



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA



Ministry of Social Development

Benefit Fact Sheets

Snapshot - March 2021 Quarter

The Benefit Fact Sheets provide a high-level view of trends in benefit receipt. The Benefit Fact Sheets are published quarterly and contain information on income support provided by the Ministry.

New Zealand Government

In the Benefit Fact Sheets Snapshot

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Protecting our clients information – confidentiality procedures

All information in this document have been randomly rounded to base 3. Data found here is rounded independently from other products produced by the Ministry of Social Development (MSD) resulting in small differences in the data between products. From 12 February 2021, MSD is applying a range of new confidentiality procedures to public data releases. These will continue to protect client information, while making more data available. To find out how we have changed the way we work with client information visit:

<https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-keep-data-private.html>

The Benefit Fact Sheets report for March 2021 quarter covers the periods in which New Zealand was at COVID-19 Alert Level 2 and Auckland at Alert Level 3, which had an impact on the country's economy, labour market, health and wellbeing. The figures in this report reflect the impacts of COVID-19, and MSD's response to support our clients. The Benefit Fact Sheets Snapshot is standard reporting that serves to support interpretation of the Ministry's Tier 1 Statistics.

Our response to the COVID-19 pandemic included a number of temporary operational changes to support people affected by the pandemic, and to ensure the health and safety of our clients and of MSD's essential workers. Some of the changes made included deferring the need to provide subsequent medical certificates, review of Disability Allowance, suspending obligation failures, and extending the 52-week reapplication period for JS and SPS clients. Details of these changes are available at the Work and Income website: <https://workandincome.govt.nz/covid-19/changes-to-how-we-work.html>. However, some temporary suspensions of business processes such as work-related obligation failures, and an increase in the amount people can access for food assistance have returned to their usual business processes.

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Main benefit assistance

Main benefits

Main benefits for those of working age (aged 18–64 years) include: Jobseeker Support (JS), Sole Parent Support (SPS), Supported Living Payment (SLP), Youth Payment and Young Parent Payment (YP/YPP), Emergency Benefit (EB), Emergency Maintenance Allowance (EMA), Jobseeker Support Student Hardship (JSSH), Widow’s Benefit Overseas (WBO), and Sole Parent Support Overseas (SPSO).

Figure 1a. Number of working-age people receiving main benefits, at the end of the last six March quarters

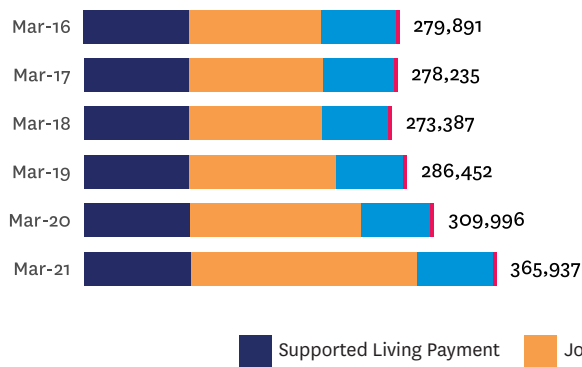
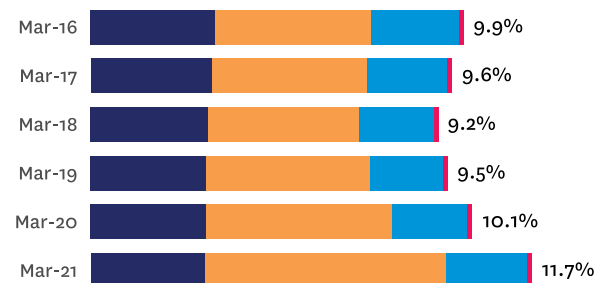


Figure 1b. Proportion of working-age population receiving main benefits, at the end of the last six March quarters



365,937 working-age people receiving a main benefit as at the end of March 2021

11.7 percent of the working-age population receiving a main benefit as at the end of March 2021

The number of working-age people receiving a main benefit, as at the end of March 2021, was **18.0 percent higher** when compared to the March 2020 quarter. **Benefit numbers as a proportion of the working-age population increased to 11.7 percent** compared with 10.1 percent as at the end of March 2020.

The working-age population is a subset of the estimated New Zealand resident population, defined as those aged 18–64. To calculate population proportions, the working-age population is used, as at the most recent June estimate available.

Jobseeker Support (JS)

Figure 2a. Number of working-age people receiving Jobseeker Support by sub category, at the end of the last six March quarters

