



10 April 2024

Tēnā koe

### **Official Information Act request**

Thank you for your email of 22 January 2024, requesting information about New Zealand Superannuation with a Non-Qualified Partner (NQP).

Firstly, I apologise for the delay in responding to your request. This was due to an administrative error in your request not being forwarded on receipt to the Official Information team to process.

Thank you for clarifying your request on 20 March 2024. I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out below.

- 1. The calculations and formulas used to assess entitlement to assistances, not including NZS with a NQP included ie income for benefit purposes.*

Please find the link below the Ministry's Manual and Processes 'Extra help information':

- [www.workandincome.govt.nz/map/deskfile/extra-help-information/index.html](http://www.workandincome.govt.nz/map/deskfile/extra-help-information/index.html).

General information regarding Disability Allowance can be read here:

- [www.workandincome.govt.nz/map/income-support/extra-help/disability-allowance/index.html](http://www.workandincome.govt.nz/map/income-support/extra-help/disability-allowance/index.html).

Process to determine payment rates can be read here:

- [www.workandincome.govt.nz/map/income-support/extra-help/disability-allowance/payment.html](http://www.workandincome.govt.nz/map/income-support/extra-help/disability-allowance/payment.html) .

Accommodation Supplement formula used to calculate rate can be read here:

- [www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/calculating-rate-general-formula-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/calculating-rate-general-formula-01.html).

Temporary Additional Support formula and calculation process can be read here:

- [www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/formula-for-temporary-additional-support-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/formula-for-temporary-additional-support-01.html)
  - [www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/calculating-the-rate-of-payment-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/calculating-the-rate-of-payment-01.html).
2. *Current staff guidelines and policy for assessing entitlement to NZS with a NQP included, when there is self-employment business income and expenses.*
  3. *Provide Deskfile in MAP for assessing income from self-employment when a NQP is included into a NZS.*

NZ Superannuation and Veterans Pension tables:

- [www.workandincome.govt.nz/map/deskfile/nz-superannuation-and-veterans-pension-tables/index.html](http://www.workandincome.govt.nz/map/deskfile/nz-superannuation-and-veterans-pension-tables/index.html)

New Zealand Superannuation – Clients with a partner:

- [www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/clients-with-a-partner.html](http://www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/clients-with-a-partner.html)

New Zealand Superannuation – Charging income:

- <https://www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/charging-income-01.html>

Core Policy – Definition of income:

- [www.workandincome.govt.nz/map/income-support/core-policy/income/definition-of-income/introduction.html](http://www.workandincome.govt.nz/map/income-support/core-policy/income/definition-of-income/introduction.html)

Core Policy – Guidelines for determining whether a payment is income:

- <https://www.workandincome.govt.nz/map/income-support/core-policy/income/definition-of-income/guidelines-for-determining-whether-a-payment-is-in.html>

You can also find enclosed **Appendix – Doogle Pages** which contains the Ministry’s internal guidelines on self-employment income and income evidence requirements.

4. *Explanation of why, not all NZS recipients are required to declare their expenses from self-employment.*

New Zealand Superannuation is only income-tested when a qualifying person has an NQP included in their payments. In this situation, the rate of New Zealand Superannuation paid to the couple is reduced by their combined income over a certain threshold.

Income for benefit purposes, including income-tested New Zealand Superannuation, is defined in Part 2 of Schedule 3 of the Social Security Act 2018. The definition is broad and captures amounts from a range of sources, including self-employment, and some amounts that are not captured by the tax system.

New Zealand Superannuitants who have an NQP included or who receive other income-tested assistance may be asked to provide details of any income they or

their partner earn or receive. This information supports the Ministry to accurately assess their eligibility and entitlement to financial assistance.

More information can be found on our website here:

[www.workandincome.govt.nz/on-a-benefit/tell-us/income/index.html](http://www.workandincome.govt.nz/on-a-benefit/tell-us/income/index.html).

