



New Zealand
Income Support
Survey

Summary of key findings from the 2022 New Zealand Income Support Survey



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA



Inland Revenue
Te Tari Taake



Te Kāwanatanga
o Aotearoa
New Zealand Government

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Background to the 2022 New Zealand Income Support Survey

The New Zealand Income Support Survey took place between June and December 2022. The survey interviewed 1,852 people aged between 18 and 64 years old, from a range of backgrounds, on low- and middle-incomes who appeared potentially eligible for income support payments from the Ministry of Social Development (MSD) or Inland Revenue (IR) regardless of whether they were receiving payments or not. These people were asked a range of questions about their:

- awareness of income support payments
- possible eligibility for income support payments
- experiences applying for income support
- childcare
- work and family life.

The aim of the survey was to gather information to help improve the income support system.

The overall response rate for the survey was 50 percent.

More information about the survey, and the methodology of the survey can be found alongside this summary of findings pack on the MSD website.




This summary draws together key findings from the New Zealand Income Support Survey

Key findings are reported in this summary pack, including findings about respondents’:

- awareness of income support payments paid by MSD and IR
- experiences applying for payments from MSD and IR
- eligibility for the family tax credit, awareness of lump sum family tax credit payments, experiences with overpayments, take-up, and reasons for non-take-up of the family tax credit
- eligibility for the Accommodation Supplement, take-up, and reasons for non-take-up of Accommodation Supplement
- awareness, understanding, receipt of, and views on, the in-work tax credit
- factors behind paid work decisions
- childcare and childcare assistance
- the requirement to declare partners and the impact of this on relationships.

Some results are marked with a hash (#). Results with a hash should be reported with additional context in text (for example: “52 (± 15) percent respondents said...”). This is because these results have high margins of error and/or high relative sampling errors, and so should be used with care. For more information about how this is determined, please read the methodology report.

More detailed breakdowns of the findings presented in this summary can be found alongside this summary of findings pack on the MSD website.



**Awareness, understanding,
and experiences claiming
MSD payments**

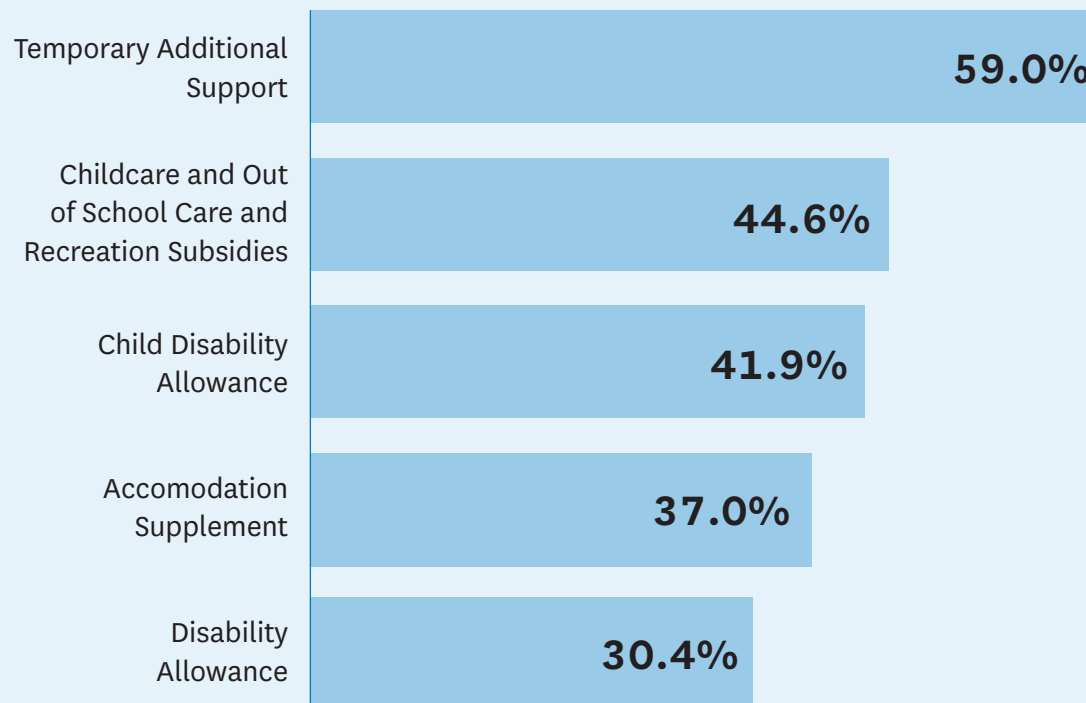
Sizeable proportions of respondents said they were not aware or didn't know about MSD payments

Non-awareness varied significantly across the MSD payments that we asked about.

Non-awareness was highest for Temporary Additional Support (59.0 percent of respondents), and lowest for Disability Allowance (30.4 percent of respondents).

Respondents who were aware of payments generally understood who could get those payments.

Percentage of respondents who said they were not aware or didn't know about selected payments



Note: Information about the payments shown on this page can be found here:

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/families-package-reports/the-new-zealand-income-support-system-as-at-1-july-2022.pdf>

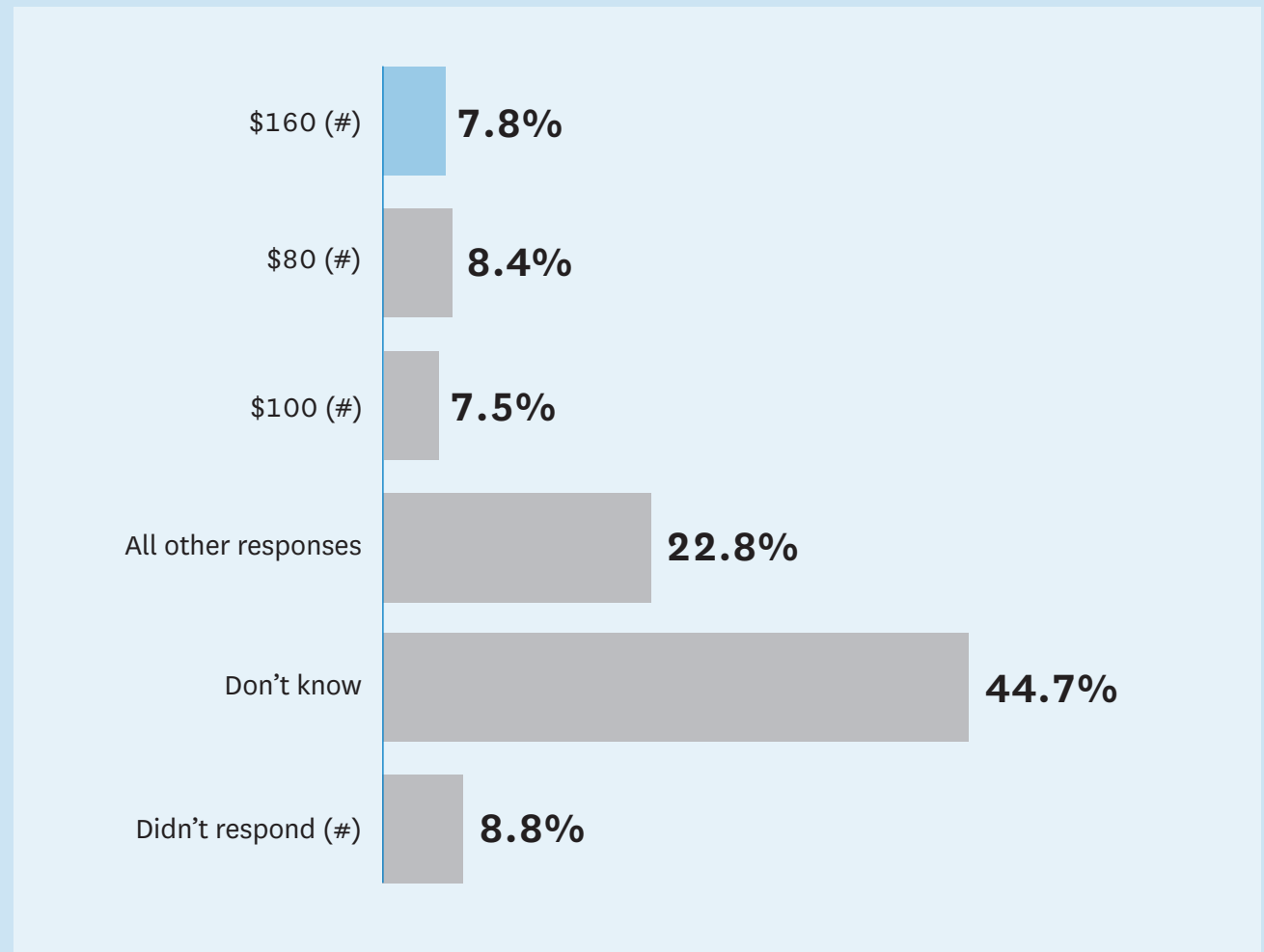
Less than 10 percent of main benefit recipients knew how much they could earn before their benefit abated

The benefit abatement threshold had been raised to \$160 per week in 2021, from \$80 or \$100 (depending on the benefit received) in 2019. This allowed benefit recipients to earn more before their benefits started to decrease.

When respondents receiving a main benefit were asked what they thought the threshold was, **they were as likely to state the pre-1 April 2020 thresholds** (8.4 ± 3.9 percent said \$80, 7.5 ± 3.8 percent said \$100), **as they were the correct abatement threshold** (7.8 ± 3.5 percent said \$160).

These findings are reflected within a recent study undertaken by Motu Economic and Public Policy Research.¹ This study suggested low awareness amongst main benefit recipients of the benefit abatement threshold, or low ability for benefit recipients to adjust earnings in response to the threshold.