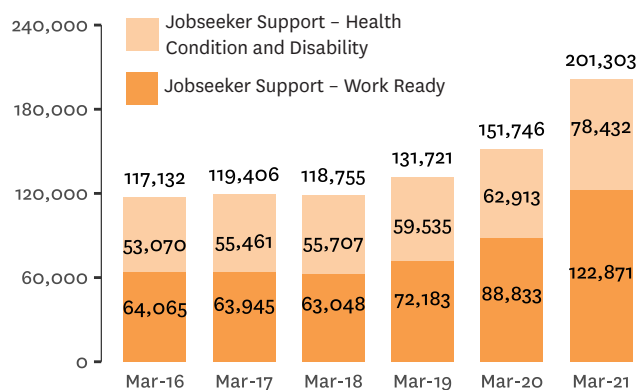
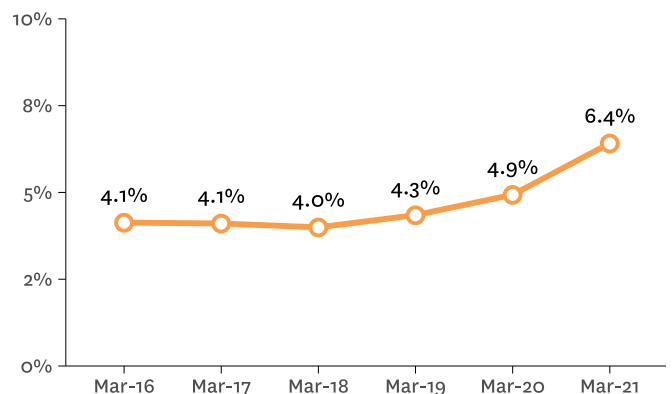


Figure 2b. Proportion of working-age population receiving Jobseeker Support, at the end of the last six March quarters



201,303 working-age people receiving Jobseeker Support as at the end of March 2021

6.4 percent of the working-age population receiving Jobseeker Support as at the end of March 2021

As at the end of March 2021, the number of working-age people on **Jobseeker Support increased by 32.7 percent**, when compared to the March 2020 quarter. **The proportion of working-age people receiving JS has been increasing since the March 2018 quarter.**

Jobseeker Support is for people who can usually look for or prepare for work. It also includes people who can only work part-time or cannot look for work at the moment (e.g. they have a health condition, injury, or disability).

Sole Parent Support (SPS)

Figure 3a. Number of working-age people receiving Sole Parent Support, at the end of the last six March quarters

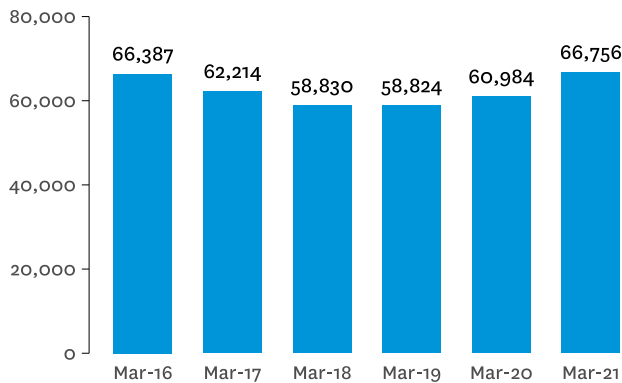
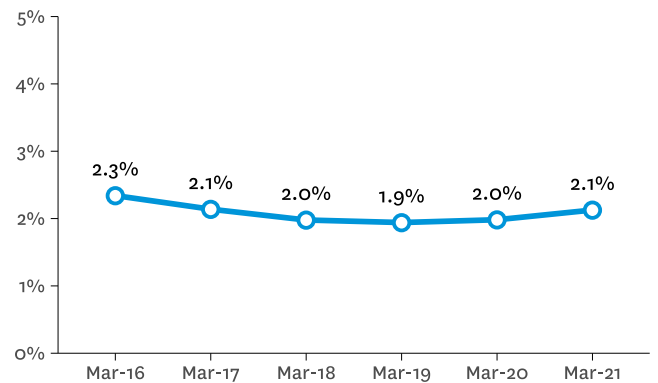


Figure 3b. Proportion of working-age population receiving Sole Parent Support, at the end of the last six March quarters



66,756 working-age people receiving Sole Parent Support as at the end of March 2021

As at the end of March 2021, **the number of working-age people on Sole Parent Support increased by 9.5 percent**, when compared to the March 2020 quarter. **The proportion of working-age people receiving SPS slightly increased to 2.1 percent** as at the end of March 2021.

2.1 percent of the working-age population receiving Sole Parent Support as at the end of March 2021

Sole Parent Support is for single parents, with at least one dependent child under 14 years, many of whom can look for or prepare for work.

Supported Living Payment (SLP)

Figure 4a. Number of working-age people receiving Supported Living Payment, at the end of the last six March quarters

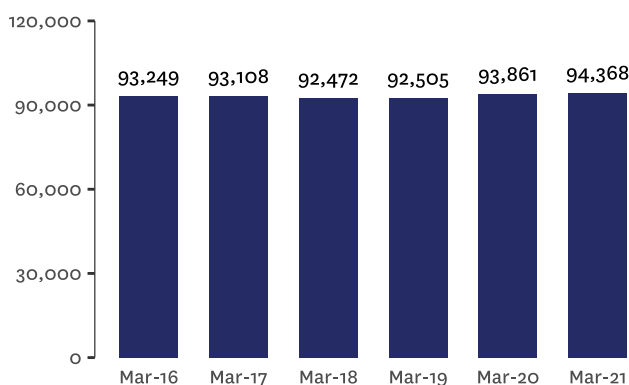
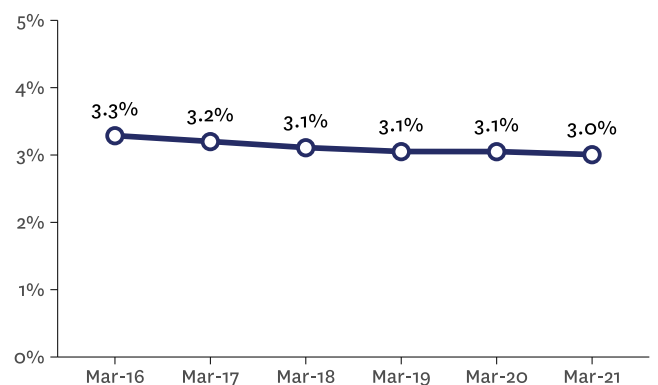


