



Cabinet Social Wellbeing Committee

Minute of Decision

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Changes to Income and Cash Assets Regulations: Exempting Lump Sum Payments made by the Ministry of Social Development

Portfolio Social Development

On 11 September 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that every lump-sum payment made by the Ministry of Social Development (MSD) ensures a client's full and correct entitlement irrespective of the reason for the payment;
- 2 **noted** that the purpose of income and cash assets exemptions is to allow people to continue to receive government financial assistance at their existing rate or future assistance in the period specified for the exemption, without an MSD lump-sum payment for underpayments identified through eligibility reviews and transactions relating to the administration of the benefit system affecting that assistance;
- 3 **noted** that while currently most MSD lump-sum payments are below the lowest income and cash assets threshold, enabling the exemption for all payments will treat clients equitably and future-proof the regulatory process and MSD's work programme;
- 4 **agreed** to amend the Social Security Regulations 2018 and the Residential Care and Disability Support Services Regulations 2018 to exempt MSD lump-sum payments from income and cash assets tests for assistance under the Social Security Act 2018 and the Residential Care and Disability Support Services Act 2018 for a period of 12 months;
- 5 **noted** that the Minister for Social Development intends to amend the Ministerial Direction in relation to Special Benefit to exempt MSD lump-sum payments, and any income derived from them in the 12-months after the payment is made, from income and cash assets tests for assistance under the Social Security Act 2018 and the Residential Care and Disability Support Services Act 2018;
- 6 **directed** MSD to report quarterly to the Minister for Social Development on the use and application of the MSD lump-sum payments exemption;

- 7 **authorised** the submission of the following Amendment Regulations to the Executive Council to give effect to the decision referred to in paragraph 4 above:
- 7.1 the Social Security (Income and Cash Assets Exemptions – MSD Lump Sum Payments) Amendment Regulations 2019 [PCO 22285];
 - 7.2 the Residential Care and Disability Support Services (MSD Lump Sum Payments) Amendment Regulations 2019 [PCO 22286].

Vivien Meek
Committee Secretary

Present:

Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Kris Faafoi
Hon Tracey Martin
Hon Aupito William Sio
Hon Poto Williams
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Officials Committee for SWC
Office of the Chair of SWC
Ministry of Social Development officials.

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Minister for Social Development