



Report

Date: 26 November 2020

Security Level: IN CONFIDENCE

To: Hon. Carmel Sepuloni, Minister for Social Development

Results of analysis for Maori and Pacific People who were declined COVID-Income Relief Payment

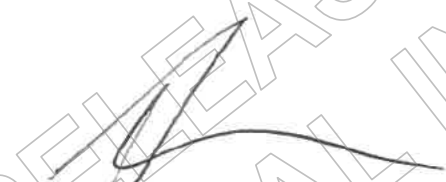
Purpose

- 1 This report provides the results of our analysis of a random sample of 100 applications submitted by Maori and 12 applications submitted by Pacific People who were declined COVID-Income Relief Payment (CIRP) from 8 June to 2 October 2020.

Recommended actions

It is recommended that you:

- 1 **note** the findings of our analysis
- 2 **note** that all applicants in the sample analysis were declined CIRP because they did not meet the eligibility criteria, or they were better off receiving other financial assistance.



Jo Cunningham
Group General Manager

26/11/2020
Date



Hon Carmel Sepuloni
Minister for Social Development

29/11/2020
Date

COVID-19 Income Relief overview

- 2 CIRP provides temporary financial support to help soften the income shock for people who have lost employment due to the impacts of COVID-19. This is paid instead of a main benefit and people can receive the payment for a maximum of 12 weeks.
- 3 To be eligible for CIRP, applicants must:
 - a. be aged 18 years or older (or 16-17 years and financially dependent)
 - b. be a New Zealand citizen or hold a residence class visa
 - c. be ordinarily resident in New Zealand
 - d. if they have a partner, the partner earns less than \$2000 a week in wages and salary before tax, and
 - e. have no current employment. The employment lost must also meet certain criteria.
A person must have:
 - i. lost their last employment from 1 March to 30 October 2020 due to the impacts of COVID-19
 - ii. had employment that was continuous for at least 12 weeks, and
 - iii. worked an average of at least 15 hours a week.

Application process for CIRP

- 4 A person can complete an application for CIRP online or over the phone with a staff member.
- 5 People who apply online for financial assistance will complete an application form that helps to determine potential eligibility to CIRP and other financial assistance. In June 2020 questions were added to the online application form to identify potential eligibility to CIRP¹. These questions are presented to every client who indicates that they were working and lost their job due to the impact of COVID-19.
- 6 For those applying over the phone, for new clients a CIRP application form needs to be completed. Current clients can complete an opt-in application form (a shortened version). Both application forms are available for staff to complete in conversation with the client on their behalf, with their consent.
- 7 Based on the information provided in the application form or conversation (if the application is submitted over the phone), a staff member will check for eligibility to CIRP.
- 8 For all applications received including CIRP regardless of channel and type of assistance the applicant may be eligible for, our frontline staff complete a 'better off' conversation and assessment to understand their individual circumstances. This helps to ensure that clients are receiving their full and correct entitlement and assistance that best meets their needs.
- 9 MSD has no discretion to grant CIRP or not – people either meet the eligibility criteria or do not.

¹ The following questions were added to the online application form to help identify potential eligibility to CIRP:

- Were you employed for at least 12 weeks before losing your job?
- How many hours did you normally work in an ordinary week?
- Were you usually living and working in New Zealand when you lost your job (or self-employment)?
- Have you been approved or are you waiting for approval for the Inland Revenue Business Cashflow Loan Scheme?

Key Findings from Sample Analysis

10 We have completed an analysis of a random sample of 100 applications submitted by Maori and 12 applications submitted by Pacific People who were declined CIRP from 8 June to 2 October 2020.

11 The breakdown of the 100 applications submitted by Maori and declined CIRP:

Reasons for decline	Total
Lost or finished employment due to other reasons (unrelated to COVID-19)	19
Work hours reduced or still in casual employment	15
Worked for less than 12 weeks prior to losing employment	13
Seasonal work ended (at time of application)	10
Client opted to apply for a main benefit after 'better off' conversation	12
Ceased work due to a medical condition (unrelated to COVID-19)	5
Initially declined CIRP but then granted when applicant provided further information/clarification	5
Received redundancy/compensation payments from last employment	5
Combined income/assets are over the limit	4
Previously working less than 15 hours a week	4
Returned to NZ from overseas	3
Unemployed or no job loss due to COVID-19	5

12 The breakdown of the 12 applications submitted by Pacific People and declined CIRP:

Reasons for decline	Total
Client opted to apply for a main benefit after 'better off' conversation	3
Ceased work due to a medical condition (unrelated to COVID-19)	2
Unemployed or no job loss due to COVID-19	3
Lost or finished employment due to other reasons (unrelated to COVID-19)	1
Seasonal work ended (at time of application)	1
Received redundancy/compensation payments from last employment	1
Previously working less than 15 hours a week	1

13 All applicants in the sample analysis were declined CIRP because they did not meet the eligibility criteria, or they were better off receiving other financial assistance.

14 The key eligibility criteria for CIRP is that people need to have lost their job due to COVID-19. The policy intent of the payment is that it helps people who have had an unexpected and sudden income drop due to the impacts of COVID-19. People are not eligible if they have a fixed-term contract end, i.e. seasonal work that ends, as the income drop was 'expected'. They are also not eligible to receive CIRP if they have any current employment at all, even small amounts of part-time employment

15 Please also note that Ministry of Business, Innovation and Employment has also provided advice that indicates that the idea that employers are often cutting peoples hours instead of laying them off all together is supported by the labour market statistics². As outlined in the CIRP eligibility criteria, applicants who fall into this category do not qualify for CIRP.

² In the June quarter, there was a 10.3% quarterly drop in the number of hours worked, which is the largest drop we had ever seen since the series began in 1986.

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