Figure 4b. Proportion of working-age population receiving Supported Living Payment, at the end of the last six March quarters



94,368 working-age people receiving Supported Living Payment as at the end of March 2021

As at the end of March 2021, **the number of working-age people on Supported Living Payment increased slightly by 0.5 percent**, when compared to the March 2020 quarter. **The proportion of working-age people receiving SLP remained stable at 3.0 percent** as at the end of March 2021.

3.0 percent of the working-age population receiving Supported Living Payment as at the end of March 2021

Supported Living Payment is for people who have, or care for someone with, a health condition, injury or disability that severely limits their ability to work on a long-term basis. The long-term nature of conditions for people on Supported Living Payment mean that very few people move from Supported Living Payment into paid work or to another benefit.

Regional distribution of Jobseeker Support as a proportion of the working-age population, by Work and Income region, as at March 2021

The proportion of the working-age population* receiving Jobseeker Support increased in all regions. Northland had the highest proportion at 10.9 percent, as at the end of March 2021.

In terms of annual change, the largest percentage point increases were seen in Northland (2.0 percent), Bay of Plenty (1.8 percent), and Auckland Metro (1.8 percent) as at the end of March 2021, when compared to March 2020.

Work and Income has 11 geographical regions. An extra category, "Other Region", is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

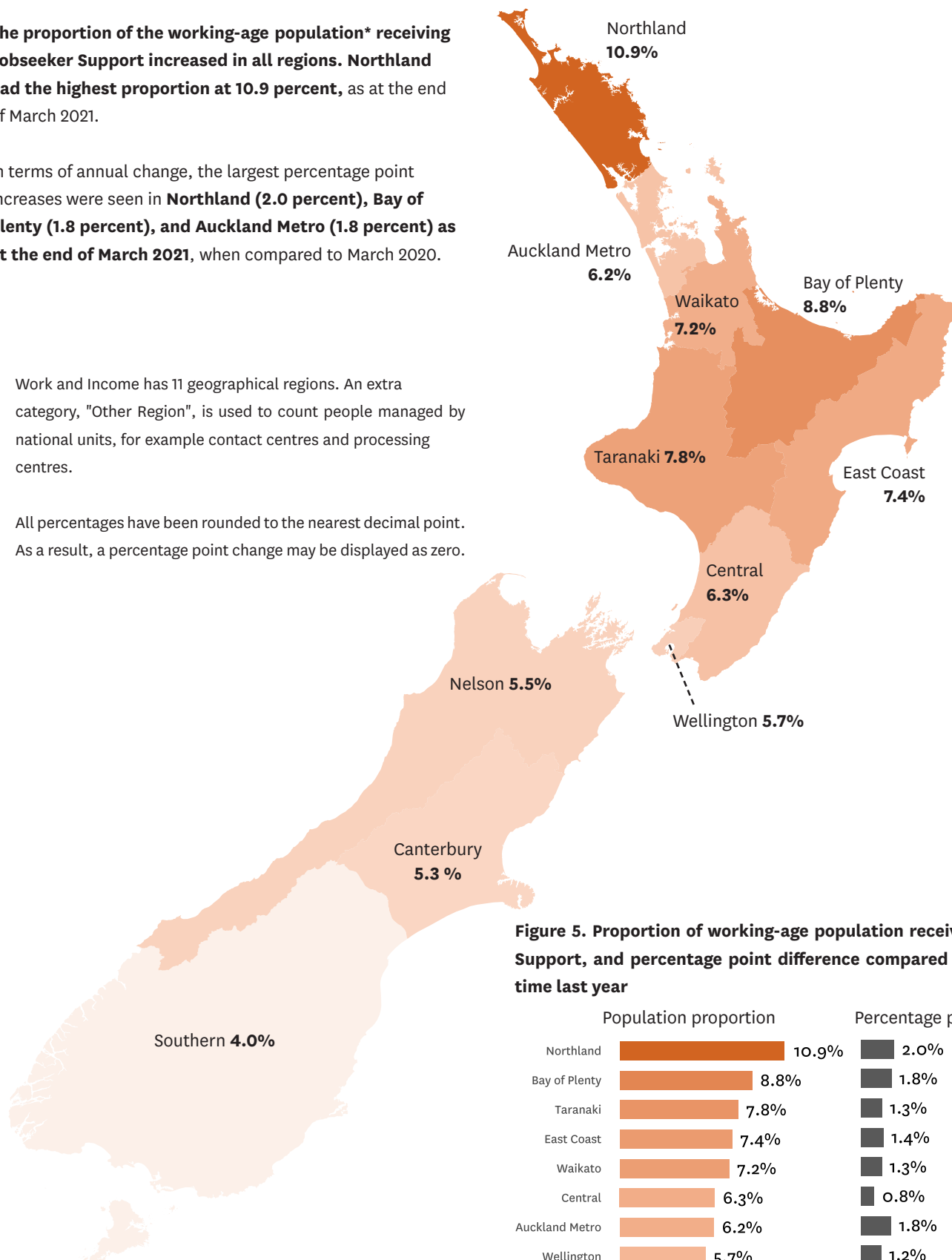
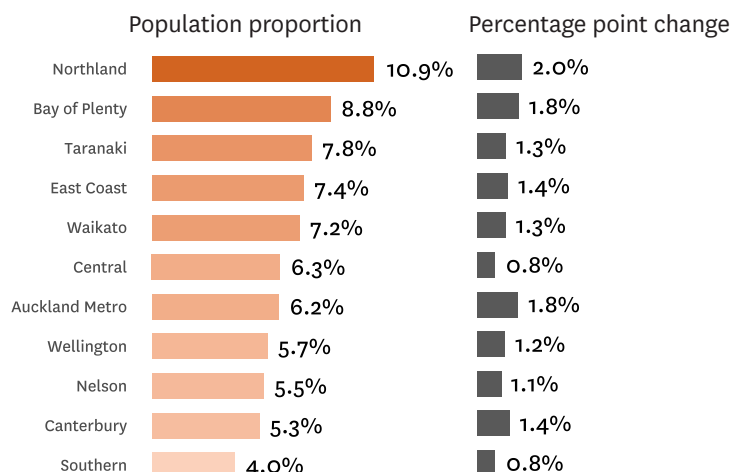