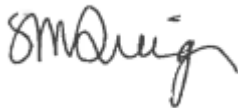
I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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

pp. 

Magnus O'Neill  
**General Manager**  
**Ministerial and Executive Services**

## Income for Benefit Purposes Explained

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This page introduces and provides a link to the [Social Security Act 2018 - Income for Benefit Purposes](#) document. This general information guide to the act may be given to clients and their advisors.

On this Page:

### Income for benefit purposes

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#### Income is defined in Schedule 2 of the Social Security Act 2018

The definition of income is wider than that commonly accepted for matters such as income tax and includes amounts which would not normally be regarded as income.

Over time High Court and Social Security Appeal Authority decisions have clarified and refined the interpretation of the legislation.

#### Deprivation of income, Schedule 3, cls 16 of the Social Security Act 2018

This section provides a discretion to refuse, terminate, or reduce a benefit in situations where the client has directly or indirectly deprived themselves of any income or property which results in qualifying for any benefit or an increased rate of benefit.

### Income for benefit purposes document

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### Accountants - Financial Determination Contacts

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The contact page explains who we are, what we do and how to obtain assistance from us

[Contacts page \[http://doogie/business-groups/helping-clients/work-and-income/who-we-are/our-teams/income-determination-team.html\]](http://doogie/business-groups/helping-clients/work-and-income/who-we-are/our-teams/income-determination-team.html)

## Treatment of Income

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This page clarifies a number of issues regarding the treatment of income.

On this Page:

### Client Obligations

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It is important that a client is fully aware of their obligations and they must advise immediately of any changes in their circumstances including changes in income that may affect their entitlement, or rate of benefit payable.

### Evidence of income and assets

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The processing standards contain information about when evidence is required for income and assets.

For information on the processing standards see:

[Processing standards - Income and asset details \[http://doogole/resources/helping-clients/processing-standards/income-and-asset-details-01.html\]](http://doogole/resources/helping-clients/processing-standards/income-and-asset-details-01.html)

### Recording income for annual benefits

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For benefits that can have income charged annually (eg Sole Parent Support, Supported Living Payment) any income received by a client should be estimated over a 52 week period and added to the client's record from the beginning of the current pay period or from the first available date.

Clients in receipt of annual benefits can have income added either annually or weekly depending on their circumstances and their employment.

**Note:** although income can appear as weekly in SWIFTT the income is still assessed on an annual basis.

#### How this works

How income should be added to a client's record will depend on their circumstances and employment pattern. Income can be recorded on SWIFTT as either an annual amount or a weekly amount, both of which are recorded as "prospective" (P). Where possible for annual benefits, income should be estimated as a prospective charge over a 52 week period.

SWIFTT will take any income and calculate it over a 52 week period taking into account the allowable exemption of \$5120.00. The amount of income added can be reviewed and altered at any time when the client advises that their estimated income is fluctuating.

#### Income fluctuates

If the client indicates their income is likely to vary from week to week and a prospective charge cannot be determined then it is preferable to record any income received by a client at the time the income is earned eg add it weekly. This reduces the likelihood of debt when a due/paid assessment is completed.

### Income at a disqualifying rate for annual benefits

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All clients who start either temporary or permanent work should be informed about "Working for Families" assistance and other assistance such as:

- Accommodation Supplement
- Working for Families Tax Credits
- Childcare assistance
- Child Support
- Work Bonus

When a client/partner receiving an annual benefit starts permanent work, that is work for an indefinite period at a disqualifying rate then the benefit should be cancelled from the date the client started work. If this is not possible because of deadlines or for any other good reason, there is provision to continue payment up to and including the pay day following the commencement of work.

When a client/partner has started temporary work at a disqualifying rate then the benefit may be suspended from the date the client started work.

### Charging income for Working for Families clients

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Working for Families assistance (Accommodation Supplement, Temporary Additional Support, Special Benefit and Childcare Assistance) is paid weekly and should be assessed on a weekly basis. Any income received by the client should be charged for the week(s) in which the income was earned or represents.

