



Cabinet Legislation Committee

Minute of Decision

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Annual General Adjustment 2021 and Related Regulatory Changes

Portfolio **Social Development and Employment**

On 18 February 2021, the Cabinet Legislation Committee:

- 1 **noted** that, acting with Cabinet's authority, the Ministers responsible for the Finance, Housing, Education, Social Development, Health, Veterans and Children portfolios have approved new rates of New Zealand Superannuation, benefits, Student Allowance, Foster Care Allowance and new rates and thresholds for allowances and supplementary assistance [CAB Min (02) 7/1A];
- 2 **agreed** to amend the Social Security Regulations 2018 to exempt the Abatement Threshold Increase (Transitional Assistance) Programme (TAP) 2021 from being considered as chargeable income for Temporary Additional Support;
- 3 **noted** that the proposed Orders in Council and Amendment Regulations will come into effect on 1 April 2021 and will:
 - 3.1 increase the rates of main benefits to comply with the statutory requirement to adjust the rates to reflect the 3.10 percent increase in the net average wage over the previous year;
 - 3.2 increase the rates of Student Allowance, Orphan's Benefit, Unsupported Child's Benefit, Foster Care Allowance and New Zealand Superannuation to comply with the statutory requirement to adjust the rates to reflect the 1.15 percent increase in the Consumers Price Index over the previous year
 - 3.3 further increase the rates of New Zealand Superannuation in line with the commitment to keep the net married rate at a minimum 66 percent of the net average wage
 - 3.4 increase rates and thresholds of allowances and various forms of supplementary assistance in line with the 1.15 percent increase in the Consumers Price Index over the previous year
 - 3.5 increase income thresholds for Disability Allowance and superannuitant-specific income thresholds for the Community Services Card by the greater dollar impact from: applying the annual percentage increase in the All Groups Consumers Price Index excluding cigarettes and other tobacco products; or applying the annual increase amount of New Zealand Superannuation

- 3.6 amend the definitions of Income Test 1, Income Test 2, Income Test 3, and Income Test 4 in Schedule 2 of the Social Security Act 2018 in line with the commitment to increase the abatement thresholds for main beneficiaries and non-qualified spouses and partners of superannuitants
- 3.7 amend the Social Security Regulations 2018 to exempt the Abatement Threshold Increase (Transitional Assistance) Programme (TAP) 2021 from being considered as chargeable income for Temporary Additional Support.
- 4 **authorised** the submission to the Executive Council of the following Orders and Amendment Regulations:
- 4.1 Social Security (Rates of Benefits and Allowances) Order 2021 [PCO 23404/8.0];
- 4.2 Social Security (Definition of Income Test 1, Income Test 2, Income Test 3, and Income Test 4) Order 2021 [PCO 23403/2.0];
- 4.3 Social Security Amendment Regulations 2021 [PCO 23405/5.0];
- 4.4 Residential Care and Disability Support Services Amendment Regulations 2021 [PCO 23406/2.0];
- 4.5 Student Allowances Amendment Regulations 2021 [PCO 23407/3.0];
- 4.6 Health Entitlement Cards Amendment Regulations 2021 [PCO 23408/5.0];
- 4.7 Oranga Tamariki (Minimum Rates of Payment for Board and Lodgings) Order 2021 [PCO 23409/3.0].

Charlotte Doyle
Committee Secretary

Present:

Hon Grant Robertson
Hon Chris Hipkins (Chair)
Hon Carmel Sepuloni
Hon David Parker
Hon Poto Williams
Hon Michael Wood (Deputy Chair)
Hon Kiri Allan
Hon Dr David Clark
Hon Meka Whaitiri
Kieran McNulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

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Minister for Social Development and Employment