Figure 5. Proportion of working-age population receiving Jobseeker Support, and percentage point difference compared with the same time last year



* The regional estimated working-age population figures used on pages four and five of this report have been calculated using Statistics New Zealand's revised regional population estimates as at June 2020.

Regional distribution of Sole Parent Support as a proportion of the working-age population, by Work and Income region, as at March 2021

The proportion of the working-age population receiving Sole Parent Support increased in all regions. Northland had the highest proportion at 3.8 percent, as at the end of March 2021.

In terms of annual change, Bay of Plenty had the largest increase, but most regions had no, or only small changes, when compared to the March 2020 quarter.

Work and Income has 11 geographical regions. An extra category, "Other Region" is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

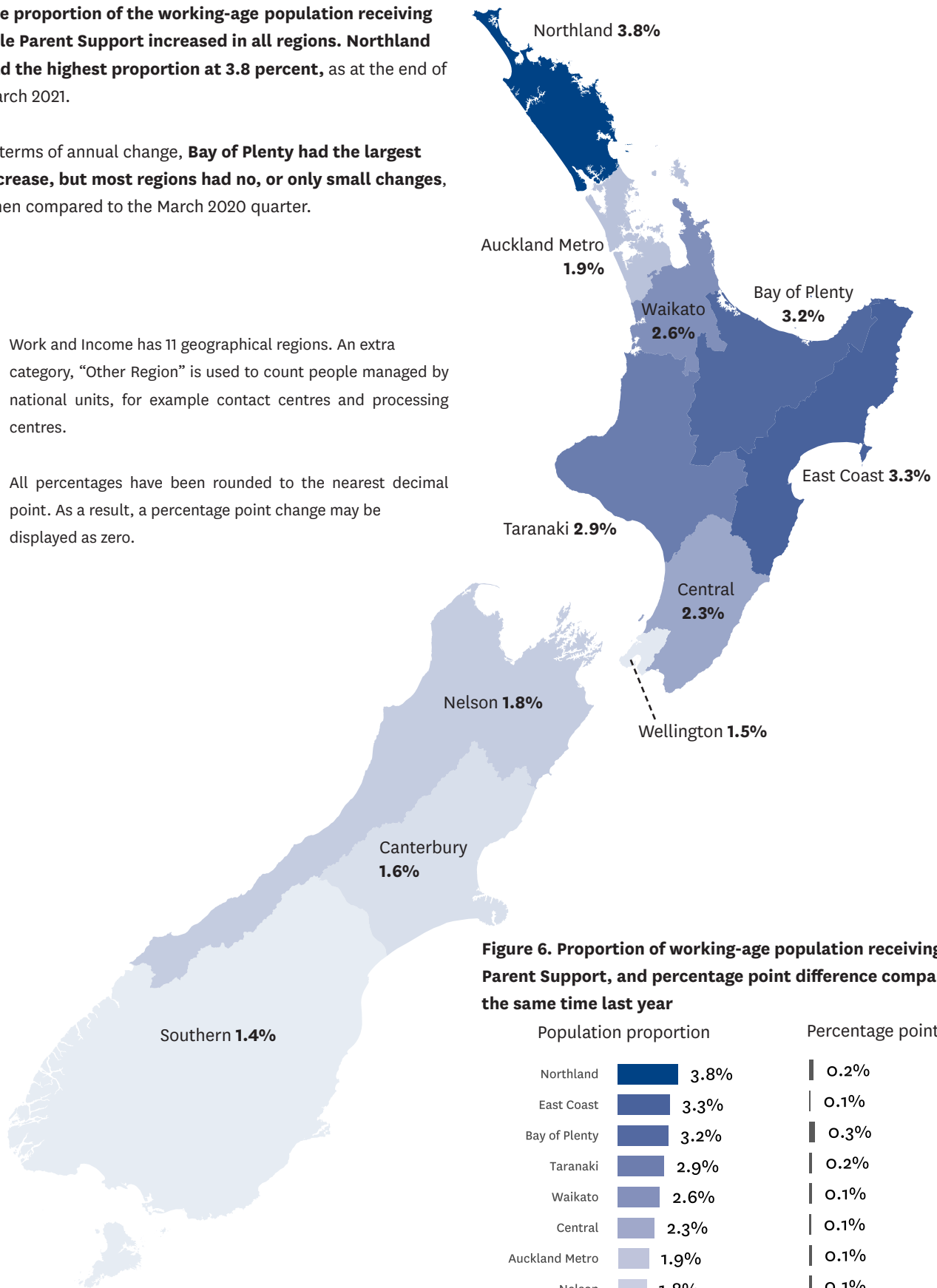


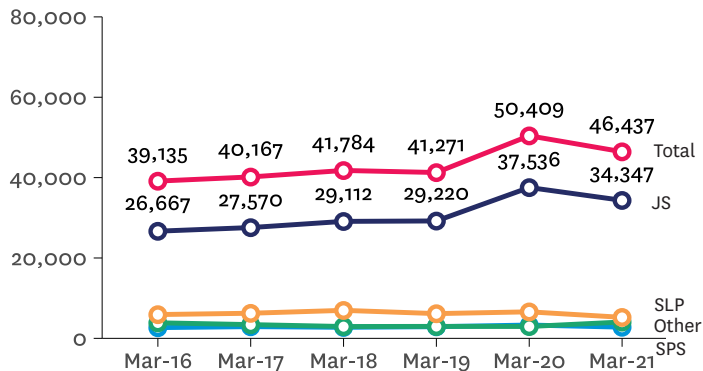
Figure 6. Proportion of working-age population receiving Sole Parent Support, and percentage point difference compared with the same time last year

Region	Population proportion	Percentage point change
Northland	3.8%	0.2%
East Coast	3.3%	0.1%
Bay of Plenty	3.2%	0.3%
Taranaki	2.9%	0.2%
Waikato	2.6%	0.1%
Central	2.3%	0.1%
Auckland Metro	1.9%	0.1%
