In Confidence

Office of the Minister for Social Development and Employment

Chair, Cabinet Legislation Committee

Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026, and Social Security (Modernisation) Amendment Regulations (No 2) 2026: Approval for submission to the Executive Council

Proposal

1 This paper seeks authorisation for submission to the Executive Council of two amendment regulations including the Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026, and the Social Security (Modernisation) Amendment Regulations (No 2) 2026.

2 The two amendment regulations amend the Social Security Regulations 2018 via:

2.1 the Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026 (referred to as the 'stand-down exemption regulations' in this paper), which provide for a new exemption from the stand-down[1] requirements under sections 313 to 316 of the Social Security Act 2018. These regulations will ensure the effective implementation of the Parental Assistance Test being introduced by Part 1 of the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Act 2026; and

2.2 the Social Security (Modernisation) Amendment Regulations (No 2) 2026 (referred to as the 'mandatory reviews regulations' in this paper), which move mandatory review dates that fall within the Christmas and New Year period to the Monday after 2 January (or the next working day after 15 January for Special Benefit) in the year immediately following; and give effect to Cabinet's agreement that when a client has an engagement with the Ministry of Social Development (MSD) that confirms all of the same circumstances as their mandatory review, their review date will move to 52 weeks from that engagement for the Accommodation Supplement and Disability Allowance.

Relation to government priorities

3 The amendments to the Social Security Regulations 2018 align with the Government's priorities for a targeted, efficient, and effective welfare system with a focus on employment outcomes. The Parental Assistance Test and the mandatory reviews scheme support the Government's target of 50,000 fewer people receiving

[1] If a benefit that a person becomes entitled to is subject to a stand-down requirement, it means that the person's benefit cannot commence or be paid for up to two weeks after their benefit is granted. The length of the stand-down period depends on the client's previous income and family circumstances. The purpose of the stand-down period is to encourage the client to use the resources available to them before accessing a benefit.

72vh7ewzmz 2026-09-29 06:44:38

Jobseeker Support by December 2029, and ensure that the welfare system remains targeted to those most in need. Mandatory reviews of specified benefits reflect the Government's approach to public sector transformation that is focused on practical, efficient, and modern administration.

Policy

Regulations to implement the Parental Assistance Test

4 Cabinet, and I under Cabinet's delegated authority, have made a number of decisions[2] regarding the policy to tighten the eligibility criteria for Jobseeker Support and the equivalent Emergency Benefit (a relevant benefit) for 18- and 19-year-olds.[3] The policy introduces a Parental Assistance Test (referred to as a 'parental income requirement' in legislation) as a new ongoing eligibility criterion that these young people must meet to be granted or regranted a relevant benefit.

5 As previously noted by Cabinet [LEG-26-MIN-0075 and CAB-26-MIN-0148 refer], I, under Cabinet's delegated authority [CAB-25-MIN-126.61 refers], have agreed to progress an amendment to the Social Security Regulations 2018 to add a new exemption from the stand-down requirements in relation to the Parental Assistance Test. The amendment will ensure the effective implementation of the test which is being introduced by Part 1 of the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Act 2026 from 2 November 2026.

6 The stand-down exemption regulations will mean that, if a qualifying client's relevant benefit is cancelled due to the Parental Assistance Test,[4] then their spouse or partner previously included in their benefit[5] can receive another relevant benefit without being subject to a stand down. This change will ensure that the spouse or partner who is eligible in their own right and is applying to replace the qualifying client's cancelled benefit could have continued access to benefit,[6] without having to face a gap of up to two weeks before they could be paid.

Regulations to amend the mandatory review settings

7 I propose two changes to the Social Security Regulations 2018 for mandatory reviews to ensure that the efficiency and effectiveness of the scheme are maintained.

8 MSD has been monitoring the staggered implementation of the Social Security (Mandatory Reviews) Amendment Act 2025 (Mandatory Reviews Act) and the Social Security (Modernisation) Amendment Act 2026 (Modernisation Act) to ensure that

[2] As part of Budget 2025 and through subsequent decisions [CAB-25-MIN-126.61, SOU-25-MIN-0126 and CAB-25-MIN-0330, and LEG-26-MIN-0075 and CAB-26-MIN-0148 refer].
[3] The tightening eligibility policy applies to all young people aged 18 and 19 without dependent children or who are not receiving Foster Care Allowance for a child in their care. It also applies to a very small cohort of young people aged 16 and 17 in particular circumstances.
[4] Cancelled because either the qualifying client did not meet the Parental Assistance Test (for example, because MSD determined that their parental income increased beyond the parental income limit), or they did not provide the required information for MSD to determine whether they meet this test.
[5] Refers to the spouse or partner included in the rate payable of the qualifying client's relevant benefit.
[6] The change will enable the previously included spouse or partner, if eligible, to receive the 'half-married rate' of the relevant benefit which refers to half the rate payable in clause 1(j)(i) of Part 1 of Schedule 4 of the Social Security Act 2018.

72vh7ewzmz 2026-09-29 06:44:38

the legislation, policy, and processes are aligned as future implementation dates approach. It is not uncommon for technical amendments to be required to legislation that is large and complex, such as these Acts.