Depending on the type of assistance the annual review, 6 monthly review or 13 weekly review provides an opportunity to check a client's current circumstances and to determine the client's ongoing eligibility. Due/paid assessments should not be completed for Working for Families clients.

Clients receiving Working for Families assistance should be aware of their obligations to advise immediately of any changes in their income. Clients can tell us about changes to income by declaring it online or phoning the Contact Centre.

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Content owner: [Work and Income National Office](#) Last updated: 27 June 2023

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OFFICIAL INFORMATION ACT

## Income and asset evidence

Income and asset evidence ensures we are paying our clients their full and correct entitlement and starting their main benefit from the correct date.

On this Page:

### When evidence is required

<p><b>Clients in receipt of income tested on-going financial assistance</b> [<a href="https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html">https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html</a>]</p> <p>[<a href="https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html">https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html</a>]</p>	<p><b>Clients not in receipt of income tested on-going financial assistance</b> [<a href="https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html">https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html</a>]</p>
<p><b>Evidence is required when a client:</b></p> <p>declares changes/new income and assets (excluding employment related income e.g. <a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/types-of-income/wages-or-salary-01.html">wages/salary</a> [<a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/types-of-income/wages-or-salary-01.html">https://doogle.ssi.govt.nz/map/income-support/core-policy/income/types-of-income/wages-or-salary-01.html</a>].)</p> <p>has a <a href="https://doogle.ssi.govt.nz/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/review-of-annual-income-and-review-of-circumstances/review-of-annual-income.html#QueuingworktoCentralisedServices5">review of annual income</a> [<a href="https://doogle.ssi.govt.nz/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/review-of-annual-income-and-review-of-circumstances/review-of-annual-income.html#QueuingworktoCentralisedServices5">https://doogle.ssi.govt.nz/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/review-of-annual-income-and-review-of-circumstances/review-of-annual-income.html#QueuingworktoCentralisedServices5</a>]</p> <p>has an annual review of Childcare Assistance has an annual review of Income Related Rent (only required in some cases) see: <a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html">Verification of income</a> [<a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html">https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html</a>]</p> <p>only receives non-income tested assistance (e.g. CDA or UCB) and applies for financial assistance (one-off and/or on-going)</p>	<p><b>Evidence is required when a client:</b></p> <ul style="list-style-type: none"> <li>• applies for on-going financial assistance (including public housing applications)</li> <li>• applies for <a href="https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html">one-off financial assistance</a> [<a href="https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html">https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html</a>]</li> <li>• has an annual review of Income Related Rent (only required in some cases) see: <a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html">Verification of income</a> [<a href="https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html">https://doogle.ssi.govt.nz/map/income-support/core-policy/income/definition-of-income/verification-of-income-and-assets-01.html</a>]</li> </ul>

### Low Trust

Low Trust clients must provide evidence of any new or changed income and assets to their local office.

### When evidence is not required

Evidence of income and assets is **not** required when a client is in receipt of income tested [on-going financial assistance](https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html) [<https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html>] and:

applies for [one-off financial assistance](https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html) [<https://doogle.ssi.govt.nz/resources/helping-clients/processing-standards/processing-standards-glossary.html>]

they declare changes to/new employment related income e.g. [wages or salary](https://doogle.ssi.govt.nz/map/income-support/core-policy/income/types-of-income/wages-or-salary-01.html) [<https://doogle.ssi.govt.nz/map/income-support/core-policy/income/types-of-income/wages-or-salary-01.html>], (this can be confirmed verbally and updated via SWIFTT)

matching evidence is already held on the record

### Acceptable income evidence

Income evidence must show the:

name of the person who has earned the income  
 employer's name  
 hours worked, and  
 gross and net amounts paid to the person.

