



29 AUG 2018

Dear [REDACTED]

On 11 July 2018 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Can MSD tell me or give me a rough number of how many people in NZ are not receiving the WEP for this reason this year? [where the person is not eligible for the Winter Energy Payment due to the amount of overseas pension they receive].*
- *And how much money the govt expects to save due to not giving out those payments?*

When the Winter Energy Payment was announced as part of the Families Package in December 2017, it was decided that eligibility to the payment would be limited to those who receive New Zealand Superannuation, Veteran's Pension or main benefits. This was to ensure that standard requirements relating to citizenship, residency status and being ordinarily resident would be met automatically, and allows for the administration of the Winter Energy Payment to be efficient and cost effective.

Under the direct deduction policy prescribed in section 70 of the Social Security Act 1964, the amount of any overseas state pension paid to a person is deducted, on a dollar-for-dollar basis, from the amount of New Zealand Superannuation, Veteran's Pension, or main benefit that would otherwise be paid to a person.

This means that some people receiving a large overseas pension are in the situation where their overseas pension fully abates their potential entitlement to New Zealand Superannuation, Veteran's Pension, or a main benefit. In these cases, and where a person chooses to receive their overseas pension and not receive New Zealand Superannuation, they would generally not be entitled to receive the Winter Energy Payment. If, however, an individual receives even a small amount of New Zealand Superannuation, Veteran's Pension, or a main benefit, they will be eligible for the Winter Energy Payment on the relevant dates.

The exception to this is for clients receiving an overseas state pension (in excess of the amount of New Zealand Superannuation, Veteran's Pension, or main benefit that they would otherwise be paid) from the UK, Netherlands, Australia, Jersey, Guernsey or the Republic of Ireland.

People in this category can choose to be paid New Zealand Superannuation, Veteran's Pension, or the main benefit instead of their overseas pension (which would then be paid directly to the New Zealand Government) through an option known as the 'special banking option'.

If they elect to be paid New Zealand Superannuation, Veteran's Pension or the main benefit via the special banking option they would then be eligible to receive WEP.

As at the end of June 2018, 419 people did not receive New Zealand Superannuation, Veteran's Pension, or main benefit payments due to the amount of overseas pension they receive fully abating their potential entitlement to the payment.

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Please note that this number includes clients of all ages, but does not include recipients of Orphan's Benefit or Unsupported Childs Benefit (these clients are not eligible for the Winter Energy Payment).

The majority of these 419 people would have been eligible for the Winter Energy Payment if they did not receive a rate of overseas pension that fully abated their potential entitlement to New Zealand Superannuation, Veteran's Pension, or main benefit payments. However, some would not have been eligible for the Winter Energy Payment regardless due to other circumstances, including being in receipt of Residential Care Subsidy or Residential Support Subsidy, or travelling overseas for greater than 28 days. As such, 419 is the maximum number of people known to the Ministry that may be affected as at the end of June 2018, rather than the exact number.

The reason that people whose rate of overseas pension fully abates their potential entitlement to New Zealand Superannuation, Veteran's Pension, or main benefit payments are not receiving the payment is about eligibility for the payment rather than saving money. The Winter Energy Payment eligibility criteria are set out in sections 61FG of the Social Security Act 1964, therefore any changes to the eligibility criteria for the payment would require legislative amendment.

The Winter Energy Payment is \$20.46 a week for single people with no dependent children, and \$31.82 a week for couples or people with dependent children. In 2018 this will be paid from 1 July to 29 September.

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 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](mailto: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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



Dwina Dickinson  
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