



29 March 2022

Tēnā koe

On 17 February, your request to the Office of Hon Grant Robertson was transferred to the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *How much money from all overseas countries that people now living here and are on the pension.*

Qualifications for various overseas pensions and benefits, and their deductibility from New Zealand benefits and pensions, are subject to sections 187-191 of the Social Security Act 2018 (formerly section 70 of the Social Security Act 1964).

Sections 187-191 of the Social Security Act 2018 provides that where a person receives an Overseas Pension (OSP) that is administered by or on behalf of the government of the overseas country paying the pension, that person's New Zealand Superannuation (NZS) will be reduced by the amount of the OSP, as calculated in accordance with regulations.

The policy intent of sections 187-191 of the Social Security Act 2018 is to ensure that those entitled to NZS or other Main Benefits are treated equitably and get the same level of government retirement support, whether solely through NZS, or through a combination of OSP and NZS, or solely through the OSP. Were it not for Sections 187-191 of the Social Security Act 2018, those who have lived, and worked in overseas countries may be entitled to a greater overall level of government retirement support than those who had solely resided, and worked in New Zealand.

In some situations, it is possible for a person to receive a total rate of OSP above the rate of NZS. Where a direct deduction is applied which reduces a person's rate of NZS to zero, there is no penalty applied for any excess OSP they receive.

For more information about the Government's deduction policy, please see the following link: www.workandincome.govt.nz/pensions/travelling-or-moving/moving-to-nz/overseas-pensions-deduction-examples.html.

In response to your request, please find **Table One** within **Appendix A** attached, which shows the number of OSP deductions and amounts deducted from NZS clients of overseas pensions which are subject to direct deductions under sections 187-191 of the Social Security Act 2018, broken down by country.

Most OSP are paid directly to a client by the responsible government of the overseas country. However, in some cases, OSP are paid to the Ministry in the client's name. This is known as the Special Banking Option (SBO) and is only available through certain countries that hold a Social Security Agreement with New Zealand. Currently, these countries are: the United Kingdom, The Netherlands, Australia, Jersey, Guernsey and the Republic of Ireland. In these situations, the Ministry administers the OSP on behalf of the government of the overseas country paying the pension and pays NZS in full to the client. SBO ensures your combined benefit or pension payments from overseas and from New Zealand is paid at the same rate as the full rate of New Zealand Superannuation or benefit. This option is not suitable for people who are receiving an OSP that exceeds the New Zealand benefit or pension.

For more information about the Special Banking Option, please see the following link: www.workandincome.govt.nz/pensions/travelling-or-moving/special-banking-option.html.

Please find **Table Two** within **Appendix A** attached, which shows the number of OSP paid into the Special Banking Option for clients on NZS as at the end of December 2021, broken down by country.

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. The Ministry will do this by publishing this letter on the Ministry'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 Overseas Pension, 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

A handwritten signature in blue ink, appearing to read 'Jay Van Uffelen', with a long horizontal stroke extending to the right.

Jay Van Uffelen
General Manager
Centralised Services

Appendix A

Table One: The number of Overseas Pensions paid to clients on New Zealand Superannuation as at the end of December 2021 broken down by country.

Country	Number of Clients	Annualised Amount
United Kingdom	59,202	\$261,031,433.49
Australia	22,929	\$127,891,180.38
the Netherlands	4,536	\$24,926,928.67
Canada	3,696	\$16,346,641.56
United States of America	912	\$11,817,503.04
Germany	690	\$4,958,779.85
Taiwan	603	\$2,372,907.40
Switzerland	573	\$3,524,988.94
Philippines	516	\$967,106.62
Ireland	429	\$2,036,913.04
Russian Federation	342	\$1,222,815.36
Japan	192	\$1,340,673.40
Denmark	150	\$771,665.24
Sweden	150	\$766,848.63
Guernsey	138	\$827,295.00
Samoa, Western	132	\$147,504.46
France	135	\$518,678.16
Jersey	126	\$719,981.08
Singapore	99	\$638,037.76
Korea, Republic of	75	\$428,611.68
Fiji	63	\$247,851.67
Poland	51	\$314,983.72
Thailand	51	\$25,497.72
Croatia	48	\$254,807.28
Romania	42	\$324,708.96
The Republic of North Macedonia	42	\$229,552.44
Serbia	39	\$178,448.08
Isle of Man	39	\$174,590.11
Belgium	33	\$156,395.01
Bulgaria	30	\$104,049.48
Cook Islands	27	\$175,827.00
Austria	24	\$229,813.32
Italy	21	\$251,411.85
Norway	21	\$182,906.88
Hungary	18	\$82,953.88
Sri Lanka	15	\$28,918.24

