

In this issue

Recruitment of Community Representatives

Mileage rate for Community Representatives

Report of the BRC and Applicant and Ministry presenter attended hearing

Review process for the Extraordinary Care Fund

High cost, short term loans

Use of pseudonyms

Changes to Live Organ Donor assistance

Families Package

Recruitment of Community Representatives

A number of Benefits Review Committee community representative's tenures are due to end on 30 June 2018. Community representatives can reapply for a new tenure when your tenure is due to end.

If you know people with the right skills who might be interested in the role please refer them to the following site:

<http://www.msd.govt.nz/about-msd-and-our-work/about-msd/ministers/appointments.html>

Mileage rates for Community Representatives

The mileage rate for the reimbursement of motor vehicle expenses has increased from 72 cents to 73 cents per kilometre.

The Coordinators and Community Representatives information packs have been updated with this.

Report of the BRC and Applicant and Ministry presenter attended hearing

When the applicant and the Ministry presenter attends a BRC hearing the Report of the BRC should include what the applicant and Ministry presenter contributed to the hearing. If the applicant or the Ministry presenter does not add anything further the Report of the BRC should reflect this.

Review process for the Extraordinary Care Fund

The Extraordinary Care Fund is not covered by the Review of Decision process.

If a client makes contact to have their decision reconsidered they need to complete a Personal Details form outlining why they think their application should be reconsidered.

The review will be carried out by the Secretariat for the Extraordinary Care Fund and approved by the General Manager.

High cost, short term loans

Some National office staff recently met with the Commerce Commission and the National Building Financial Capability Trust about some cases where our clients have taken out high cost, short term loans.

There are some Loan companies that have been approaching our clients, advising them that they are a Work and Income Registered supplier and it has been noted that the client is behind on repaying their loans/debts. The loan companies then ask clients to get their loan repayment paid directly to them from the client's benefit.

The Commerce Commission and the Ministry are very concerned about the practice of some loan companies and how they are getting our clients to sign up to loans without fully understanding what they are signing up to.

Some clients are signing up to loans thinking they are paying interest of between 3 and 4 per cent. What they do not realise is that this is a monthly interest fee and the yearly interest could be up to 48%.

Under law:

- Lenders must make reasonable inquiries to be satisfied that the borrower can afford the loan without suffering substantial hardship
- Lenders must assist the borrower to understand the full implications of the agreement
- Lenders must not mislead borrowers about the assignment of wages, like saying they are irrevocable (cannot be cancelled)
- Lenders must exercise care, diligence and skill of a responsible lender in advertising providing for credit

The Commerce Commission is keen to know about any situation where we hear about:

- Advertising that is misleading, for example 'money within minutes', no questions asked, no check done
- Lenders who do not appear to assess affordability or assist the borrower to understand the costs of these types of loans and what can happen if payments are missed, particularly if the borrower has signed a wage assignment authority
- Lenders who continually refinance payday loans
- Borrowers defaulting shortly after taking out the loan and are not able to catch up
- Contracts that contain wage assignment clauses
- Lenders who delay taking action when payments are missed allowing fees and charges to build up
- Lenders encouraging regular use of payday loans and targeting clients who have requested not to be contacted.

The Commerce Commission has developed some very good Red Flag information sheets on the following link:

<http://www.comcom.govt.nz/dmsdocument/15413>

These cover the following topics:

- Mobile trader and door to door sellers
- High-cost-short-term loans, like payday loans
- Irresponsible lending practices

- Prohibited items taken as security
- Unreasonable credit fees and default fees
- Debt collection practices
- Repossession practices

The Commerce Commission and National Office are keen to see that our clients are not taken advantage of. Where ever possible we should be highlighting to clients the pitfalls of dealing with loan companies and re-enforcing the need for clients to seek budget assistance before signing up to loans or discussing their debt situation with us first.

The Commerce Commission can be contact by phone on 0800943600 or by email contact@comcom.govt.nz

Use of pseudonyms

You may have seen some coverage in the media about a decision of the New Zealand Social Security Appeal Authority which focussed on the legality of the use of pseudonyms.

The Ministry for Social Development is challenging the Social Security Appeal Authority's interlocutory decision and has lodged an appeal. The Ministry is continuing to use pseudonyms in cases where the Benefits Review Committee is making a decision for a client of the Remote Client Unit.

Further information can be found on the following link:

<http://www.msd.govt.nz/about-msd-and-our-work/newsroom/media-releases/2017/ministry-challenging-ssaa-decision.html>

Changes to Live Organ Donor Assistance

The Ministry of Health now provides compensation to live organ donors for loss of earnings after donating a kidney or part of a liver.

This replaces Work and Income's Live Organ Donor Assistance from 5 December 2017.

<https://www.workandincome.govt.nz/about-work-and-income/news/2017/new-compensation-for-live-organ-donors.html>

Families Package

The new Government has announced the Families Package which includes a Winter Energy Payment, Best Start, changes to Accommodation Supplement and Working for Families tax credits. Further information can be found on the following links:

<http://www.msd.govt.nz/about-msd-and-our-work/newsroom/2017/families-package.html>

<https://www.workandincome.govt.nz/about-work-and-income/news/2017/families-package.html>

Also the new benefit rates from 1 April 2018 are now on the following link:

<https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2018.html>

Handy references

The following page has useful links and information about the ROD/BRC process including the expense claim form, information packs and the HIYU newsletter:

<http://www.msd.govt.nz/about-msd-and-our-work/contact-us/review-of-decision/index.html>

Feedback

Please let us know if you find these newsletters useful or if there is other information that you would like included in these. The RCR Team welcomes any feedback from you. The team's contact details are below.

For more details contact

Janet Davis 04 916 3079

Raj Menon 04 916 3648

Uiti Pelenato 04 916 3857

Christina Price 04 931 2389

Lai Qetaki 04 978 4167

Steve Rowell 04 916 3759

Email: Review_Client_Rep_Team@msd.govt.nz