Abatement thresholds reported by respondents receiving a main benefit



¹ Link to be provided with text

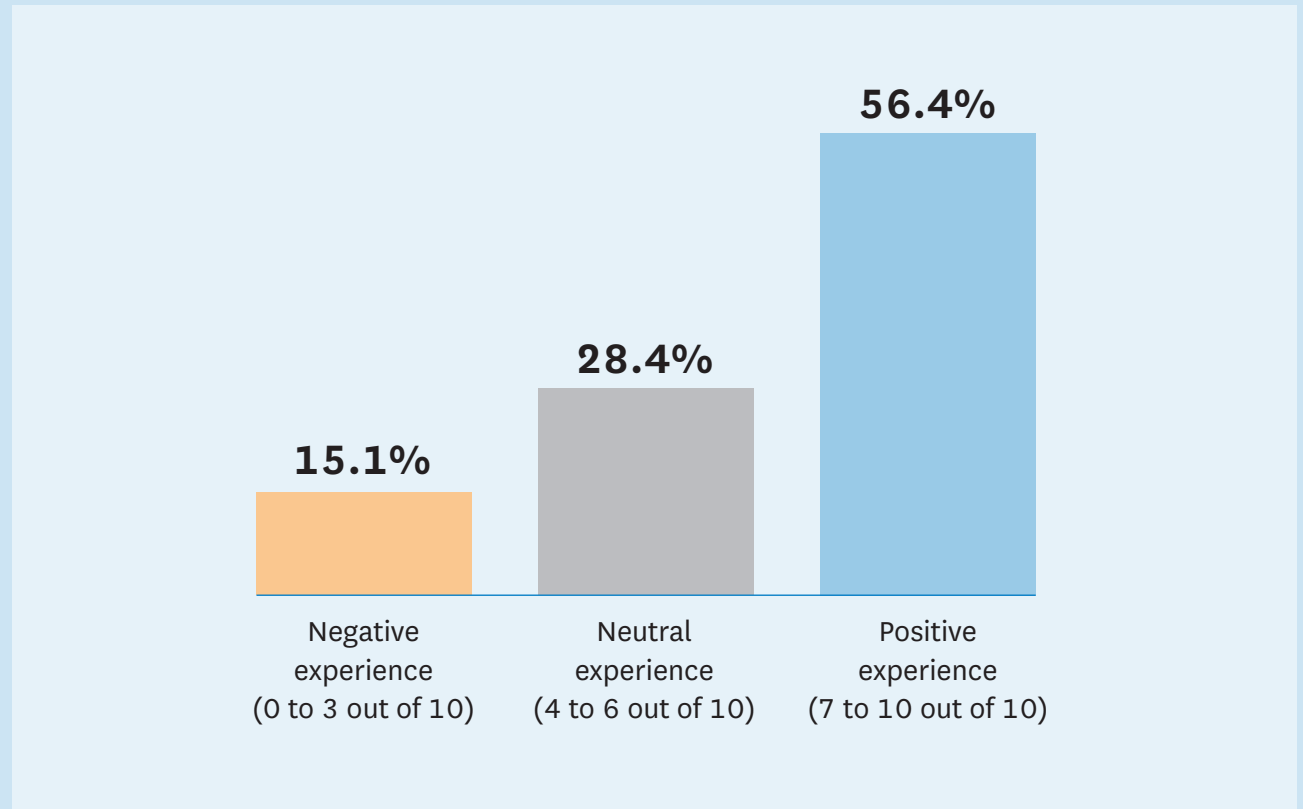
Most respondents who had applied or reapplied for a payment from Work and Income in the previous 12 months had a positive experience

We asked respondents a range of questions to better understand their recent experiences applying or reapplying for a payment from Work and Income.

Just over 56 percent of respondents reported a positive experience (scored 7 to 10 out of 10). In comparison, 28.4 percent reported a neutral experience (scored 4 to 6 out of 10), while 15.1 percent reported a negative experience (scored 0 to 3 out of 10).

No statistically significant differences in experience were observed based on the channel that respondents used (that is, whether respondents applied or reapplied online, face-to-face, over the phone, or other ways).

Experience of respondents who had applied or reapplied for a payment from Work and Income in the last 12 months



Note: Eight respondents who did not provide an experience rating are not included within calculations for this graph.

While generally positive, some areas for improving MSD client experience were identified

Respondents who had face-to-face or phone contact in their last interaction with Work and Income generally reported positive experiences. However, some room for improvement was identified.

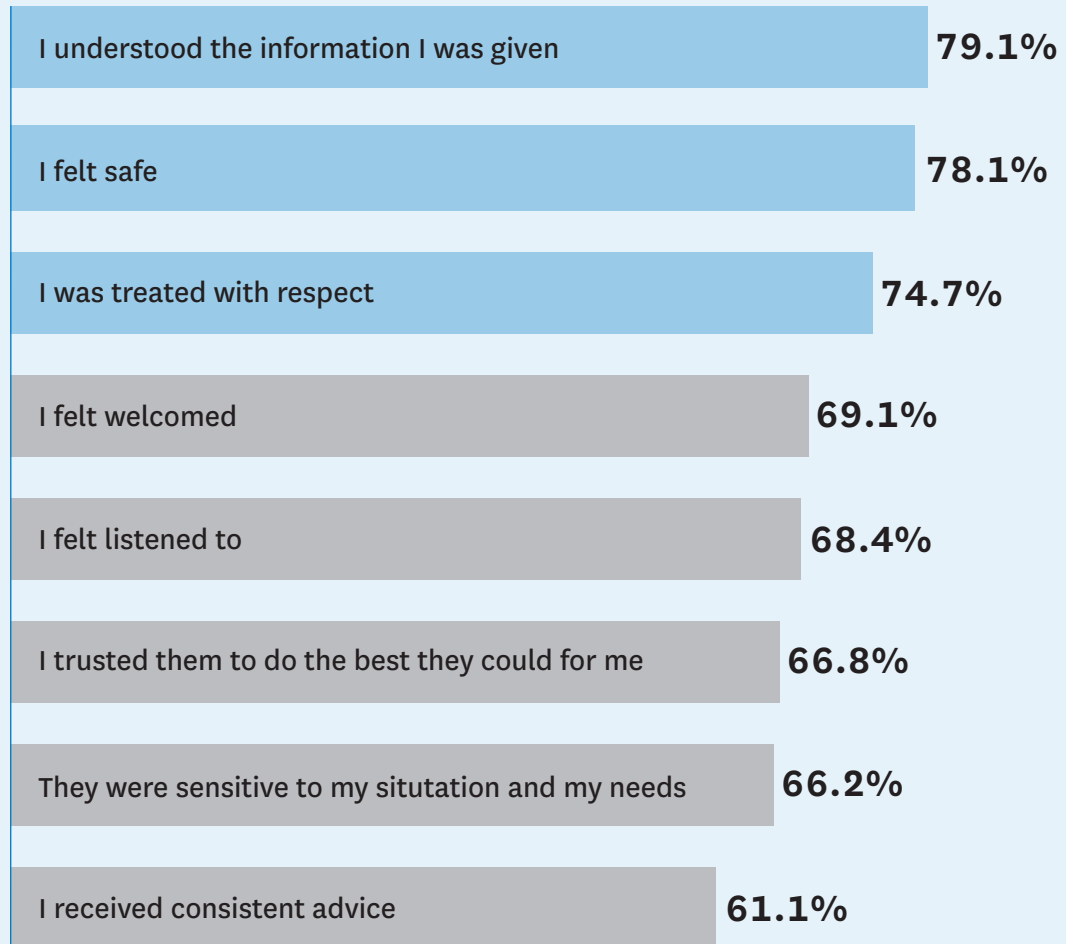
Around three quarters of respondents agreed or strongly agreed that they:

- understood the information that they were provided
- felt safe
- were treated with respect.

Between 60 and 70 percent of respondents agreed or strongly agreed that they:

- received consistent advice
- thought Work and Income were sensitive to their situation and needs
- trusted Work and Income to do the best they could for them
- felt listened to
- felt welcomed.

Percentage of respondents with face-to-face or phone contact in their last interaction with Work and Income who agreed or strongly agreed with selected statements



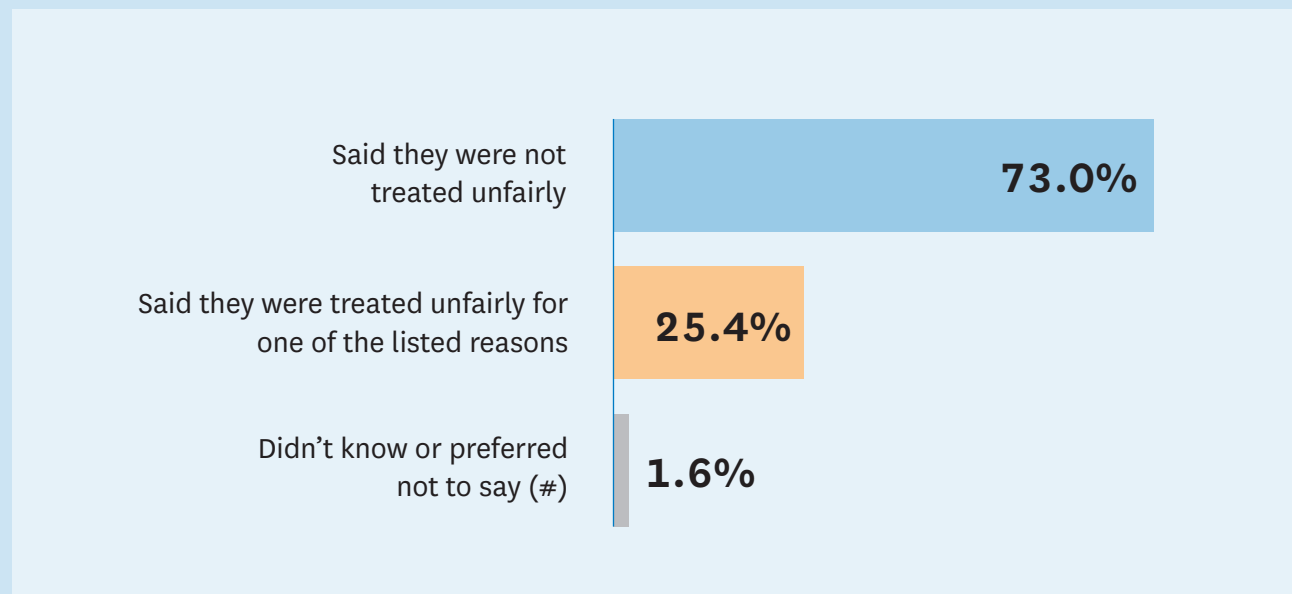
A quarter of respondents said they were treated unfairly in their last face-to-face or phone interaction with Work and Income

We asked respondents about whether they felt they had been treated unfairly in their last face-to-face or phone interaction with Work and Income, and if so, why.

One-quarter of respondents said they were treated unfairly. Some of the most common reasons reported were because of:

- their income or their whānau, aiga or family's income
- a mental health condition, or a disability or physical health condition
- their appearance.

Percentage of respondents with face-to-face or phone contact in their last interaction with Work and Income who:



Take-up of the Accommodation Supplement was low

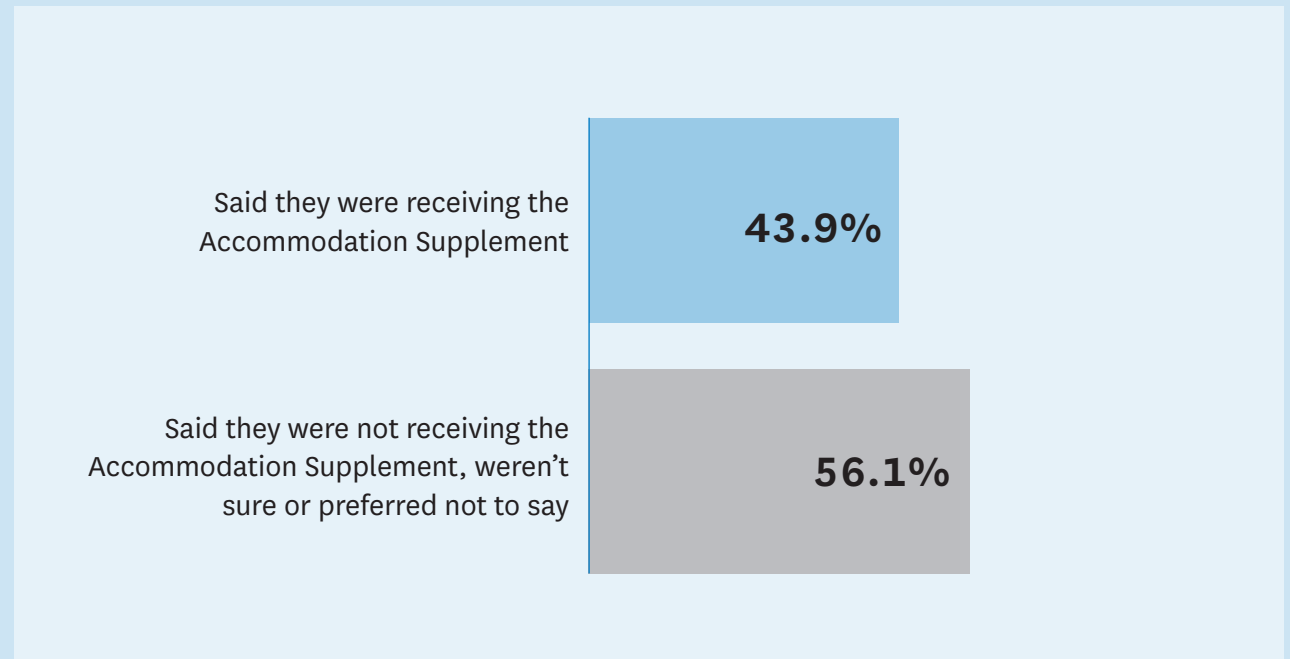
We collected information on whether people were taking-up the Accommodation Supplement, and if not, why.