Nelson	1.8%	0.1%
Canterbury	1.6%	0.2%
Wellington	1.5%	0.0%
Southern	1.4%	0.1%

Benefit grants and cancellations

Benefit grants

Figure 7. Number of benefits granted during the last six March quarters



The total number of benefits granted during the March 2021 quarter decreased by 3,972 when compared with the March 2020 quarter, or a decrease of 7.9 percent.

There were 34,347 benefit grants for Jobseeker Support (JS) during the March 2021 quarter, or a decrease of 3,189 when compared with the March 2020 quarter.

A grant is the formal acceptance of entitlement to a benefit. The numbers reported here are for benefits granted during the March quarter, for the last six March quarters (i.e. 1 January to 31 March).

Benefit cancellations

Figure 8a. Number of cancellations by benefit during the last six March quarters

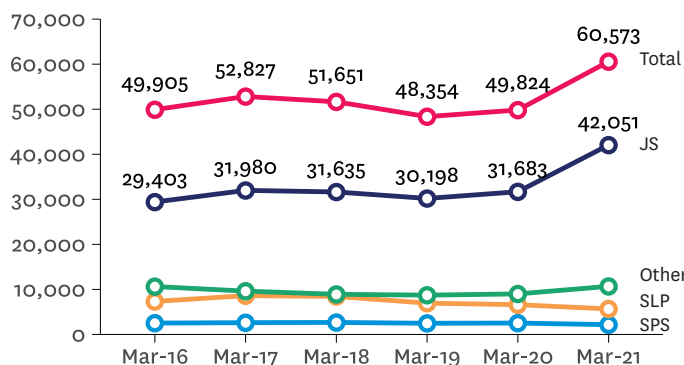
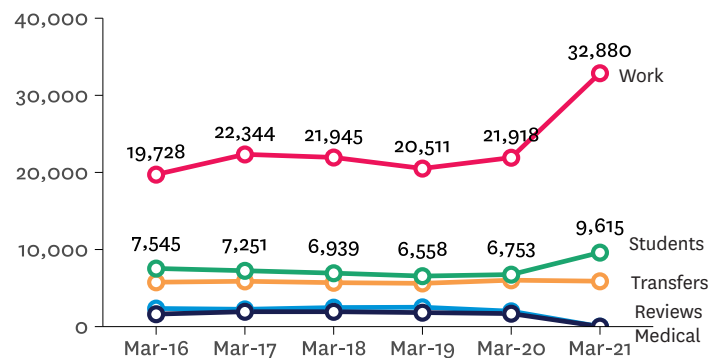


Figure 8b. Number of cancellations by selected reason during the last six March quarters



60,573 benefit cancels made during the March 2021

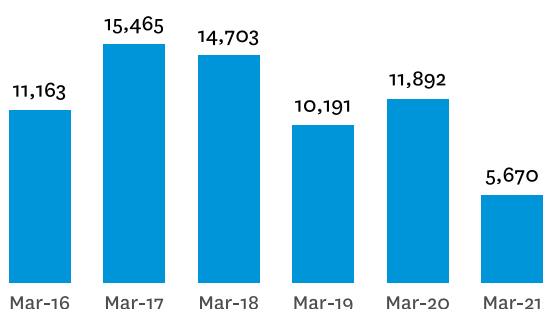
The number of benefits cancelled during the March 2021 quarter increased by 10,962 when compared to the March 2020 quarter, or an increase of 21.6 percent. **Obtaining work, a main reason for benefit cancellations, increased by 50.0 percent** when compared to the March 2020 quarter.