When a client ceases work, income evidence must also show the:

last day of work  
 gross holiday pay (and/or any redundancy or other severance type pay), and



previous 26 and 52 weeks gross income.

Examples of acceptable evidence for income are:

### **Salary/wages**

a letter from the employer  
an employment contract  
payslip(s)  
an IRD online printout  
full financial statements or letter from accountant for self-employment.

If the income evidence does not show the clients gross holiday pay this will need to be provided separately.

### **Child Support**

notice of entitlement from Inland Revenue or online statement from myIR  
letter from paying parent if they have a private arrangement.  
information in SWIFTT and CMS for info share CS

### **Rental Property**

Inland Revenue statement  
accountant's statement or letter  
documents to support rental income and outgoings  
full financial statements.

### **Ex gratia and compensation payments**

a letter from the organisation which made the payment including:

the payment amount  
date received  
organisation that made the payment, or

a bank statement, or  
screenshot from their online banking.

### **ACC – Accident compensation**

a letter from ACC.

There are many types of income, but these are not always charged the same way. Some income/payments a client receives are excluded as income. For more information see: [Types of income. \[http://doogle/map/income-support/core-policy/income/types-of-income/index.html\]](http://doogle/map/income-support/core-policy/income/types-of-income/index.html)

### **Acceptable asset evidence**

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Asset evidence must show:

the name of the person who owns the asset  
a description of the asset  
the value of the asset  
any money owed against the asset.

Examples of acceptable evidence for assets are:

term deposit statement  
bank account statement showing the current balance of all bank accounts  
share certificate  
latest valuation and mortgage balance on a rental property's net equity - see more information below.

### **Net equity**

To determine net equity of a house, boat, vehicle or caravan, we will need the:

latest rates or GV (Government Valuation) notice for the property to determine its value or the amount insured whichever is greater



current balance on all mortgages owed against the property  
the insured value of the leisure boat or caravan, or  
a written valuation from a boat or caravan dealer  
the estimated value of the vehicle.

For more information see: [Net equity \[http://doogie/map/income-support/extra-help/accommodation-supplement/net-equity-01.html\]](http://doogie/map/income-support/extra-help/accommodation-supplement/net-equity-01.html)

## Applying for on-going financial assistance

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If the client ceases employment and does not have or is unable to provide their income evidence; you can contact the employer and ask them to complete the [Employment and earnings information for applications form \(V06\)](https://www.workandincome.govt.nz/documents/forms/employment-earnings-verification.pdf) [https://www.workandincome.govt.nz/documents/forms/employment-earnings-verification.pdf]. You can only do this when the client has given their consent.

If a client re-applies for a main benefit within 26 weeks of the date their benefit was cancelled due to entering temporary employment, we do not require their previous 26 and/or 52 weeks gross income. However, the client's final pay details are required in order to determine the date of event and entitlement date.

If written evidence of income is not immediately available, you should accept what the client has indicated on their application, advise them of the possible overpayment if the information is incorrect and give the person four weeks to provide the evidence.

Ensure that the conversation you had with the client is recorded on the client's file, including the date by which the client must return the evidence.

## Ways we can accept income and asset evidence

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### Post/Fax

### Online

MyMSD document upload

Email - you must copy the full email, including the sender, receiver, date and time details, onto the clients file.

### Face to face

### Legislation

Income (definition) [schedule 2 \[http://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784375.html\]](http://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784375.html), Social Security Act 2018

Content owner: [Work and Income National Office](#) Last updated: 22 September 2023

## Self-employment (including sole traders)

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A self-employed client is a client who is working for themselves. Either as a contractor, or the owner of business. A client who is self-employed may still be eligible for financial assistance if they meet all benefit qualification criteria. We do not require a client to close down their business to receive a benefit.

On this Page:

There are different types of self-employment including:

contractors  
gig workers  
partnerships  
single-member limited liability companies  
shareholders  
sole traders.

There is now a 'self-employment' income type in SWIFTT that can be used, to help record when these clients are seeking assistance.