Just under 44 percent of respondents who (based on their circumstances) appeared eligible for the Accommodation Supplement said they were receiving the payment.

These findings are consistent with research conducted by MSD and Treasury, which suggests that a substantial number of low- and middle-income families not supported by a main benefit are eligible for the Accommodation Supplement but are not receiving it.^{1,2}

1. Welfare Expert Advisory Group (2019). *The take-up of income support*. <https://www.weag.govt.nz/assets/documents/WEAG-report/background-documents/38f35441ff/Take-up-of-Income-Support-010419.pdf>
2. Rea, D. (Unpublished MSD working paper). *New data on take-up of the accommodation supplement by clients not on a main benefit*.

Percentage of respondents potentially eligible for the Accommodation Supplement who:



Take-up of the Accommodation Supplement varied significantly among sub-groups

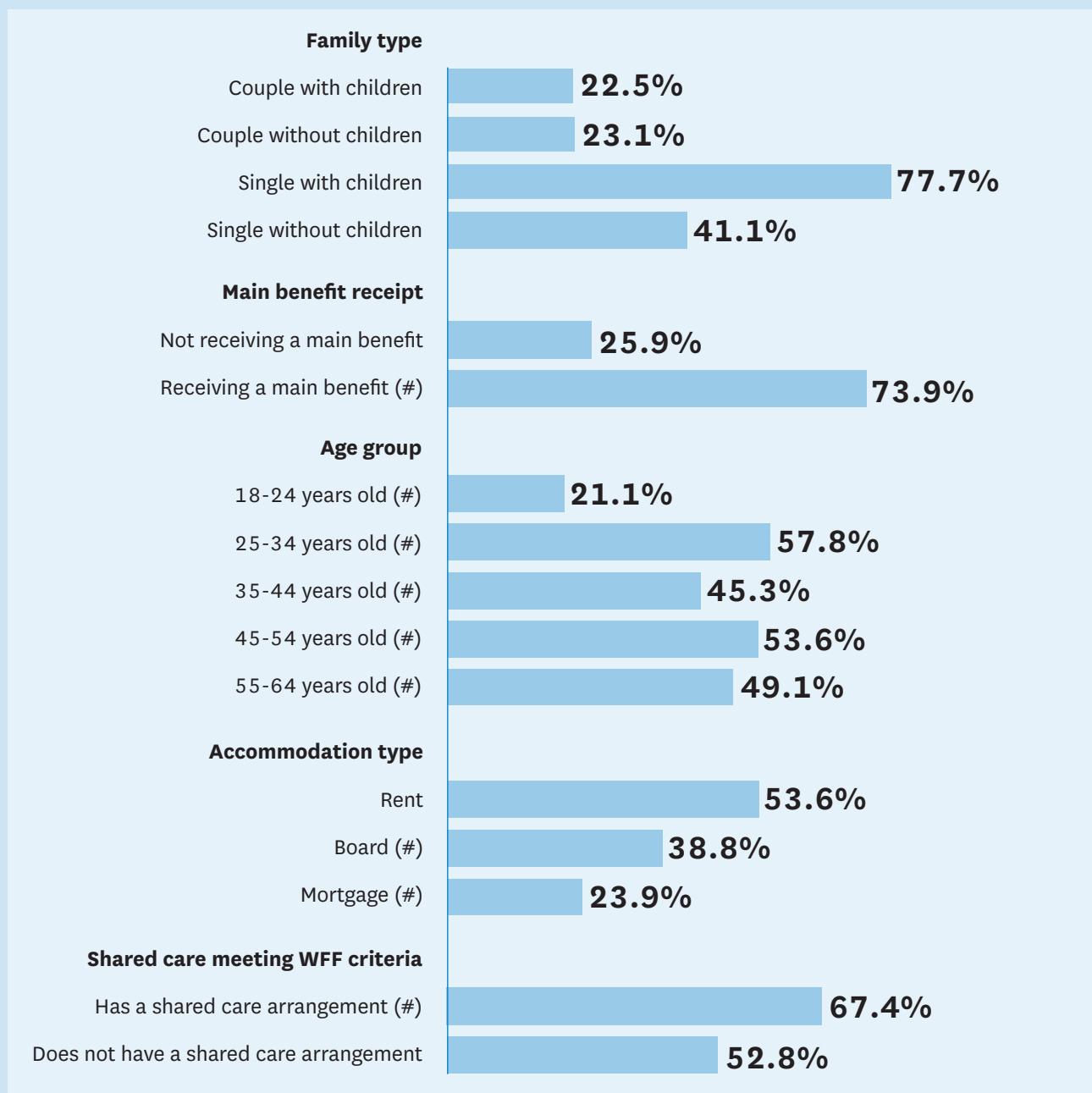
Compared to the survey average, respondents who were statistically significantly **more likely** to say they were receiving the Accommodation Supplement were:

- single with children
- receiving a main benefit
- had a shared care arrangement for a child in their care meeting Working for Families criteria.

In comparison, respondents who were significantly **less likely** to say they were receiving the Accommodation Supplement:

- were in a couple (either with or without children)
- were not receiving a main benefit
- were aged 18 to 24
- owned their own home and were paying a mortgage.

Percentage of potentially eligible respondents who were receiving the Accommodation Supplement



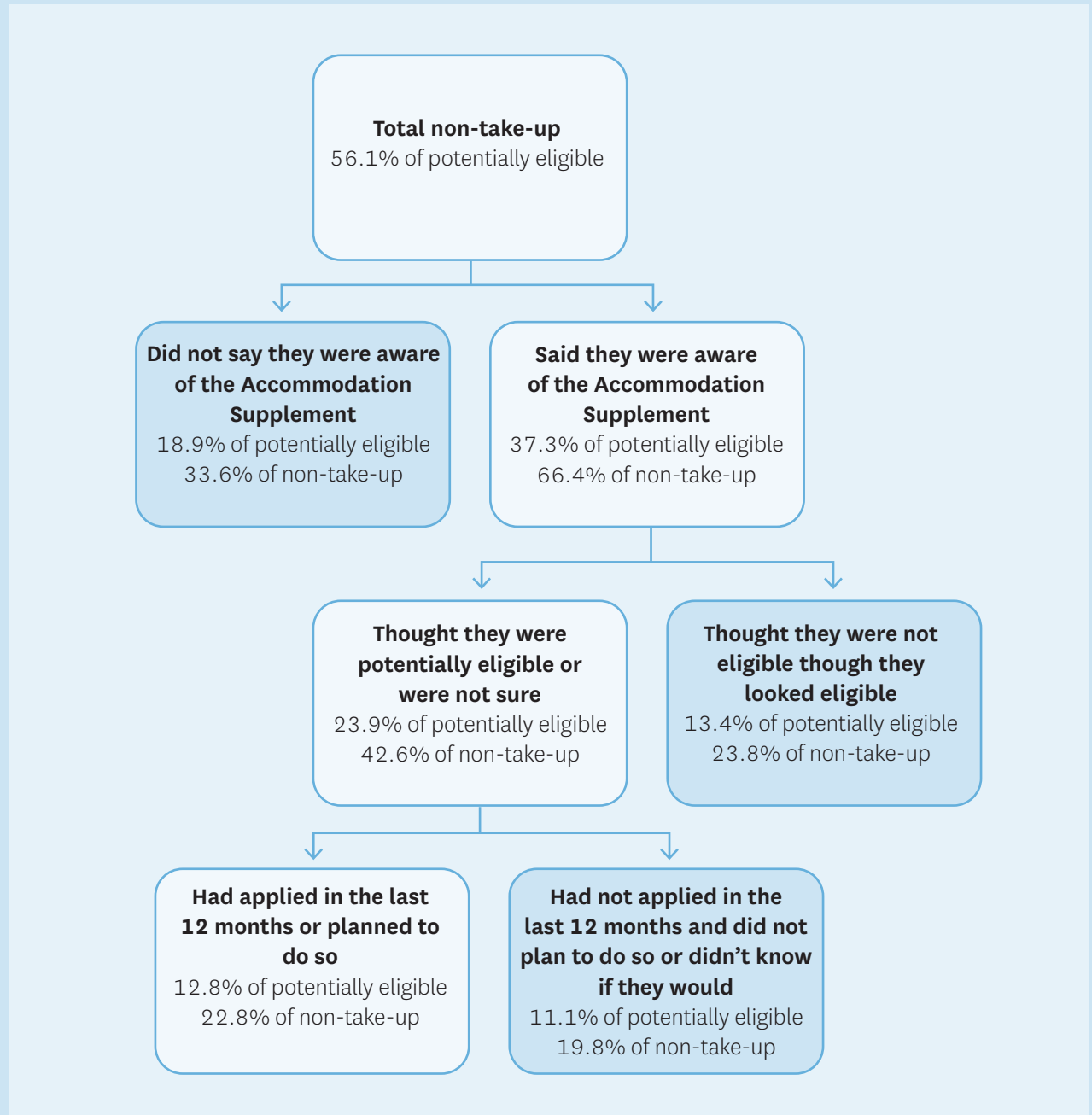
Lack of awareness accounted for just over a third of the estimated non-take-up of the Accommodation Supplement


We asked respondents about their awareness of the Accommodation Supplement, and if they were not receiving the payment, whether they thought they were eligible, and whether they planned to apply.

Lack of awareness was the most common reason for non-take-up of the Accommodation Supplement (33.6 percent of non-take-up).

This was followed by perceived eligibility from those who looked eligible (for example, thinking that they earned over the income thresholds, 23.8 percent of non-take-up), and awareness but no intention to apply (for reasons such as thinking that their current costs were affordable, and that they didn't need the payment, 19.8 percent of non-take-up).

Reasons for non-take-up of the Accommodation Supplement





**Awareness, understanding,
and experiences claiming
Working for Families
payments**

Respondents with children generally knew about the family tax credit, but awareness of other Working for Families payments was much lower

We asked respondents with children about their awareness of the different Working for Families payments.

