



9 AUG 2021

Tēnā koe

On 11 July 2021, you emailed the Office of Hon Carmel Sepuloni Minister for Social Development and Employment requesting, under the Official Information Act 1982 (the Act), the following information:

- *I can be disadvantaged having a CPP pension but not advantaged I'd appreciate knowing why?*
- *I wrote to the Minister of Revenue about the lower rate of tax offset (13.4% vs 15%) and it was suggested I take it up with WINZ, I'd prefer to take it up with you as Minister of MSD.*
- *I would like to request for the last four tax years (17/18, 18/19, 19/20 and 20/21) the annual gross and net amounts a NZ superannuitant on the single sharing rate would receive.*
- *I would like to ask how many other Kiwis have their NZS abated by having CPP payments and what the median and mean CPP payments are.*

On 12 July 2021, your request for information was officially transferred to the Ministry of Social Development (the Ministry) to respond.

Qualifications for various overseas pensions and benefits, and their deductibility from New Zealand benefits and pensions, are subject to sections 187-191 of the Social Security Act 2018 (formerly section 70 of the Social Security Act 1964).

New Zealand holds bilateral social security agreements with nine countries, including Canada. Each agreement enables New Zealanders access to certain benefits or pensions when moving to these countries and allows for similar entitlements to people who move to New Zealand from these countries. The principle behind these agreements is that all long-term New Zealand residents should receive equal social security coverage.

More information about social security agreements can be found at the following link: www.workandincome.govt.nz/map/to-or-from-overseas/reciprocal-agreements/index.html

For the sake of clarity, I will answer your questions in turn.

- *I can be disadvantaged having a CPP pension but not advantaged I'd appreciate knowing why?*

Sections 187-191 of the Social Security Act 2018 state that where a person receives an Overseas Pension (OSP) that is administered by or on behalf of the government of the overseas country paying the pension, that person's New Zealand Superannuation (NZS) will be reduced by the amount of the OSP, as calculated in accordance with regulations.

The policy intent of sections 187-191 of the Social Security Act 2018 is to ensure that those entitled to NZS or other main benefits are treated equitably and get the same level of government retirement support, whether solely through NZS, or through a combination of OSP and NZS, or solely through the OSP. Were it not for Sections 187-191 of the Social Security Act 2018, those who have lived, and worked in overseas countries may be entitled to a greater overall level of government retirement support than those who had solely resided, and worked in New Zealand.

It is possible for a person to receive a total rate of OSP in excess of the rate of NZS. Where a direct deduction is applied which reduces a person's rate of NZS to zero, there is no penalty applied for any excess OSP they receive. For more information about the Government's deduction policy, please see the following link: www.workandincome.govt.nz/pensions/travelling-or-moving/moving-to-nz/overseas-pensions-deduction-examples.html.

- *I wrote to the Minister of Revenue about the lower rate of tax offset (13.4% vs 15%) and it was suggested I take it up with WINZ, I'd prefer to take it up with you as Minister of MSD.*

The Ministry acknowledges your previous contact with the Minister of Revenue. However, the Ministry recognises that your concerns are related to tax, which does not fall within the Ministry's portfolio. Therefore, we are unable to provide a reliable answer regarding this situation. If you have concerns with the rate of tax deducted from your pension, I encourage you to contact Inland Revenue and enquire about a tailored tax code for your situation.

For your general information, direct deductions of overseas pension payments are calculated as follows:

First, the gross amount of the overseas pension is deducted from the gross amount of New Zealand social security entitlement for the client. The amount remaining after direct deductions, then has tax deducted based on the person's tax code.

- *I would like to request for the last four tax years (17/18, 18/19, 19/20 and 20/21) the annual gross and net amounts a NZ superannuitant on the single sharing rate would receive.*

In regard to this section of your request, please see **Table One** below:

Table One: Annual New Zealand Superannuation (NZS) rates for an individual under the category 'Single, sharing accommodation' using the 'M' tax code, broken down by tax year.

Tax Year	Gross amount	Net Amount
2017/2018	\$21,498.53	\$18,722.19
2018/2019	\$22,109.82	\$19,226.08
2019/2020	\$23,585.61	\$20,477.81
2020/2021	\$23,467.08	\$20,343.44

Notes for Table One:

- Tax year calculations are based on payments made on the usual scheduled dates to a person with full entitlement for every payment in a given tax year.
- There may be minor rounding differences between calculated and actual values.

- *I would like to ask how many other Kiwis have their NZS abated by having CPP payments and what the median and mean CPP payments are.*

The Canadian public pension system is made up of two pensions - the Old Age Security (OAS) and the Canada Pension Plan (CPP). If you worked in Quebec, you may be entitled to a pension from the Quebec Pension Plan (QPP). The Ministry does not centrally differentiate between the above pension types when making abatements from New Zealand social security entitlements. Therefore, I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review thousands of files. As such, I refuse this part of your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

In the spirit of being helpful, please see **Table Two**, which provides the information which you have requested but for all Canadian Pension recipients who receive New Zealand Superannuation or Veterans Pensions.

Table Two: Number of current NZ Superannuation (NZS) and Veterans Pension (VP) clients receiving a Canadian pension and the average and median annualised pension amounts as at the end of June 2021

Benefit type	Number of Clients	Mean Annualised Pension Amount	Median Annualised Pension Amount
NZ Superannuation	3,690	\$3,897.60	\$2,538.72
Veterans Pension	12	\$2,729.42	\$2,324.64
Total	3,702	\$3,893.81	\$2,538.72

Notes for Table Two:

- This table only includes payments to NZ Superannuation and Veteran's Pension clients.
- The mean and median annualised pension amounts are denominated in the Canadian currency
- To protect confidentiality the Ministry of Social Development uses processes to make it difficult to identify an individual person or entity from published data.
- These data tables have had random rounding to base three applied to all cell counts in the table.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.
- The published counts will never differ by more than two counts.

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 of Social Development'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 regarding the Canadian Pensions in New Zealand with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, 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

A handwritten signature in blue ink, appearing to read 'Jason Dwen', is positioned above the printed name and title.

Jason Dwen
General Manager
Centralised Services