9 Two matters relating to the timings of mandatory reviews have been identified s 9(2)(h) These amendments will ensure that the effectiveness and efficiency of the mandatory review scheme are maintained and will give effect to Cabinet's previous agreements. These amendments will:

9.1 move mandatory reviews due during the Christmas and New Year holiday period to the Monday after 2 January (or the next working day after 15 January for Special Benefit) in the year immediately following (the holiday period matter); and

9.2 give effect to the previous Cabinet decisions on specific engagements for mandatory reviews clients receiving the Accommodation Supplement and/or Disability Allowance (the specific engagements matter).

10 The mandatory review provisions specify when MSD is required to undertake a mandatory review for specified benefits. The guiding principle for the timing is that a mandatory review is required at least once every 52 weeks.[7]

The holiday period requires a special circumstance rule for mandatory reviews

11 The holiday period matter affects mandatory reviews due over the Christmas and New Year holiday period. Under operational settings, when a mandatory review due date falls in the week that includes, or in the week immediately before, 26 December, the review date is moved out until the first Monday following 2 January of the following year. For Special Benefit, reviews that fall within 25 December and 15 January in the following year will be moved to the next working day. These operational settings align with wider welfare system settings to maintain efficiencies and avoid issues arising from review dates falling on statutory holidays, helping to ensure continuity of clients' payments.

12 s 9(2)(h) The issue is that a client may not be able to meet the requirement to have a mandatory review within 52 weeks since their benefit commenced or their last review if this is due within the holiday period.

13 Under Cabinet's delegated authority, I have agreed that when a mandatory review due date falls in the week that includes, or in the week immediately before, 26 December, MSD will move their review date to the first Monday following 2 January (or the next working day after 15 January for Special Benefit) of the following year. I propose an amendment to the Social Security Regulations 2018 to give effect to this agreement. This amendment would mean that a client's benefit will not be suspended due to a mandatory review during the holiday period.

[7] Except for Special Benefit which has its own review cycle [LEG-26-MIN-0082 refers].

72vh7ewzmz 2026-09-29 06:44:38

An amendment is recommended to the use of specific engagements for some clients getting the Accommodation Supplement and Disability Allowance

14 Cabinet previously agreed that when a client has a specific engagement with MSD that confirms all of the same circumstances as their mandatory review, their review date will move to 52 weeks from that engagement [ECO-25-MIN-0002 and CAB-25-MIN-0050 refer]. This was implemented through the Social Security (Mandatory Reviews) Amendment Act 2025, however, this was not carried through in the Social Security (Modernisation) Amendment Act 2026 amendments. s 9(2)(h) [redacted]

15 I propose amending the Social Security Regulations 2018 so that MSD is authorised to move the mandatory review due date by 52 weeks when MSD has a specific engagement (i.e. a review under section 304 of the Social Security Act 2018) with a client receiving Accommodation Supplement and/or Disability Allowance. These operational practices for specific engagements provide efficiencies for MSD and clients by reducing unnecessary reviews when MSD has the required information.

Timing and 28-day rule

16 The stand-down exemption regulations will come into force on 2 November 2026. This timing aligns with the commencement date of Part 1 of the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Act 2026 which implements the Parental Assistance Test.

17 The mandatory reviews regulations will come into force on 2 November 2026 for both the specific engagements matter and the holiday period matter.

18 The amendment regulations will be notified in the New Zealand Gazette to comply with the 28-day rule before they come into force.

Compliance

19 The amendment regulations are consistent with:

19.1 the empowering provisions:

19.1.1 for the stand-down exemption regulations: under sections 440(1) and (2)(a) and (b) of the Social Security Act 2018;

19.1.2 for the mandatory reviews regulations: under sections 438A(1)(a) and (1A)(b) of the Social Security Act 2018;

19.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990;

s 9(2)(h) [redacted]

72vh7ewzmz 2026-09-29 06:44:38

19.3 the principles and guidelines set out in the Privacy Act 2020;

19.4 the principles of the Treaty of Waitangi;

19.5 relevant international standards and obligations;

19.6 the Legislation Design and Advisory Committee Legislation Guidelines (2021 edition).

Regulations Review Committee

20 There are no grounds for the Regulations Review Committee to draw the regulations to the attention of the House of Representatives as a Standing Order requirement or disallow these legislative instruments.

Certification by Parliamentary Counsel

21 The draft regulations have been certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.

Regulatory Analysis

22 For the stand-down exemption regulations: A Regulatory Impact Statement was prepared in accordance with the necessary requirements and was submitted at the time that Cabinet approval was sought for the tightening eligibility policy relating to these regulations.[9]

23 For the mandatory reviews regulations: A Regulatory Impact Statement for the Social Security (Mandatory Reviews) Amendment Act 2025, and a Regulatory Impact Statement and addendum were prepared for the Social Security (Modernisation) Amendment Act 2026 at the time of passing of the legislation.[10]

Consistency with principles of responsible regulation

24 Consistency Accountability Statements and the accompanying Summary of Underpinning Analyses have been prepared for these amendment regulations in accordance with the Regulatory Standards Act 2025 requirements. These are attached as **Appendices 1.1 and 1.2** (for the stand-down exemption regulations), and **Appendices 2.1 and 2.2** (for the mandatory reviews regulations). The assessment identified no inconsistencies with the principles of responsible regulation.