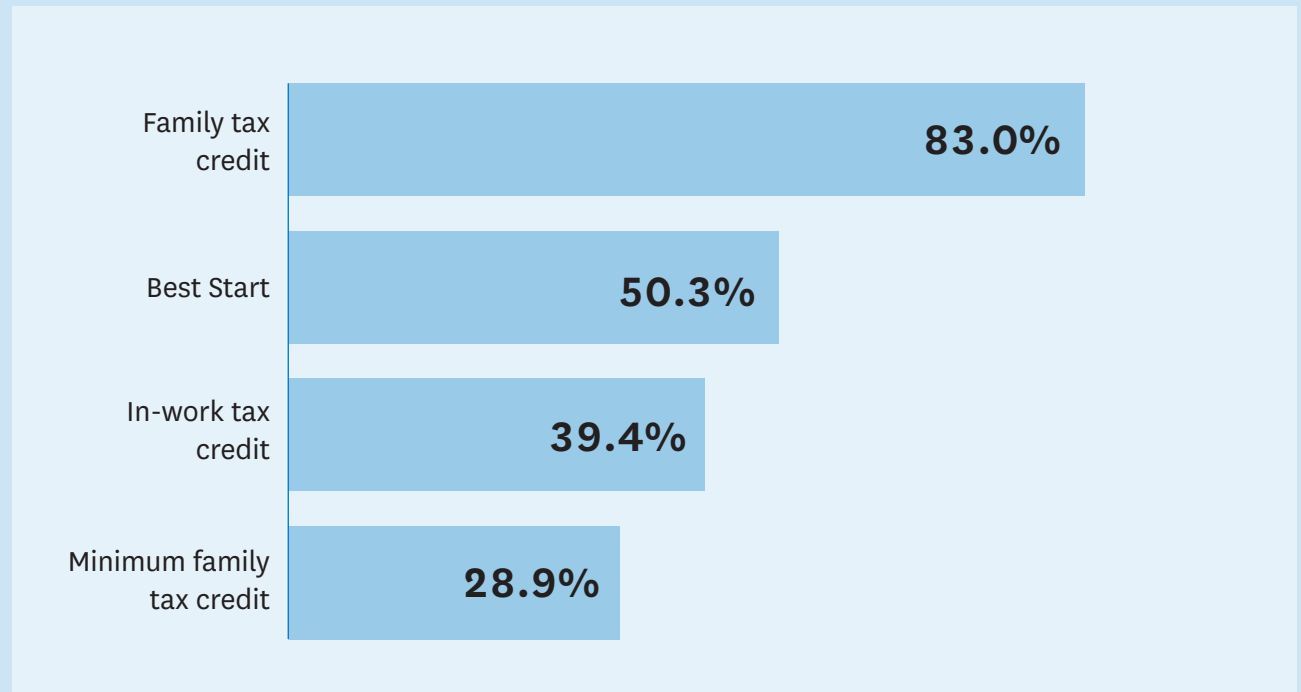
Respondents with children were generally aware of the family tax credit (83 percent). Half were aware of Best Start, with respondents who had more recently had children being significantly more likely to be aware (above 80 percent).

Significantly fewer respondents were aware of the in-work tax credit (39.4 percent) and the minimum family tax credit (28.9 percent).

Note: More information about the payments shown on this page can be found here:

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/families-package-reports/the-new-zealand-income-support-system-as-at-1-july-2022.pdf>

Percentage of respondents with children aware of selected Working for Families payments



Understanding of who could get different Working for Families payments was poor in relation to some payments

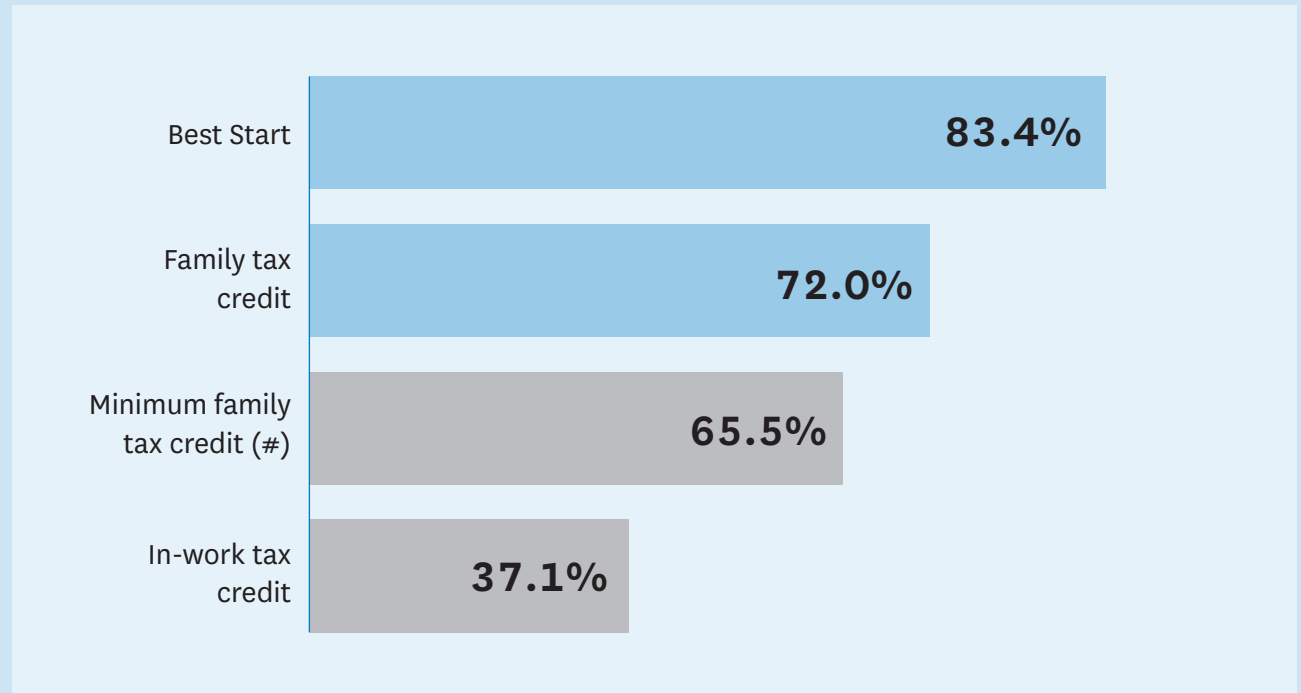
We asked respondents with children who were aware of different Working for Families payments about their understanding of who could receive those payments.

Respondents were generally aware that low-income families not receiving a benefit could receive Working for Families payments.

However, 65.5 (± 10.6) percent of respondents incorrectly thought that people receiving a main benefit could receive the minimum family tax credit. Just over 37 percent incorrectly thought the same about the in-work tax credit.

Given the role that these payments play in creating incentives for families to move off of main benefit and into paid employment, these misunderstandings indicate that these incentives may not always be working as designed.

Percentage of respondents aware of selected Working for Families payments who said families receiving a main benefit could receive these payments



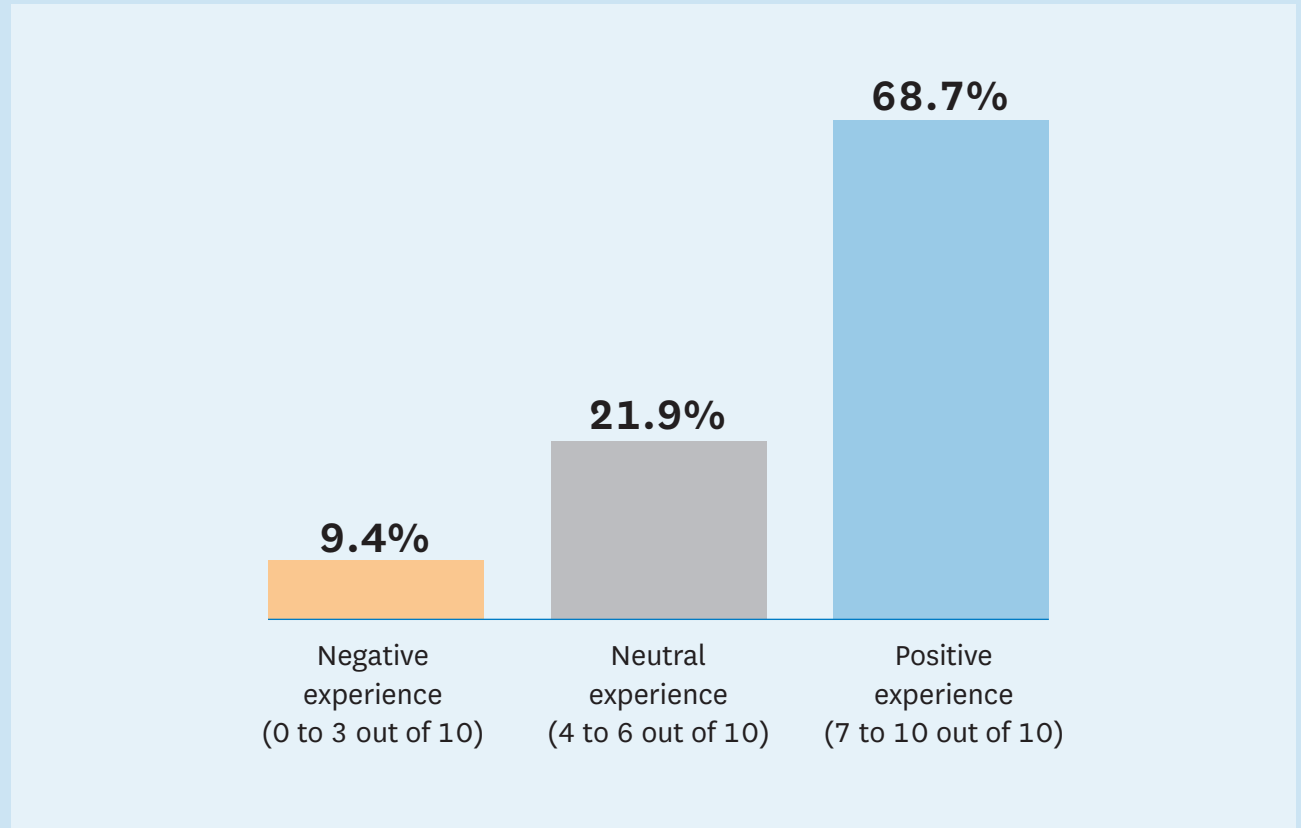
Most respondents who had applied or reapplied for Working for Families from IR in the last 12 months had a positive or neutral experience

We asked respondents a range of questions to better understand their recent experiences with applying or reapplying for Working for Families from IR.

Positive experiences (scores between 7 to 10 out of 10) **were reported by 68.7 percent of respondents, while 21.9 percent said that they had a neutral experience** (scored between 4 to 6 out of 10). Finally, 9.4 percent said they had a negative experience (scored between 0 to 3 out of 10).

Additionally, around three quarters of respondents who had moved off a main benefit into work in the past 12 months and applied for or continued to receive a Working for Families payment, found the process easy or very easy.

Experience of respondents who had applied or reapplied for Working for Families from IR in the 12 months before their interview



Note: Fifteen respondents who did not provide an experience rating are not included within calculations for this graph.

