



27 MAY 2021

Tēnā koe

On 30 April 2021, the Ministry of Social Development (the Ministry) received a transfer from the Office of Hon Carmel Sepuloni requesting, under the Official Information Act 1982 (the Act), the following information:

- *The number of beneficiaries who are eligible for the Winter Energy Payment, but have advised the Department they do not wish to receive the payment – numbers of people and the percentage this is of the total receiving the benefit on a day of your choice.*
- *The number of beneficiaries who are eligible for the Winter Energy Payment who have or should have their benefits taxed at more than the 17.5 cent marginal rate for lower income beneficiaries – once again the numbers of people and the percentage this is of the total receiving the benefit on a day of your choice.*

The Winter Energy Payment (WEP) is a non-taxable benefit paid to people in receipt of a main benefit, New Zealand Superannuation (NZS) or Veteran's Pension (VP) to support their household heating costs during the winter period.

To receive the WEP a client must:

- be receiving a qualifying benefit (or portion of it), or pension, during the winter period. Qualifying payments include Sole Parent Support, Supported Living Payment, Jobseeker Support, Jobseeker Support Student Hardship, Emergency Benefit, Emergency Maintenance Allowance, Youth Payment, Young Parent Payment, NZS and VP;
- be either the person granted a qualifying benefit or their partner, and the qualifying benefit (or portion of it) is paid to the client;
- not be disqualified from receiving the WEP;
- not have chosen to opt out of receiving the WEP; and
- be living in New Zealand, and not be outside of New Zealand during the period that the WEP can be paid for more than 28 days during any one or more absences.

With the exception of the Emergency Benefit, a client must have New Zealand Citizenship, permanent residence or hold a residence class visa to receive the above qualifying benefits for the WEP.

More information about the WEP can be found at this link: www.workandincome.govt.nz/map/income-support/extra-help/winter-energy-payment/index.html.

WEP is automatically paid to those that receive a main benefit, NZS or VP, and meet all other eligibility criteria.

Due to the effects of the COVID-19 pandemic, WEP payments were doubled during the WEP payment period. This period spanned the 22-weeks starting 1 May 2020 and ending 1 October 2020. Single people with no dependent children received \$40.91 each week. Couples and those with dependent children received \$63.64 each week.

During the 22-week WEP payment period this year, starting 1 May 2021 and ending 1 October 2021, the rates which had been doubled for COVID-19 have been returned to their original values. Single people with no dependent children will receive \$20.46 each week, and couples and those with dependent children will receive \$31.82 each week.

The Ministry has done its best to ensure that opting out of the WEP is easy for those who are eligible. Clients can opt out of the WEP for various reasons. Opting out can be done by phone or in person, or through a form on the Work and Income website: www.workandincome.govt.nz/online-services/winter-energy-payment/index.html.

In response to your first question, the number of people who have opted out of WEP, and have not been re-granted the WEP during the timeframe 1 May 2020 to 1 October 2020, is approximately 909. This timeframe was selected as it is the most recent complete WEP period.

The Ministry is unable to provide you with a percentage of the number of people opting out compared to the total number WEP grants, as this is not standard reporting for the Ministry. However, information on the total number of people eligible for WEP grants is publicly available and can be found here:

www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html. While WEP is not specifically listed in the benefit factsheets, the total number of people eligible for WEP grants is equal to the total number of people on the qualifying benefits (ie. a main benefit, NZS, or VP). From this information you can calculate the percentage requested. Your request for percentages has been refused under section 18(d) of the Act, as the information requested has already been made public.

To address your second question, clients on a main benefit who qualify for WEP typically have their benefit as their main income, so are charged the minimum tax rate. Any other income is taxed as secondary income.

The principles and purposes of the Act 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. 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 regarding Winter Energy Payments, 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.

Ngā mihi nui



Bridget Saunders
**Manager Issue Resolution
Service Delivery**