

In Confidence

Office of the Minister for Social Development and Employment
Chair, Cabinet Legislation Committee

Social Security (Cash Asset Exemption—Bonus Payments) Amendment Regulations 2026

Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the attached Social Security (Cash Asset Exemption—Bonus Payments) Amendment Regulations 2026. The Amendment Regulations will exempt the \$1,000 lump sum payments made under the Bonus Payment Welfare Programme as cash assets for 12 months for all assistance dependent on the Accommodation Supplement cash asset test under the Social Security Act 2018.

Policy

- 2 On 17 September 2025, the Cabinet Social Outcomes Committee authorised the Minister for Social Development and Employment to establish a welfare programme to administer the Bonus Payment programme, intended to reward young, long-term jobseekers who enter employment and remain off a main benefit. They also agreed to amend the Social Security Regulations 2018 to exempt this payment as a cash asset when assessing eligibility for all assistance dependent on the Accommodation Supplement cash asset test [SOU-25-MIN-0130 refers]. The Minister for Social Development and Employment agreed this exemption would be time-limited for a period of 12 months from receipt of payment.
- 3 This exemption meets the policy intent of the Bonus Payment, which is to provide a reward or recognition payment for young jobseekers without impacting their ongoing entitlement to supports for which they would otherwise be eligible.
- 4 The attached Social Security (Cash Asset Exemption—Bonus Payments) Amendment Regulations 2026 amend the Social Security Regulations 2018 to give effect to the agreed exemption.

Timing and 28-day rule

- 5 If approved, the Amendment Regulations will be submitted to the Executive Council and published in the New Zealand Gazette by 23 September 2026 to comply with the 28-day rule and come into force on 20 October 2026.

Compliance

- 6 The Social Security (Cash Asset Exemption—Bonus Payments) Amendment Regulations 2026 comply, where applicable, with the following:

- 6.1 the principles of the Treaty of Waitangi;
- 6.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
- 6.3 the principles and guidelines set out in the Privacy Act 2020; and
- 6.4 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

- 7 There are no grounds for the Regulations Review Committee to draw the Amendment Regulations to the attention of the House of Representatives under Standing Order 319.

Certification by Parliamentary Counsel

- 8 The Amendment Regulations have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Impact Analysis

Regulatory Impact Statement

- 9 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor impacts on businesses, individuals, and not-for-profit entities.

Climate Implications

- 10 No climate implications are associated with the proposal.

Consistency with principles of responsible regulation

- 11 A Consistency Accountability Statement (CAS) and the accompanying Summary of Underpinning Analysis have been prepared in accordance with the Regulatory Standards Act 2025 requirements (attached as Appendices 1 and 2). The assessment identified no inconsistencies with the principles of responsible legislation.

Publicity

- 12 Once the Amendment Regulations have been approved, the Ministry for Social Development will communicate these changes, and guidance will be updated accordingly.

Proactive release

- 13 I intend to proactively release this Cabinet paper subject to the provisions of the Official Information Act 1982.

Consultation

- 14 The Department of the Prime Minister and Cabinet, Ministries of Education, Health, Business, Innovation and Employment, and Youth Development, Treasury, Te Puni Kōkiri, Ministries for Pacific Peoples and Regulation, and the Social Investment Agency have been consulted.

Recommendations are:

The Minister for Social Development and Employment recommends that the Cabinet Legislation Committee:

- 1 **note** that on 17 September 2025, the Cabinet Social Outcomes Committee agreed to establish a welfare programme to administer the Welfare that Works Community Job Coaching Bonus Payment (Bonus Payment), intended to reward young, long-term jobseekers who enter employment and remain off a main benefit [SOU-25-MIN-0130 refers]
- 2 **note** the Cabinet Social Outcomes Committee also agreed to amend the Social Security Regulations 2018 to exempt this payment from being a cash asset when assessing eligibility for all assistance dependent on the Accommodation Supplement cash asset test
- 3 **note** that the Minister for Social Development and Employment agreed the cash asset exemption should be limited to the period of 12 months from receipt of payment
- 4 **authorise** the submission of the Social Security (Cash Asset Exemption—Bonus Payments) Amendment Regulations 2026 to give effect to the cash asset exemption decision referred to in recommendation 2 above
- 5 **note** that the Amendment Regulations will come into force on 20 October 2026.

Authorised for lodgement

Hon Louise Upston

Minister for Social Development and Employment

Appendices

Other information can be attached to Cabinet papers if it is useful but not essential to help Ministers understand proposals, such as consultation documents and overview A3s that provide summaries of the proposal or options. A3s are most useful when they make use of diagrams, tables, or graphs, use colour to group information, and don't include too much text. Keep in mind that appendices are part of the paper, and also need to be proactively released.

If the appendix is a document written specifically to be publicly released (such as a consultation or discussion document), then make sure it is written plainly and clearly, and is laid out in a format that is easy to read and understand. Remember that the document will likely be read by people who are not subject matter experts, and so should be accessible for people who may not speak English as their main language, or may have a disability. The accessibility guide *Leading the way in accessible information*¹ developed by the Office for Disability Issues includes useful advice on how to do this.

¹ This guide is available on the Ministry of Social Development website <https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/accessibility/accessibility-guide/index.html>