



13 June 2022

Tēnā koe

On 17 May 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

Could you provide the method used to calculate the Disability Allowance threshold between the years 2008 - 2022?

The income limits and maximum rate for Disability Allowance (DA) are adjusted by the Consumer Price Index (CPI) each year on 1 April. Each year (from 2008–2022) these rates and thresholds have been increased by CPI.

CPI is a measure of inflation for New Zealand households as it shows changes in the price of a fixed range of goods and services over time.

Prior to 2010, adjustments to rates and thresholds of social assistance which were indexed to the CPI were made based on the CPI (all groups).

In 2010, to prevent increases in tobacco excise tax resulting in the increase of rates and thresholds of social assistance, Cabinet agreed to use the CPI (excluding tobacco and other cigarette products) rather than CPI (all groups). These Cabinet decisions have now expired, and adjustments made using the CPI reverted to using the CPI (all groups) in 2022.

Years	CPI used
2008–2010	CPI (all groups)
2011–2021	CPI (excluding tobacco and other cigarette products)
2022	CPI (all groups)

The Annual General Adjustment (AGA) uses the percentage upwards movement for this definition of CPI, when comparing the CPI for the quarter ended 31 December (of the year prior to the AGA) against the same quarter of the preceding year.

DA income limits may be adjusted further to ensure that existing New Zealand Superannuation clients do not lose their entitlement because of wage-related adjustment.

In September 2010, the income abatement threshold for people receiving New Zealand Superannuation and Veteran's Pension with a non-qualified partner included increased from \$80 to \$100 per week. The DA income limit was increased by \$14

(for couples only) so that couples receiving income-tested New Zealand Superannuation or Veteran's Pension did not lose entitlement to DA as a result of the increased abatement threshold. Further information on this change can be found here: www.legislation.govt.nz/bill/government/2010/0125/9.0/DLM2827301.html.

In September 2017, the income thresholds for both singles (18+ years) and couples were adjusted to correct a minor error made in the April 2017 update. This adjustment can be found listed on the Work and Income website here: www.workandincome.govt.nz/map/deskfile/extra-help-information/disability-allowance-tables/disability-allowance-rates-19/index.html.

You can find a list of the previous DA rates on the Work and Income website here: www.workandincome.govt.nz/map/deskfile/extra-help-information/disability-allowance-tables/disability-allowance-rates-01/disability-allowance-current.html.

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'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 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



Stephanie Short
Manager
Official and Parliamentary Information