32,880 benefit cancels made during the March 2021 quarter due to obtaining work

A cancellation (cancel) is the formal process that stops the entitlement to a benefit. The numbers reported above are for benefits cancelled within the March quarter, for the last six March quarters (i.e. 1 January to 31 March).

Benefit sanctions

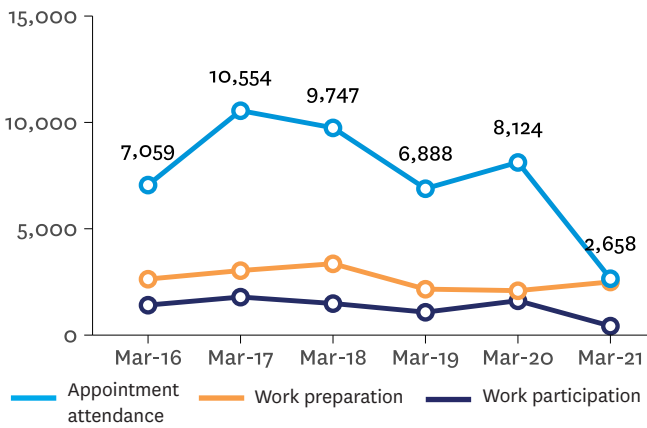
Figure 9. Number of sanctions for unfulfilled work obligations during the last six March quarters



The number of sanctions issued during the March 2021 quarter was 5,670. Between 23 March 2020 and 27 May 2020, work related obligation failures were suspended, they restarted back in late June 2020 and have been increasing quarter on quarter since then.

A sanction is a reduction on a person's benefit that may occur if they do not fulfil their work obligations. Sanctions can affect benefit recipients in a number of ways, depending on their circumstances and the number of times they have had a graduated sanction over the last 12 months. There are three types of sanctions: graduated (i.e. percentage reduction in benefit amount), suspended, or cancelled.

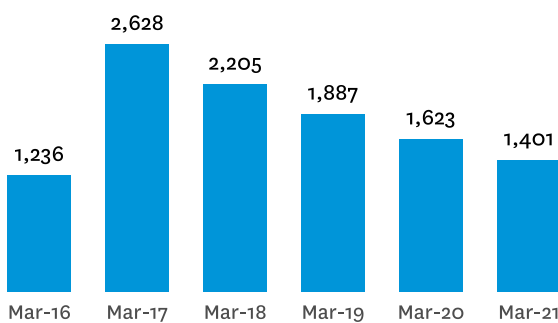
Figure 10. Number of sanctions for unfulfilled work obligations, by reason, during the last six March quarters



The main reason for sanctions was due to clients not attending appointments, with 2,658 recipients having unfulfilled work obligations due to this reason during the March 2021 quarter.

The maximum main benefit reduction for sole parents and couples with dependent children is 50 percent, when sanctioned within a 12-month period. For people without a de facto partner or couples with no dependent children, the first sanction is a maximum 50 percent reduction of their main benefit; for a second non-fulfilment of an obligation, they face a 100 percent suspension of their main benefit; and a third sanction will then result in a cancellation of their benefit.

Figure 11. Number of graduated sanctions active at the end of the last six March quarters

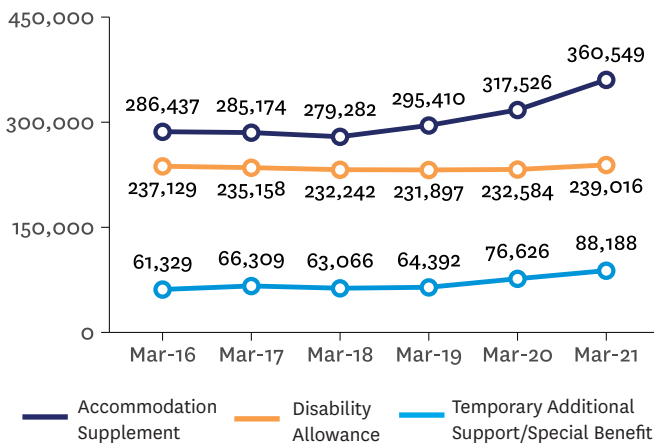


As at the end of March 2021, there were 1,401 sanctions that were actively in place.

Not everyone who does not fulfil their obligations gets sanctioned; if benefit recipients re-comply or provide additional information, the sanction can be withdrawn.

Supplementary assistance

Figure 12. Number of recipients of supplementary assistance at the end of the last six March quarters



The number of people receiving **Accommodation Supplement** in the March 2021 quarter **increased by 43,023** when compared to the March 2020 quarter.

The number of people receiving **Temporary Additional Support/Special Benefit** in the March 2021 quarter **increased by 11,562** when compared to the March 2020 quarter.

The number of people receiving **Disability Allowance** in the March 2021 quarter **increased by 6,432** when compared to the March 2020 quarter.

The Accommodation Supplement is a weekly payment to assist people on low incomes with their rent, board, or the cost of owning a home, but not those in public housing or Income-Related Rent. The changes in the number of people receiving an Accommodation Supplement tend to follow similar changes in benefit numbers.

