



Dear [REDACTED]

On 27 December 2018, you emailed the Ministry requesting, under the Official Information Act 1982, information regarding the application of section 66A of the Social Security Act 1964.

For your information, the income exemption for severe disablement under section 66A of the Social Security Act 1964 was replaced by clause 44, schedule 8 of the Social Security Regulations 2018 (the Regulations) on 26 November 2018. No material changes were made to the terms of the exemption. This response will refer to the application of clause 44, schedule 8 of the Regulations.

For the sake of clarity I will respond to each of your questions in turn.

- 1. How does The Ministry for Social Development administer Section 66A of the Social Welfare Act? 1b. What internal MSD and/or Work and Income policies are used in the determination and administration of 66A?*

The purpose of the exemption for severe disablement is to provide an incentive for severely disabled clients to work and recognises the personal effort required for them to participate in employment. The exemption allows for all or part of the income a severely disabled client receives from their work to be disregarded when assessing their rate of benefit payment. The exemption should help clients to be better off financially because they are in employment.

A client is considered severely disabled if the effects of their disability extremely limit their ability to participate in employment, take care of themselves and participate in the community. If the threshold of severe disablement is met, Case Managers will consider the amount of a client's income to exempt based on the client's individual circumstances. In order to incentivise work, the level of exemption should at least offset the costs of the client participating in employment.

To support a robust decision-making process, the Ministry has policy guidelines to assist. Case Managers are supported in decision-making by the Regional Disability and Health Advisers. A final recommendation from the Principal Disability Adviser ensures national consistency.

Guidelines used by Ministry staff to exercise discretion under clause 44, schedule 8 of the Regulations are publicly available on the Work and Income website in the manuals and procedures section here: www.workandincome.govt.nz/map/income-support/main-benefits/supported-living-payment/exemption-for-severe-disablement-01.html.

- 2 Why is Section 66A not actively communicated to beneficiaries who receive the Supported Living Payment, who therefore may be eligible?*
- 3 Why is information about 66A and how to apply for the exemption not easily discoverable on the MSD and Work and Income websites?*

The Ministry works with clients to ensure they receive their full and correct entitlement. This includes considering whether clients may be eligible for an income exemption.

The income exemption is not restricted to clients receiving Supported Living Payment (SLP) nor does it apply to all SLP clients.

For example, a client receiving SLP may have a condition that severely restricts their ability to regularly work for 15 hours per week but they are able to live by themselves or with limited support and participate in their community. This person likely would not be considered severely disabled for the purposes of deciding the income exemption.

As mentioned above, information about the exemption is available on the Ministry's website.

4 Why are people who are receiving the SLP and are legally blind automatically given this income exemption, when no other disability receives this consideration?

The Social Security Act 2018 provides that all personal earnings of a totally blind person be disregarded when determining the rate of SLP they receive. This is a historic legislative provision. Income exemptions for other severe disabilities are considered on a case by case basis and any change to this would require a legislative change.

5 How many people annually for the years 2013, 2014, 2015, 2016, 2017, and 2018 have applied for the exemption under 66A?

6 What percentage of those people who applied for exemption under 66A received it on their first application?

When a client is granted an exemption under clause 44, schedule 8 of the Regulations, a Case Manager adds this as a note to the client's individual case record. In order to provide you with this information, Ministry staff would have to manually review thousands of files. As such, I refuse your request under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

7 What percentage of people who applied for exemption under 66A ultimately received it after a review, hearing or otherwise process?

Reasons behind reviews of decisions (RODs) are recorded in individual records in the ROD computer system. As such, staff would have to manually review thousands of files to see if clause 44 schedule 8 of the Regulations is part of the ROD. As such your request is refused under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

8 What is the total number of people currently receiving the SLP?

9 What number of beneficiaries on the SLP are currently receiving the exemption under 66A?

10 What percentage therefore of beneficiaries receiving the SLP are currently receiving the exemption under 66A?

The enclosed Table one, provides the number of working age SLP recipients. The number of SLP recipients with a primary incapacity of "Blindness" is also provided. These people automatically qualify for income exemption.

The Ministry is unable to provide you with the number of people receiving SLP who are receiving an exemption under clause 44, schedule 8 of the Regulations, as this information is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review more than 5,000 individual records. As such, I refuse your request under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

11 Would the Minister like to comment on the purpose of 66A and its current administration?

Your question has been referred to the Minister for Social Development, Hon Carmel Sepuloni for reply. Minister Sepuloni will respond to your concerns directly by way of reply.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

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 this response 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.

Yours sincerely



Cassandra Wise
Manager, Issue Resolution

Table one: Number of working age Supported Living Payment (SLP) recipients with a primary incapacity of "Blindness"

Incapacity	September 2018	December 2018
People in receipt of SLP with the incapacity of blindness	973	958
Total number of people receiving SLP	83,828	84,059

Notes:

- Working-aged people are aged between 18 to 64 years.
- This does not include SLP carers.
- Incapacity is listed as the primary incapacity for the client. A client can have more than one incapacity.