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.

Ngā mihi nui

Bridget Saunders

Bridget Saunders
Manager, Issues Resolution