The Disability Allowance is a weekly payment to assist people who have on-going costs because of a disability. A person does not need to be receiving a main benefit in order to qualify for the Disability Allowance. The changes in the number of people receiving a Disability Allowance tends to follow similar changes in benefit and New Zealand Superannuation numbers.

Temporary Additional Support is a weekly payment that helps people to cover essential living costs that cannot be met from their income and through other resources. A person does not have to be receiving a main benefit to qualify for Temporary Additional Support. Temporary Additional Support replaced Special Benefit in 2006, however some people are still entitled to receive Special Benefit, therefore these are counted together.

Hardship assistance

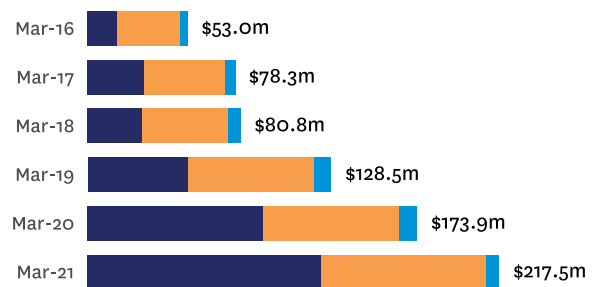
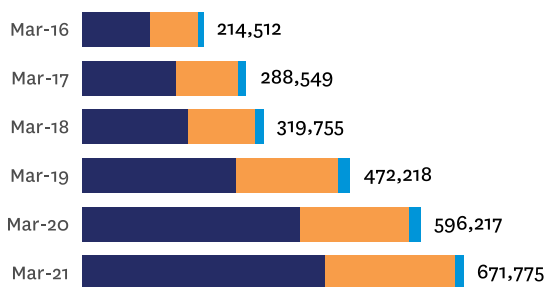
A total of **671,775 hardship assistance payments, worth \$217,513,389** were granted during the March 2021 quarter. These figures are higher than the hardship assistance granted during the March 2020 quarter, when there were 596,217 hardship assistance payments worth \$173,855,443.

Hardship assistance includes, but is not limited to: Special Needs Grants (SNGs), Benefit Advances (ADVs) and Recoverable Assistance Payments (RAPs). These forms of assistance are designed to help people who have immediate needs. The numbers reported for hardship assistance granted are sums of grants granted within the March quarter (i.e. 1 January to 31 March). Hardship assistance contains all ages data, rather than grants to only working-age (i.e. 18 to 64).

Total hardship assistance

Figure 13a. Number of hardship grants during the quarter for the last six March quarters, by type of assistance

Figure 13b. Value of hardship grants during the quarter for the last six March quarters, by type of assistance



Special Needs Grants Benefit Advance Payments Recoverable Assistance Payments

671,775 hardship grants granted during the March 2021 quarter

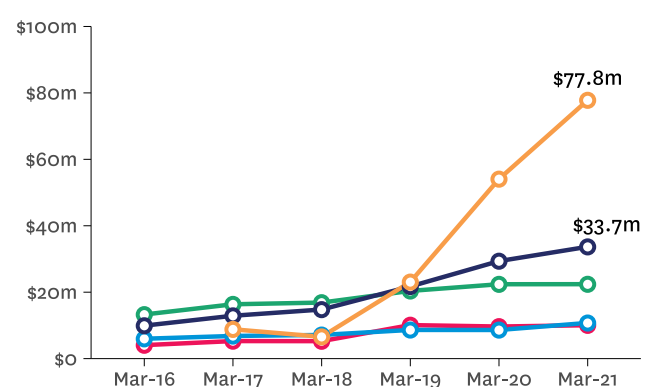
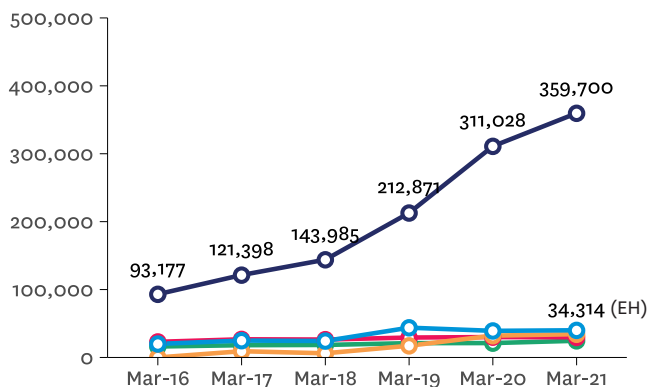
\$217,513,389 is the value of grants provided during the March 2021 quarter

Reasons for hardship assistance, detailed below include the reasons for both Benefit Advance and Special Needs Grant. The Accommodation-related reasons are for Benefit Advance grants only. Food grants, Medical-associated costs, and Emergency Housing reasons are for Special Needs Grants.