**Please note**, while the SWIFTT income type can be used for all forms of self-employment, only sole-traders income should be put through the queue: **Financial Determination Team - Income calculation for Sole Traders** in S2P to go to the Financial Determination team. All other types of escalations must follow the normal process.

### Support from Financial Determination

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If you are unable to calculate a client's income from self-employment, you can reach out to the Financial Determination team, who are accountants working within MSD.

From 12 December 2022, we changed the way we contact the Financial Determination team when looking for help to determine how to process income for these clients.

Starting with sole traders, these can be sent through to Financial Determination through the S2P queue **Financial Determination Team – Income calculation for Sole Traders**. Other cases can still be sent through via email.

Please visit Financial Determination Team's doogle page for more information:

[Accountants - Financial Determination \[https://doogle.ssi.govt.nz/business-groups/helping-clients/work-and-income/who-we-are/our-teams/income-determination-team.html\]](https://doogle.ssi.govt.nz/business-groups/helping-clients/work-and-income/who-we-are/our-teams/income-determination-team.html)

### Examples of evidence that clients could be expected to provide as proof of income

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As with other employed clients, self-employed clients will still be expected to meet the standard of verification when providing their income.

They may be able to provide a range of evidence to support their income. These could include:

an Individual Tax Return (IR3B) form  
a Profit/Loss (P&L) summary  
log books.

As a last resort clients may be able to provide:

a mix of bank account statements and receipts.

It is important to remember that the client is responsible for keeping accurate and up to date information for their business, and it is not the role of the Ministry to clarify their accounts. If clients are not able to get clear accounts, there are outside resources that are free and available for clients to use.

### Sole Traders

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A sole trader is a person who owns and runs their own business as an individual. A sole trader business doesn't have any legal identity separate to its owner (i.e. they share the same IRD number).

Sole trader businesses are often small and not earning large amounts of income.

We are preparing for a change in the way sole trader income is assessed – new policy and training is coming soon in 2023.

Complex cases that may not be able to be processed by frontline staff can be sent through to the Financial Determination team via S2P. These cases can be sent through the queue: **Financial Determination Team – Income calculation for Sole Traders**.

Once Financial Determination have assessed the income, the team will then send the information back to the staff member who sent it through to them for processing.

When assessing sole trader income, you can record this information in CMS under the note type:

Business Group: Service Delivery

Event type: Change in Circumstances

Event Sub-type: Charge Income – Sole Trader

To help record all the information needed for processing, you can use the following Client Event Note template:

Business name/identifiers:

Business type:

Type of evidence provided:

Calculation notes:

Mixed use costs calculations:

Conversation notes:

Resources provided to client:

Discussion/decisions about prospective income:

## StudyLink information

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This page impacts Work and Income and NZ Superannuation clients, including students getting Jobseeker Support Student Hardship (JSSH).

StudyLink clients getting a Student Allowance are impacted by different legislation. For these clients, please proceed with StudyLink processes as normal.

You will be informed about any changes impacting our student clients in the future.

## Employment supports for self-employed people

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There are many types of supports available for clients who are self-employed, some are from within the Ministry.

When a self-employed person is receiving a benefit and is work ready, we want to work with them to enter full-time employment and leave the benefit. This could look like helping the client to pick up a different job alongside their business, or supporting them to improve their business to become independent.

To see some of the supports MSD offers see [Assistance to enter self-employment \[https://doogie.ssi.govt.nz/map/employment-and-training/employment-and-work-readiness-assistance/assistance-to-enter-self-employment-01.html\]](https://doogie.ssi.govt.nz/map/employment-and-training/employment-and-work-readiness-assistance/assistance-to-enter-self-employment-01.html).

If you think a client may be eligible for these supports, discuss their case with your manager.

## Legislation

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Income (definition) schedule 2 Social Security Act 2018

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Content owner: [Work and Income National Office](#) Last updated: 20 December 2022