16 July 2024

Tēnā koe

Official Information Act request

On 17 June 2024, the Treasury transferred your request to the Ministry of Social Development (the Ministry) for response for any calculations of the cost to the New Zealand taxpayer of the British Government's policy of freezing its state pensions paid to New Zealand that this Ministry may have.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

In 2016, the Ministry did conduct an exercise to calculate the costs and estimate of the additional expense to the United Kingdom (UK) of the paying index linked pensions into New Zealand. It was found that due to the effect of the direct deduction policy (under which UK state pensions are deducted from any pension or benefit a person receives) the additional expense for the UK would be a saving for New Zealand. The estimated additional expense for the UK was calculated at: (in New Zealand dollars):

- 2017/18 $5.388m
- 2018/19 $10.921m
- 2019/20 $16.615m
- 2020/21 $22.490m
- 2021/22 $28.563m

The Ministry provides advice on its website about this issue, which you can view here:

www.workandincome.govt.nz/pensions/travelling-or-moving/social-security-agreements/uk-pensions-paid-in-nz-faqs.html.
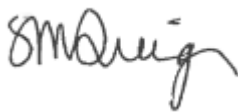
You will note the advice suggests that you should contact the UK's Pension Service for more specific information about UK state pensions.

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.

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 or 0800 802 602.

Ngā mihi nui

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Magnus O'Neill
General Manager
Ministerial and Executive Services