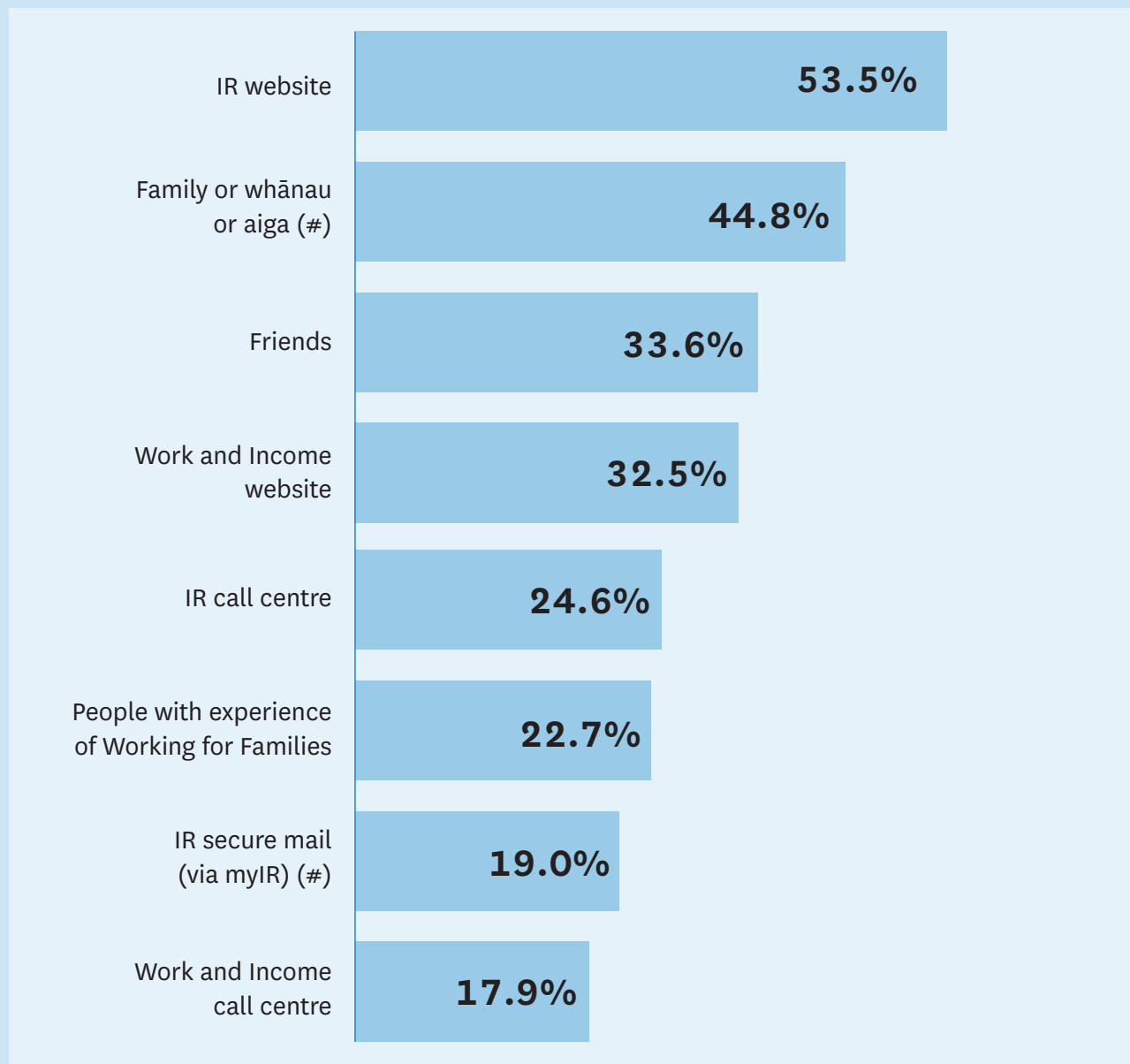
Respondents used many different sources for information or advice about their family tax credit entitlements

We asked respondents with children who had a family income below the cut-off for the family tax credit about the sources of information or advice they found most helpful in relation to family tax credit payments and entitlements.

Respondents reported many different information and advice sources as being helpful.

These ranged from official sources such as the IR website (53.5 percent), call centre (24.6 percent), or Work and Income website (32.5 percent), to more informal sources such as family, whānau or aiga (44.8 ± 10.3 percent), friends (33.6 percent), and people they know with experience of Working for Families (22.7 percent).

Percentage of respondents with children with a family income below the cut-off for the family tax credit who reported selected sources of information or advice as helpful

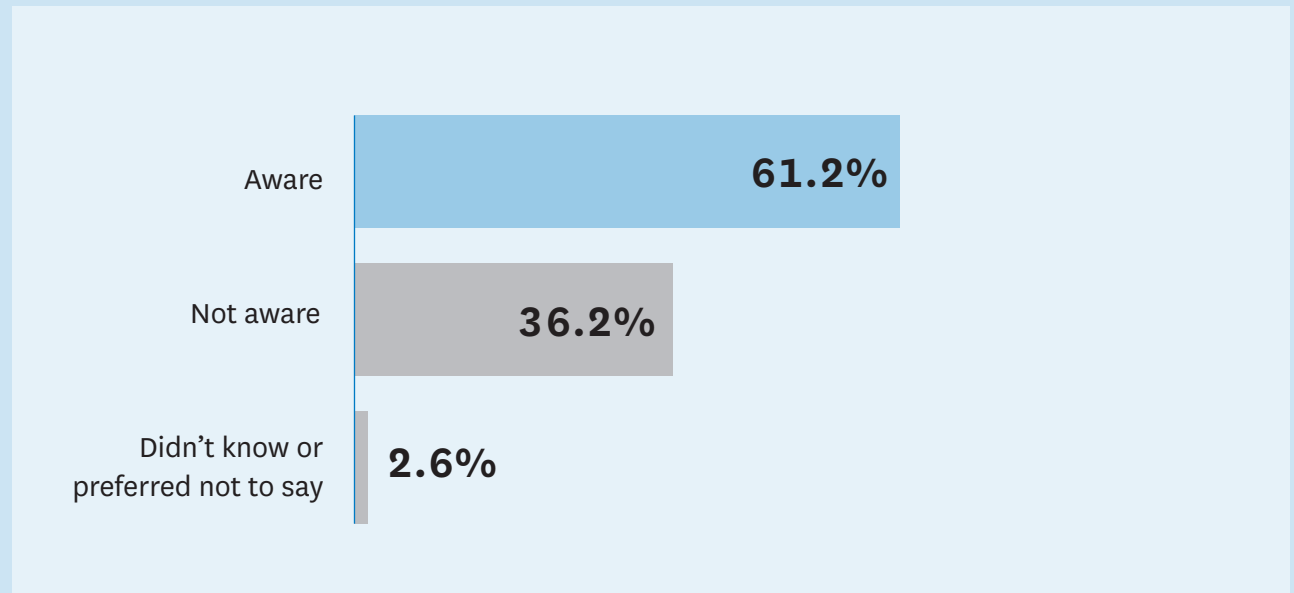


Awareness of the lump sum payment option for the family tax credit was lower than awareness of the payment overall

We asked respondents with children who were potentially eligible for the family tax credit whether they knew about the option to receive their family tax credit entitlement as a lump sum payment.

Among potentially eligible respondents with children, **61.2 percent were aware of the lump sum payment option.** This is lower than the overall awareness of the family tax credit for this group (91 percent).

Awareness of the lump sum payment option for the family tax credit



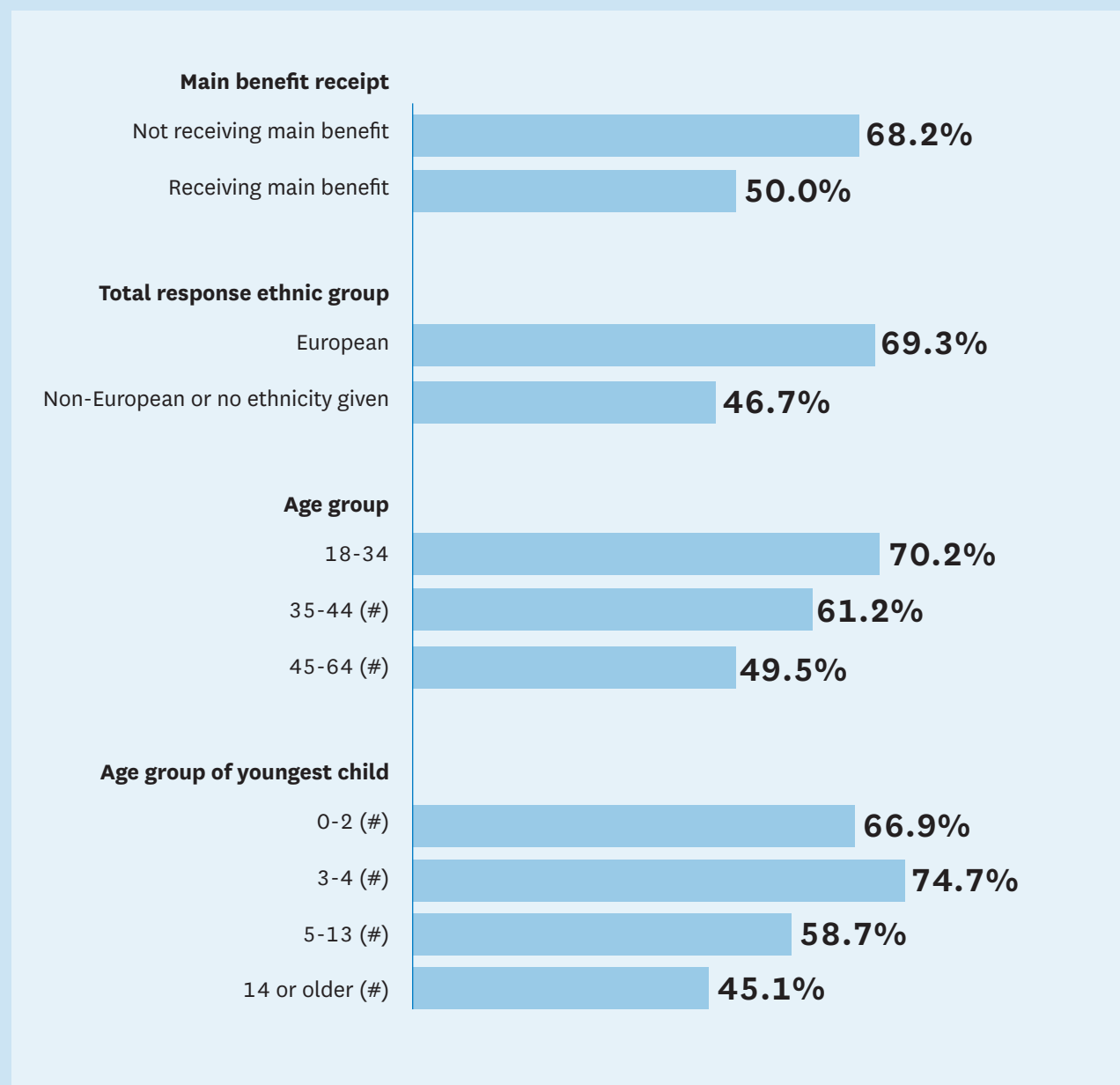
Awareness of the lump sum payment option for the family tax credit varied between sub-groups

Comparing within sub-group breakdowns, respondents who were statistically significantly **more likely** to be aware of the option of receiving the family tax credit as a lump sum after the end of the tax year:

- were not receiving a main benefit (compared to receiving)
- identified as European (compared to respondents who were non-European or did not provide an ethnicity).

Additionally, while not statistically significant, respondents aged 18 to 34, and respondents with a youngest child aged 3 to 4 seemed to be slightly more aware of the lump sum payment option. Respondents aged 45 to 64, and respondents with a youngest child aged 14 or older seemed to be slightly less aware of the lump sum payment option.

