



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

21 September 2023

Tēnā koe

On 24 August 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

OIA

1/. Can the "automated process" (that is used to calculate a beneficiaries child support income) please be explained to me and any supportive documentation be provided also.

Privacy Information Request

2/. Why has my monthly payment of child support income been worked out across four weeks and not a month?

Child support payments collected by Inland Revenue (IR) are based on an annual liability. This annual amount is then divided equally into 12 monthly payments due to be paid by liable parents. In contrast, benefits are paid on either a weekly or fortnightly basis.

The Ministry is provided with child support payment information from IR via an information share and that information is used to automatically calculate whether child support payments impact their rate of, or entitlement to, income-tested assistance. The amount of child support paid into the client's bank account by IR is used to determine the income charge, rather than the amount the paying parent is liable to pay. This means the assessment of the income reflects the financial resources available to the client.

The income charging rules for child support payments are designed to minimise the impact of child support on a client's benefit or other income-tested assistance. The monthly child support payment is charged forward over the length of time the child support payment is intended to support the child (a period of four or five weeks depending on the calendar month).

If this monthly payment was instead treated as income in the week or fortnight it was received, this could result in more benefit abatement than if the payment is spread over the length of time it is intended to represent.

The income is charged over the period between when the client receives their child support payment and when they are expected to receive their next child support payment. This prevents any gaps or overlaps in their child support income charges, reducing fluctuations in a client's benefit rate.

Some clients may experience small differences in their weekly child support income depending on whether it is applied over four rather than five weeks, or vice versa (i.e., a \$100 monthly payment of child support would equate to \$25 of income when charged over four weeks and \$20 of income when charged over five weeks), which may mean the benefit is abated by slightly different amounts depending on whether it is a four week or five week period.

This is different from the income charging rules for other forms of income in the Social Security Act 2018 (including child support payments not provided via the information share). Those rules provide the Ministry with discretion to determine the period the income is taken into account for benefit purposes.

We note that you are seeking information to better understand how child support is charged as income by the Ministry. In the interest of providing you with the most helpful information, we recommend visiting the Ministry's website which shows examples of how the Ministry treats child support income. You can find these examples at the following link: www.workandincome.govt.nz/on-a-benefit/tell-us/income/child-support-payment-examples.html.

We also note your Privacy Act request in relation to your child support payments and would like to advise that the calculation for the child support payment as income is the same across all Ministry clients. As such, we believe the explanation provided above is sufficient to answer this part of your request.

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 regarding child support income, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding child support income, 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

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**Manager Issue Resolution
Service Delivery**