Country	Number of Clients	Annualised Amount
Malta	15	\$83,125.15
New Caledonia	15	\$91,294.08
Egypt	12	\$32,487.60
Czech Republic	12	\$60,686.76
Greece	9	\$27,770.88
Malaysia	9	\$56,500.80
Finland	9	\$56,287.92
Bosnia and Herzegovina	6	\$17,009.16
Slovakia	6	\$42,867.60
Argentina	S	\$15,255.84
Peru	S	\$10,107.00
Vietnam	S	\$9,376.80
French Polynesia	S	\$10,404.00
Albania	S	\$10,188.36
Brazil	S	\$18,278.16
Chile	S	\$8,890.44
Jamaica	S	\$2,766.16
Portugal	S	\$19,774.99
Spain	S	\$31,764.72
Latvia	S	\$14,472.00
Lithuania	S	\$16,496.16
Ukraine	S	\$2,003.52
Bermuda	S	\$28,883.76
Israel	S	\$24,690.96
Sudan	S	\$248.64
Turkey	S	\$6,274.68
Macau	S	\$12,324.72
Azerbaijan	S	\$7,402.68
Belarus	S	\$6,805.08
Colombia	S	\$968.24
Cyprus	S	\$2,986.09
Ghana	S	\$3,802.44
Nigeria	S	\$1,015.44
Uruguay	S	\$7,567.32
Niue	S	\$3,043.56
Tahiti	S	\$10,791.24
Tokelau	S	\$13,000.00
Slovenia	S	\$10,311.48
Montenegro	S	\$2,715.84
Total	96,369	\$466,999,849.67

Table Two: The number of Overseas Pensions paid into the Special Banking Option for clients on New Zealand Superannuation as at the end of December 2021 broken down by country.

Country	Number of Clients	Annualised Amount
United Kingdom	50,328	\$218,222,600.06
Australia	16,527	\$81,483,222.91
the Netherlands	3,522	\$18,746,454.67
Ireland	339	\$1,528,282.96
Guernsey	114	\$692,198.48
Jersey	96	\$468,451.36
Total	70,926	\$321,141,210.44

Special Banking Option:

- The Special Banking Option allows a client's overseas benefit or pension to be paid directly into a special Westpac bank account in New Zealand.
- This account is held in the client's name but only accessible by the Ministry of Social Development.
- The Special Banking Option is currently only available to those who receive a benefit or pensions from the United Kingdom, The Netherlands, Australia, Jersey, Guernsey and the Republic of Ireland.

Notes for all tables:

- Only clients who receive New Zealand Superannuation have been included in this report.
- The country stated is where the Overseas Pension has been paid from.
- The annualised amount is in New Zealand dollars. It is an approximation of the annual value of overseas pensions based on amounts and exchange rates as at time of report.
- Figures are current as at the time of reporting. However, these may be subject to change due to new historical information being recorded by the Ministry.
- Post-June 2016 numbers and deductions are calculated using an improved methodology which excludes some Overseas Pension records that are in the system but not deducted from the recipients New Zealand Superannuation.
- To protect confidentiality the Ministry uses processes to make it difficult to identify an individual person or entity from published data.
- These data tables have had random rounding to base three applied to all cell counts in the table.
- A value of one or two may be rounded to zero or three.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.
- The published counts will never differ by more than two counts.
- In certain circumstances low numbers may potentially lead to individuals being identified.
- Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied when required.
- Suppressed numbers have been replaced by an 'S'.