Percentage of respondents potentially eligible for the family tax credit who were aware of the lump sum payment option



Of respondents who had been asked to pay back the family tax credit in the past, nearly half changed their behaviour in the following year as a result

We wanted to know if being asked to repay family tax credit overpayments resulted in people changing their behaviours in the future to avoid overpayment.

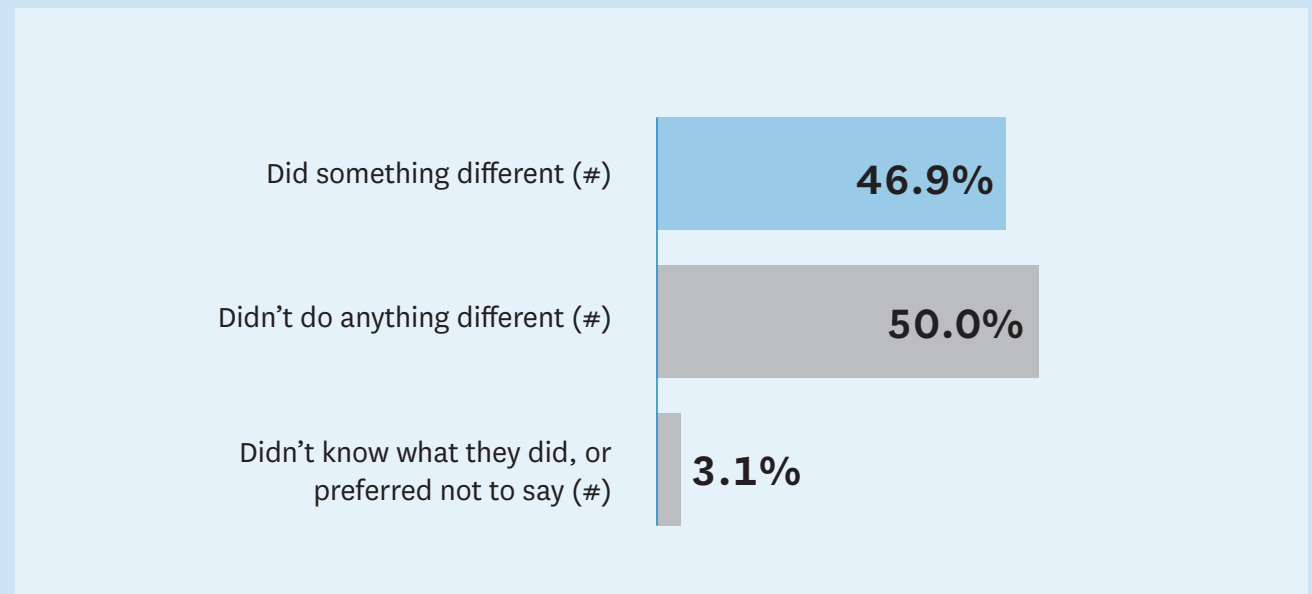
Of those respondents who had been asked to pay back the family tax credit in the past, 46.9 (± 11.4) percent said they did something different the following year.

Fifty (± 11.7) percent said they did not do anything different.

Common things that respondents did differently because of being overpaid included:

- overestimating income
- applying for lump sum payments
- being more financially or tax vigilant.

Percentage of respondents who had been asked to pay back the family tax credit in the past who:



Around 83 percent of respondents who were potentially eligible for the family tax credit in the 2021/2022 tax year appeared to receive the payment

A key part of the survey was collecting information on whether people were taking-up assistance like the family tax credit, and if not, why.

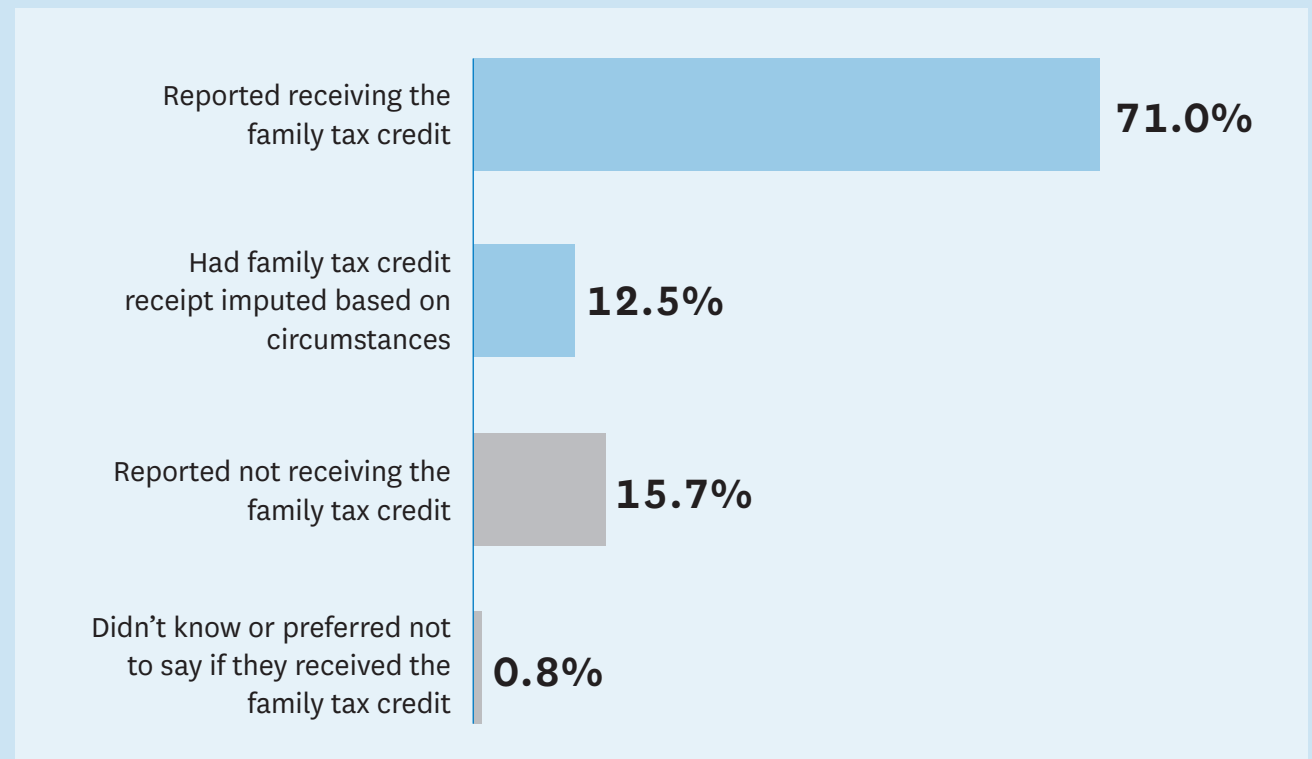
We found that 83.4 percent of potentially eligible respondents appeared to receive the family tax credit in the 2021/2022 tax year.

This consisted of 71 percent of respondents who reported receiving the payment, and 12.4 percent who had receipt imputed.

These findings align with other research MSD has recently done, which estimated around 87 percent of eligible families received Working for Families payments in the 2019/2020 tax year.³

3. McLeod, K., Wilson, M. (2022). *Estimates of Working for Families eligibility and take-up rates 2007 - 2020*. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/families-package-reports/estimating-changing-working-for-families-eligibility-and-take-up-rates.pdf>

Percentage of respondents potentially eligible for the family tax credit in the 2021/2022 tax year who:



Note: Due to rounding, the combined percentages of “Reported receiving the family tax credit” and “Had family tax credit receipt imputed based on circumstances” add up to 83.4 percent instead of 83.5 percent.

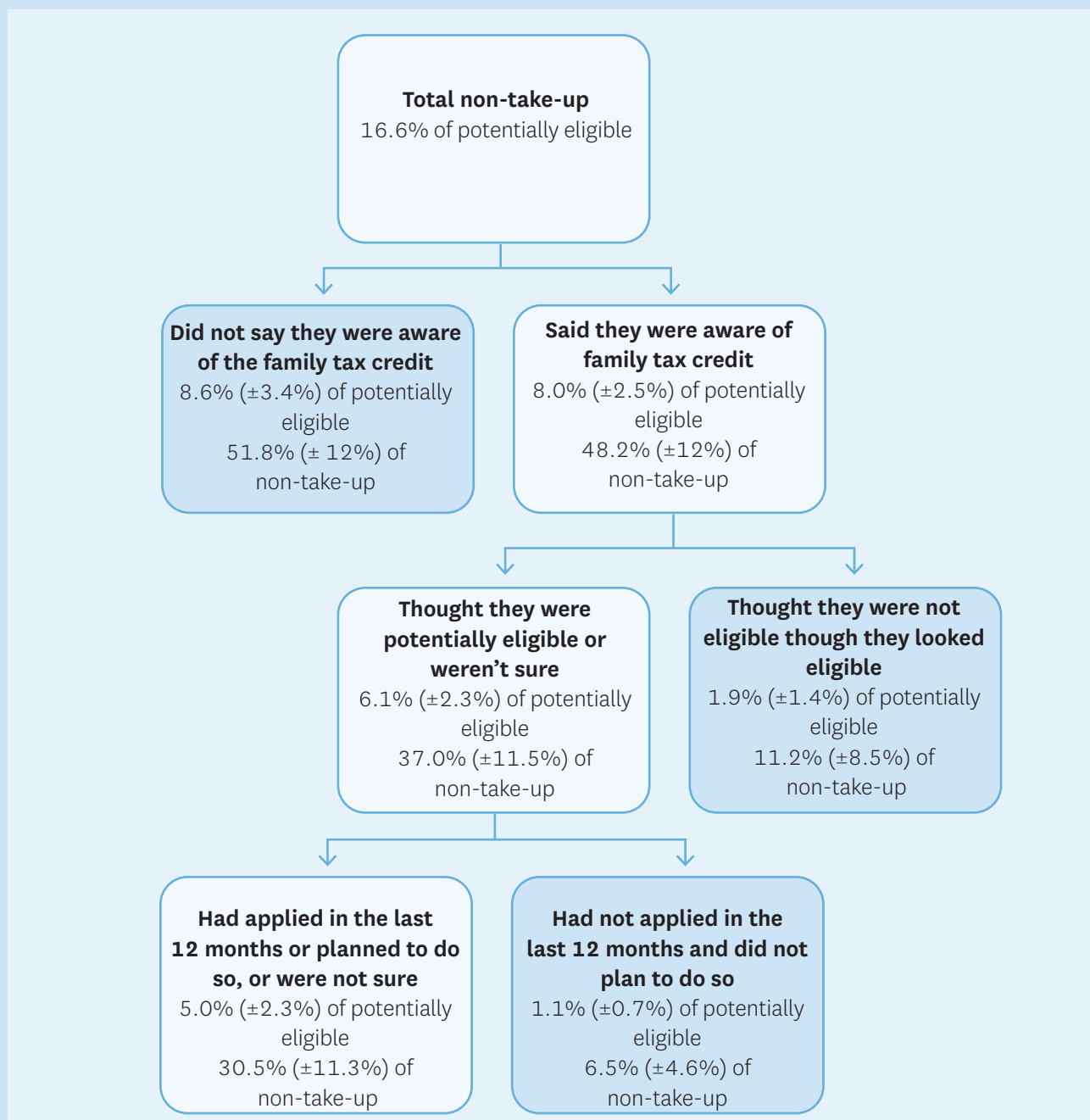
Lack of awareness accounted for just over half of the estimated non-take-up of the family tax credit

We asked respondents about their awareness of the family tax credit, and if they were aware of the payment but not receiving it, whether they thought they were eligible, and whether they planned to apply.