Reasons for granting hardship assistance

Figure 14a. Number of hardship grants during the quarter for the last six March quarters, by selected reason

Figure 14b. Value of hardship grants during the quarter for the last six March quarters, by selected reason



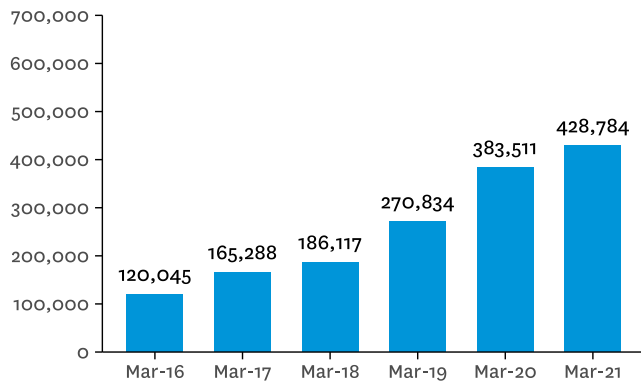
Emergency housing (EH) Food grants Electricity and gas Accommodation-related Medical-associated costs

The number of grants for Emergency Housing Special Needs Grants (EH SNGs) increased by 2,172 to 34,314 EH SNGs granted in March 2021 quarter when compared to March 2020 quarter (32,142 grants).

When looking at the annual change, the number of Special Needs Grants (SNGs) for food has increased. Comparing the March 2020 quarter to the March 2021 quarter, there was a 48,672 increase in the number of SNGs for food granted, totalling 359,700 during the March 2021 quarter. As a result, the value of SNGs for food assistance increased to \$33,671,382 during the March 2021 quarter.

Special Needs Grants (SNGs)

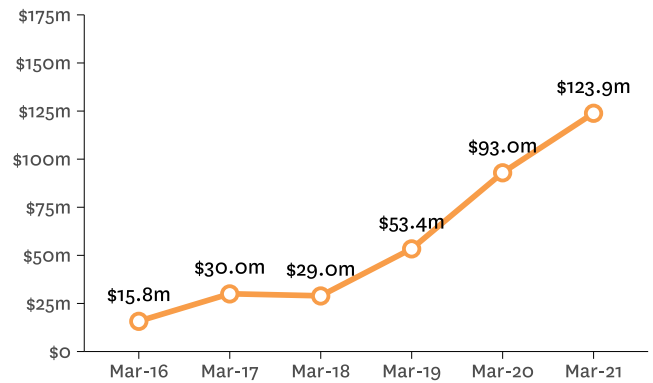
Figure 15a. Number of Special Needs Grants granted during the quarter, for the last six March quarters



428,784 Special Needs Grants granted during the March 2021 quarter

\$123,929,433 is the value of Special Needs Grants granted in the March 2021 quarter

Figure 15b. Value of Special Needs Grants granted during the quarter, for the last six March quarters

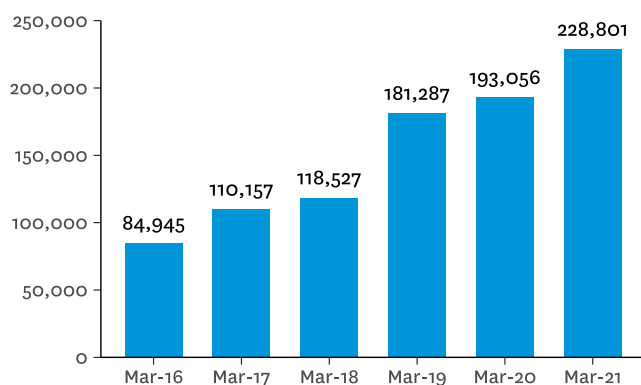


The number of Special Needs Grants granted was 45,273 higher during the March 2021 quarter when compared to the same period in 2020. The value of grants granted increased from \$92,997,133 during the March 2020 quarter to \$123,929,433 during the March 2021 quarter.

A Special Needs Grant provides non-taxable, one-off recoverable or non-recoverable financial assistance for people to meet immediate needs. A person does not need to be receiving a main benefit to be eligible for a Special Needs Grant. Special Needs Grants include Emergency Housing Special Needs Grants.

Benefit Advances (ADVs)

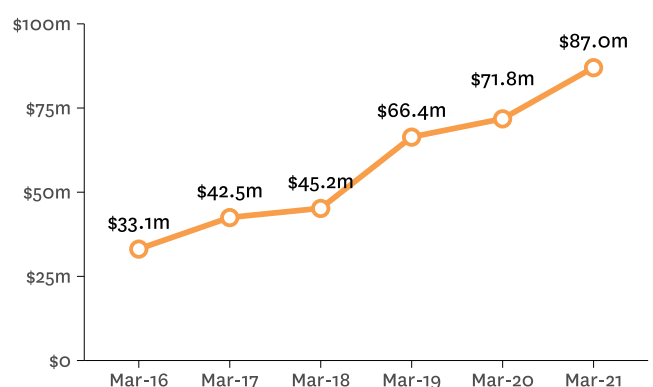
Figure 16a. Number of Benefit Advances granted during the quarter, for the last six March quarters



228,801 Benefit Advances granted during the March 2021 quarter

\$87,022,743 is the value of Benefit Advances granted during the March 2021 quarter

Figure 16b. Value of Benefit Advances granted during the quarter, for the last six March quarters



The number of Benefit Advances granted was 35,747 higher during the March 2021 quarter, compared with the March 2020 quarter. This has resulted in the value of Benefit Advances granted increasing by \$15,192,373 to a total of \$87,022,743.

Anyone receiving a main benefit who require assistance to meet an immediate essential need can have access to a Benefit Advance. The advance can be up to six weeks of their net entitlement, and is recovered from subsequent payments of benefit.