Publicity

25 The regulations will be notified in the New Zealand Gazette and published on the New Zealand Legislation website.

---

[9] SOU-25-MIN-0126 and CAB-25-MIN-0330 refer. Regulatory Impact Statement: Tightening access to Jobseeker Support and Emergency Benefit for 18 and 19 year olds, Ministry of Social Development, September 2025.

[10] LEG-25-MIN-0216 and LEG-26-MIN-0082 refer. Regulatory Impact Statement: Introducing mandatory reviews to support implementation of the Budget 2024 cost-savings initiative to recognise housing contributions from all boarders. Regulatory Impact Statement: Automated Decision-Making in the Welfare System and addendum 2026.

72vh7ewzmz 2026-09-29 06:44:38

Proactive release

26 I intend to release this paper proactively within 30 business days of it being considered by Cabinet, subject to appropriate redactions under the Official Information Act 1982.

Consultation

27 This paper was circulated for consultation on 31 August 2026 to Child Wellbeing and Poverty Reduction Group, Department of Internal Affairs, Office of the Privacy Commissioner, Ministry for Ethnic Communities, Ministry of Health, Ministry of Education, Inland Revenue, Ministry of Justice, Ministry of Business, Innovation and Employment, Ministry for Primary Industries, Ministry for Cities, Environment, Regions and Transport, Social Investment Agency, Oranga Tamariki – Ministry for Children, Ministry for Pacific Peoples, Te Puni Kōkiri – Ministry of Māori Development, Whaikaha – Ministry of Disabled People, Public Service Commission, Statistics New Zealand, Ministry for Women, Ministry of Youth Development, Ministry for Regulation, and The Treasury.

28 The Department of the Prime Minister and Cabinet has been informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

Stand-down exemption regulations

1 **note** that Cabinet, and the Minister for Social Development and Employment under Cabinet's delegated authority, have previously made decisions on the policy to tighten the eligibility criteria for Jobseeker Support and the equivalent Emergency Benefit by introducing a Parental Assistance Test for 18- and 19-year-olds [CAB-25-MIN-126.61, SOU-25-MIN-0126 and CAB-25-MIN-0330, and LEG-26-MIN-0075 and CAB-26-MIN-0148 refer];

2 **note** that an amendment to add a new stand-down exemption to the Social Security Regulations 2018 is required to ensure the effective implementation of the Parental Assistance Test being introduced by Part 1 of the Social Security (Jobseeker Support and Accommodation Supplement) Amendment Act 2026 to give effect to the decisions set out in recommendation 1 above;

3 **note** that, under Cabinet's delegated authority [CAB-25-MIN-126.61 refers], the Minister for Social Development and Employment has agreed to progress the Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026, to provide for a new exemption from the stand-down requirements in the following circumstance:

   3.1 the qualifying client's relevant benefit is cancelled because they did not meet the Parental Assistance Test, or because they did not provide the required information to the Ministry of Social Development (MSD) that shows they meet the test; and

72vh7ewzmz 2026-09-29 06:44:38

3.2 the qualifying client's spouse or partner, who was included in the qualifying client's relevant benefit, applies for a relevant benefit to replace the cancelled benefit;

Mandatory reviews regulations: holiday period matter

4 **note** that, under delegated authority from Cabinet for specific decisions related to mandatory reviews [SOU-25-MIN-0013 refers], the Minister for Social Development and Employment has agreed to move mandatory reviews for specified benefits that fall within either the week preceding or including 26 December to the Monday after 2 January (or in the period from 25 December to 15 January, the next working day for Special Benefit) in the year immediately following;

5 **note** that an amendment to the Social Security Regulations 2018 is required to give effect to the agreement set out in recommendation 4 above;

Mandatory reviews regulations: specific engagements matter

6 **note** that Cabinet previously agreed that when a client has an engagement with MSD that confirms all of the same circumstances as their mandatory review, their review date will move to 52 weeks from that engagement [ECO-25-MIN-0002 and CAB-25-MIN-0050 refer];

7 **note** that an amendment to the Social Security Regulations 2018 is required to give effect to Cabinet's agreement set out in recommendation 6 above for clients receiving Accommodation Supplement and Disability Allowance;

Next steps

8 **note** that the Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026 will come into force on 2 November 2026;

9 **note** that the Social Security (Modernisation) Amendment Regulations (No 2) 2026 will come into force on 2 November 2026 for both the specific engagements matter and the holiday period matter;

10 **authorise** the submission to the Executive Council of the Social Security (Exemption from Stand Down—Parental Income Requirement) Amendment Regulations 2026, and the Social Security (Modernisation) Amendment Regulations (No 2) 2026.

Authorised for lodgement

Hon Louise Upston

Minister for Social Development and Employment

72vh7ewzmz 2026-09-29 06:44:38