Lack of awareness was the most common reason for non-take-up of the family tax credit (51.8 ± 12 percent of non-take-up).

This was followed by awareness with no intention to apply (for reasons such as thinking the amount they would receive would not be worth it, 6.5 ± 4.6 percent of non-take-up), and perceived ineligibility from those who looked eligible (for reasons such as thinking they were above the income thresholds, 11.2 ± 8.5 percent of non-take-up).

Reasons for non-take-up of the family tax credit



Many respondents who appeared eligible for the in-work tax credit, did not seem to be aware of what was included in their Working for Families payments

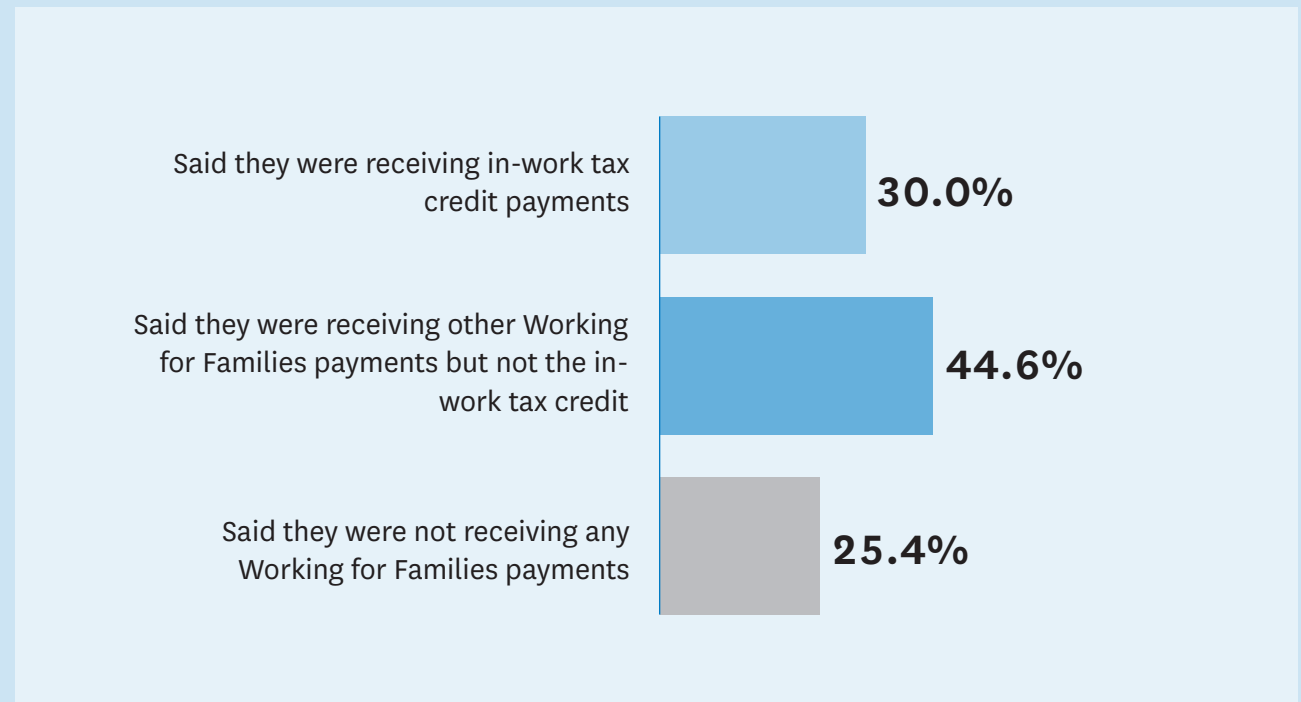
We asked respondents if they were receiving a range of payments, including the in-work tax credit.

Just under 45 percent of respondents who appeared eligible for the in-work tax credit said they were not receiving the in-work tax credit but were receiving other Working for Families payments.

However, based on how entitlement for Working for Families payments are calculated and paid, **we can assume with a high level of confidence that these respondents were receiving the in-work tax credit.**

These findings suggest that people's awareness of what is included in their Working for Families payments is low.

Percentage of respondents potentially eligible for the in-work tax credit who:





Income support payments and work decisions

Most respondents said that they made no changes, or would make no changes, to their work or family situation because of receiving the in-work tax credit

Of the respondents who said they were receiving the in-work tax credit:

- The majority (67.6 ± 12.5 percent) said that **they have made no changes** because of the payment.
- A smaller proportion (7.2 ± 4.9 percent) said they **didn't know or preferred not to say** about what changes they made.

Of the respondents who said they were not receiving the in-work tax credit, but looked like they were receiving:

- Almost half (48 ± 12.5 percent) said that they **didn't know or preferred not to say** what they might do if they were to receive the payment.
- A quarter (25.6 ± 11.7 percent) said that they **would make no changes.**

Of the respondents who said they were not receiving the in-work tax credit, and didn't look like they were receiving:

- Around a third (32.3 ± 16.6 percent) said that they **didn't know or preferred not to say** what they might do if they were to receive the payment.
- Just under a quarter (23.7 ± 16.6 percent) said that they **would make no changes.**
- Sizable proportions said they would either **work more hours** (22.1 ± 18 percent) or **find out more about the payment** (16.9 ± 15.4 percent)

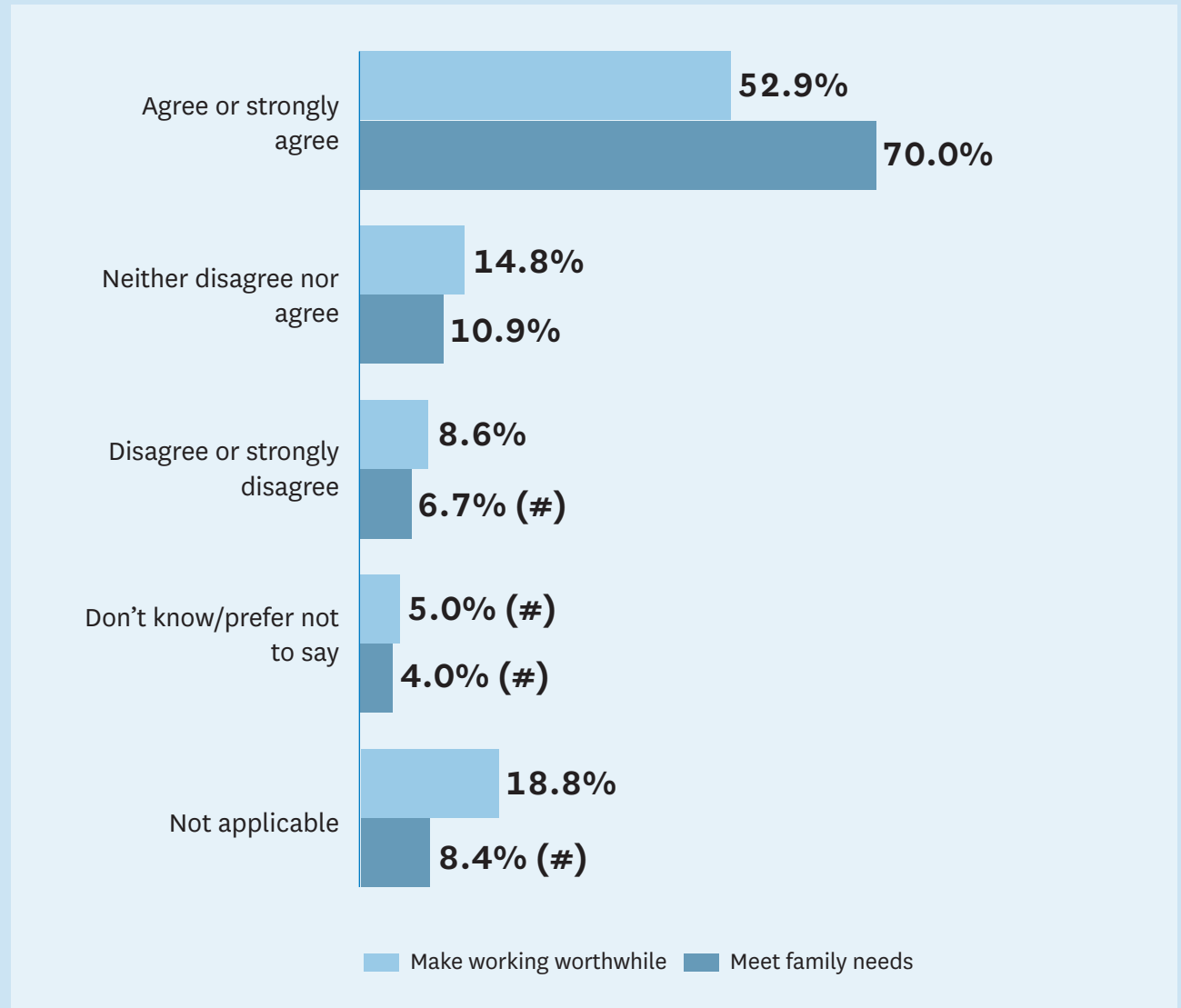
Respondents with children generally agreed that income support payments for families with children helped make working worthwhile for them, and helped to meet their family's needs

We asked respondents with children who were receiving selected income support payments two questions about whether they thought income support payments for families with children available through Work and Income and IR:

- made working worthwhile for them (and their partners)
- helped them to meet their family's needs.

The payments were perceived to help to make working worthwhile by 52.9 percent of respondents asked, and to help to meet their family's needs by 70 percent of respondents asked.

Percentage of respondents receiving income support payments for families with children who agreed with statements about the payments



Non-financial factors were important to respondents in their decisions around paid work

We asked respondents how non-financial factors influenced their decisions around paid work.

For over 75 percent of respondents with children, all the non-financial factors we asked about were rated as important, or very important (if applicable to their circumstances). Balancing work with care responsibilities (87.8 percent), and their physical or mental health allowing them to work (86.5 percent) were the top-rated factors.

The top-rated factors for respondents without children were their physical or mental health allowing them to work (83.6 percent), and whether the employer provided good work conditions (79.9 percent).

