

Helping make work more affordable

As part of the Wellbeing Budget we are supporting people to achieve meaningful and sustainable employment.

Budget 2019

- Increasing the abatement thresholds of main benefits, allowing people to continue to work the same number of hours before their benefit goes down.

- Government is investing \$97.1 million over four years, raising the abatement thresholds of main benefits, benefiting 73,000 low income individuals and families.
- People getting a main benefit can earn up to a certain level of income per week – the abatement threshold - before their benefit begins to reduce (*currently income over \$80 a week is abated at 70 cents in the dollar for Jobseeker Support recipients, excluding sole parents*).
- NZ Super (NZS) and Veteran's Pension (VP) recipients who have included a non-qualifying partner in their payment are also abated (*income over \$100 a week is abated at 70 cents in the dollar*).
- Separate settings are designed to encourage part-time work for sole parents and Supported Living Payment recipients (*currently income over \$100 a week is abated at 30 cents in the dollar, rising to 70 cents in the dollar for income over \$200*).
- Around 99,000 children will benefit from the benefit abatement change.
- The number of hours a week someone can work at the minimum wage before their benefit begins to reduce has declined over time as the minimum wage has increased.
- The increase in the thresholds will mean Jobseeker Support recipients (excluding sole parents) will continue to be able to work around 4.5 hours on the minimum wage before their benefit begins to reduce, and Sole Parents and Supported Living Payment recipients around six hours.
- The increases are in line with the commitment to increase the minimum wage to \$20 an hour in 2021, as well as estimated increases to the minimum wage in 2022/23 and 2023/24
- Around 16,000 people who will benefit from the changes identify as Māori, and around 5,000 who identify as Pasifika.

- This initiative will increase the abatement thresholds for people receiving the following main benefits:

- Jobseeker Support
- Sole Parent Support
- Supported Living Payment
- NZS/VP Non-qualifying partner

- The proposed benefit abatement thresholds over the next four years are:

	Current	1 April 2020	1 April 2021	1 April 2022	1 April 2023
Abatement threshold for Jobseeker Support	\$80	\$90	\$95	\$100	\$105
Abatement threshold for NZS/VP- non-qualifying partner	\$100	\$115	\$120	\$125	\$130
Sole parents and Support Living Payment abatement threshold 1	\$100	\$115	\$120	\$125	\$130
Sole parents and Support Living Payment abatement threshold 2	\$200	\$215	\$220	\$225	\$230

- The change will benefit around 73,000 low income individuals and families by on average \$5 a week on 1 April 2020, increasing to \$12 a week in 2023.
- Changes to the abatement thresholds do not impact Youth Payment or Young Parent Payment as these benefits have a separate abatement regime which is the same as for Student Allowance. Nor does it impact Orphan's Benefit or Unsupported Child's Benefit as these do not have an income test.