Percentage of respondents who said different non-financial factors were important/extremely important in their decisions around paid work



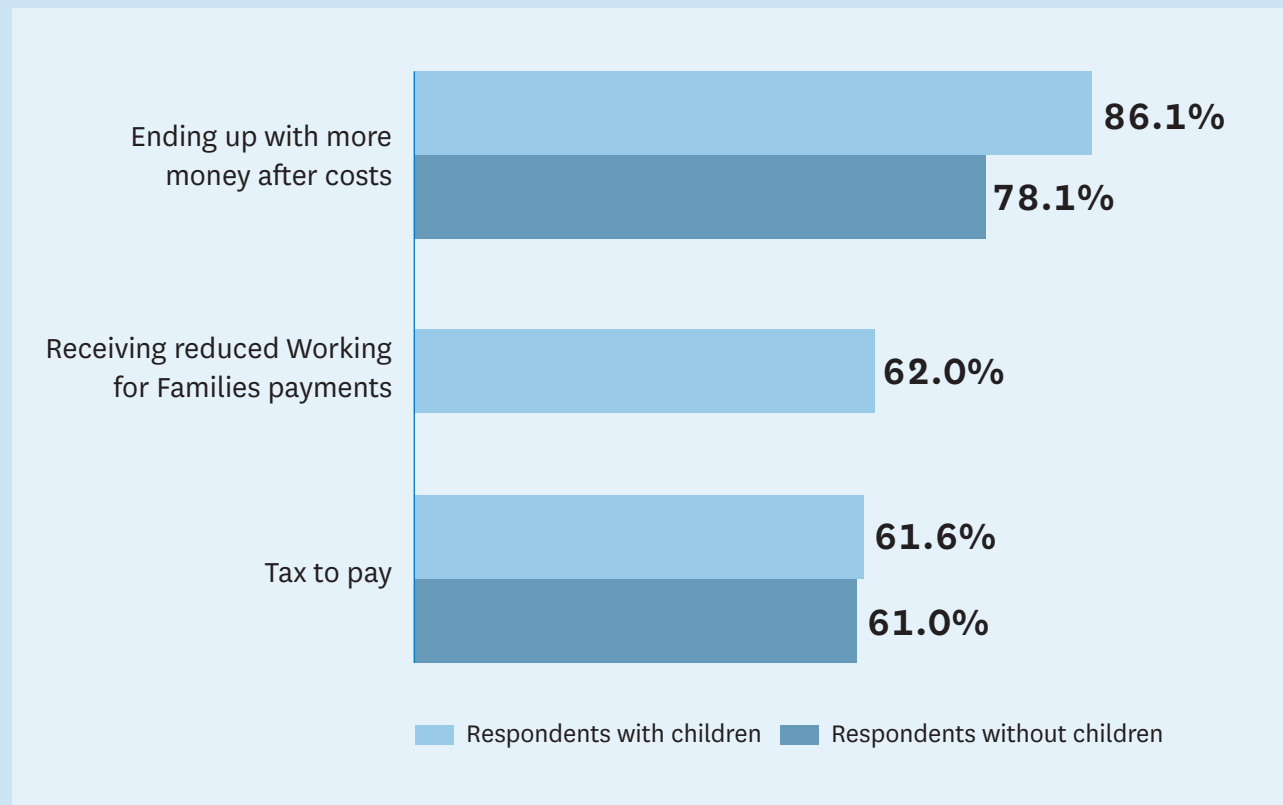
Ending up with more money after costs commonly rated as important or extremely important when deciding to earn extra from a job

We asked respondents about whether they would be better off earning an extra \$100 per week from a job, and what financial factors were important when deciding whether to earn an extra \$100 per week.

Just over 62 percent of respondents with children, and just over 69 percent of respondents without children said they would be either a little better off, or better off if they were to earn an extra \$100 per week from a job.

Ending up with more money after costs was an important or extremely important factor for 86.1 percent of respondents with children, and 78.1 percent of respondents without children. Receiving reduced Working for Families payments (for respondents with children), and the amount of tax to pay (for all respondents) were also rated as important or extremely important factors for decision making.

Percentage of respondents who said selected financial factors were important/extremely important when deciding whether to earn an extra \$100

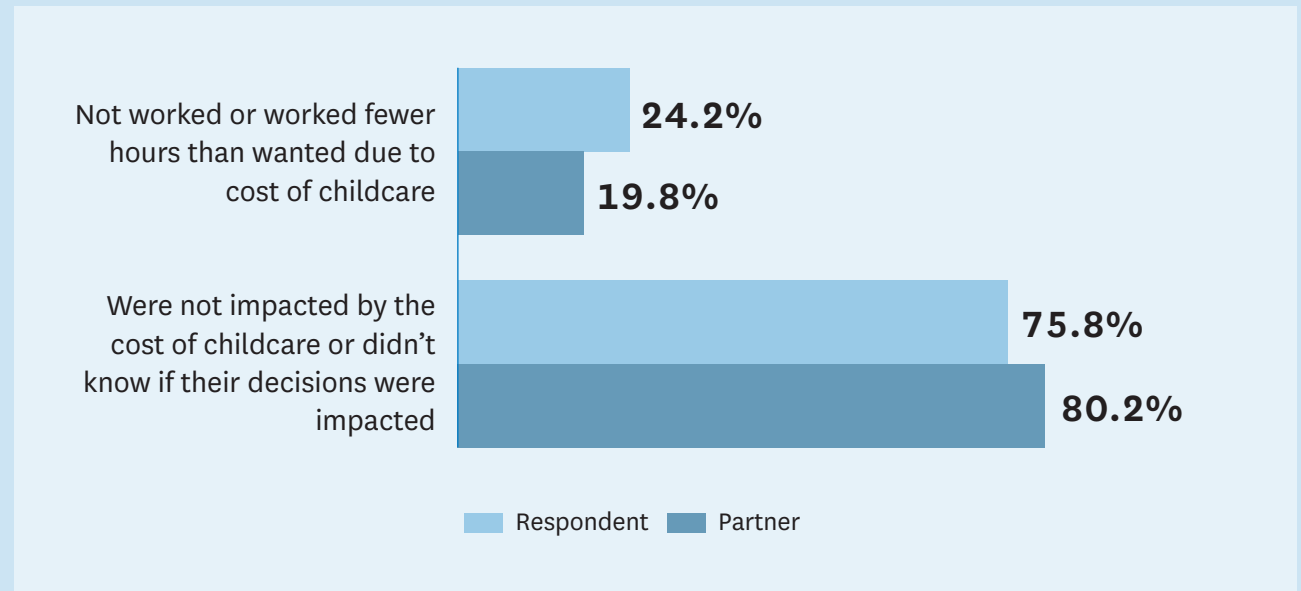


Just under a quarter of respondents with children under 14 said that they had to work less or not work in the past 12 months due to the cost of childcare

Respondents with children under 14 who appeared potentially eligible for Childcare or OSCAR Subsidies were asked about the effect of the cost of childcare.

Just over 24 percent of respondents said that they had to work less, or not work at all, over the past 12 months due to the cost of childcare. Just under 20 percent of respondents with a partner said that their partner had to work less, or not work, for the same reason.

Percentage of respondents and partners with a child under 14 who:



Lack of awareness, and difficulty in finding appropriate childcare were notable contributors to non-receipt of Childcare or Out of School Care and Recreation (OSCAR) Subsidies

Respondents with children who appeared potentially eligible for Childcare or OSCAR Subsidies, but were not receiving the subsidies, were asked about how difficult it was to find childcare that met their family's needs, the costs they faced, as well as awareness of, and perceived eligibility for subsidies.

Of the respondents potentially eligible for but not receiving the Childcare Subsidy:

- **Around a quarter** (27.5 percent) of Childcare Subsidy non-recipients found it **quite difficult or very difficult** to find appropriate childcare.
- Most non-recipients (77.1 percent) said they did not have childcare costs.
- **Just over half** (52.2 percent) of non-recipients **were not aware** of either the Childcare or OSCAR Subsidies.
- Around **one in 10** (10.6 ± 6.4 percent) of non-recipients **were aware** of the subsidies **but did not think they were eligible** for the Childcare Subsidy.

Of the respondents potentially eligible for but not receiving the OSCAR Subsidy:

- **Around a quarter** (27.7 percent) of OSCAR Subsidy non-recipients found it **quite difficult or very difficult** to find appropriate childcare.
- Most non-recipients (87.4 percent) said they did not have childcare costs.
- **Just over a third** (37.0 percent) of non-recipients **were not aware** of either the Childcare or OSCAR Subsidies.
- Some non-recipients (15.9 percent) were aware of the subsidies **but did not think they were eligible** for the OSCAR Subsidy.



Relationships

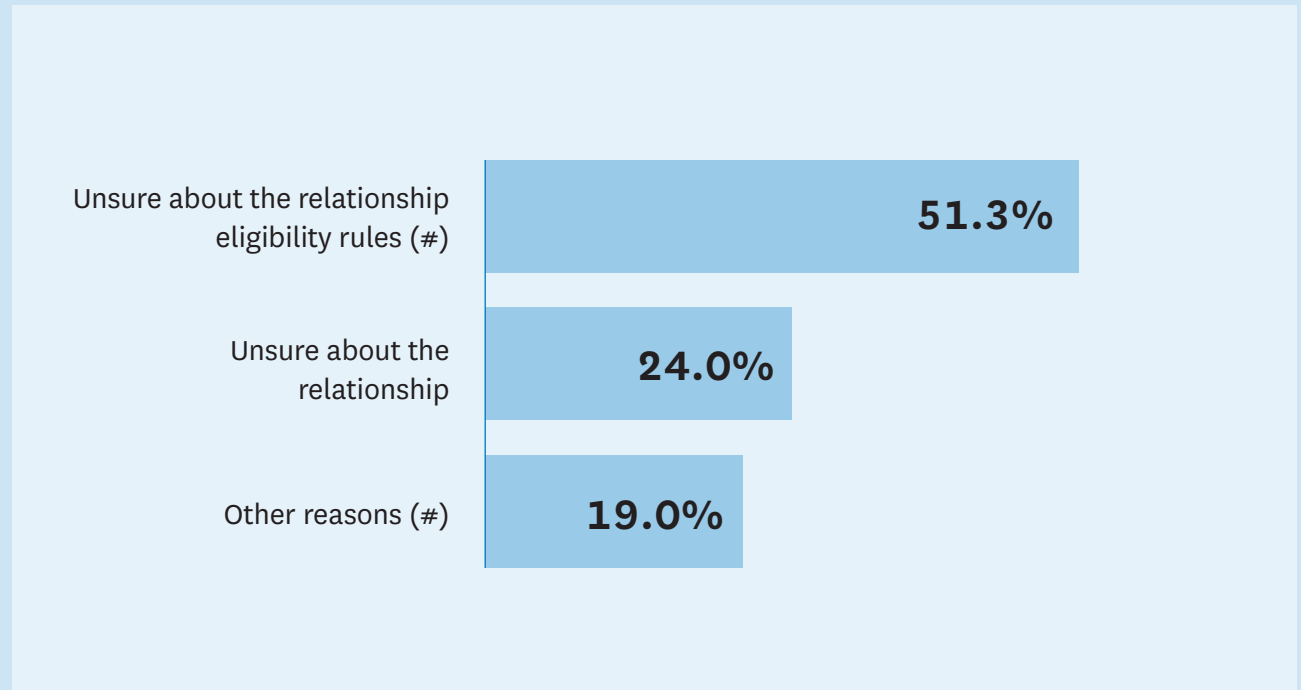
Uncertainty about the Work and Income or IR relationship eligibility rules contributed to some respondents saying that there had been a time when they were not sure if they should disclose that they had a partner

A small proportion of respondents who either had children or a partner (13.6 percent) said that they were not sure at some time in the past if they should disclose to Work and Income or IR that they had a partner.

Around 51 percent of the respondents in this group said it was because they were unsure about the relationship eligibility rules.

Additionally, 9.3 percent of respondents said that in the past they had decided not to live with a partner, or delay living together, because of the impact they thought it would have on the payments they received.

Selected reasons given by respondents who said there was a time in the past when they weren't sure if they should disclose to Work and Income or IR that they had a partner



Note: Respondents were able to give multiple responses as reasons why there had been a time in the past when they were not sure if they should disclose that they have a partner. This means counts and percentages for this graph will not match totals or add up to 100 percent.



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