



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

11 October 2022

Tēnā koe

On 13 June 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *I request copies of any and from 2021 and 2022 (specifically, the period COVID-related NZ border closure measures were in place) in respect of the Ministry of Social Development's (**MSD**) policies relating to New Zealand superannuation payments suspended in accordance with the New Zealand Superannuation and Retirement Income Act 2001 (**Act**), between:*
 - a. *the Minister and Associate Minister for Social Development and Employment and the Chief Executive;*
 - b. *the Minister for Seniors and the Chief Executive; and*
 - c. *the Chief Executive and the Deputy Chief Executives (**Leadership Team**); and*
 - d. *the Leadership Team and MSD management tasked with superannuation payment review processes,*

including any memoranda, file notes or other written record, pertaining to MSD's policies relating to New Zealand superannuation payments suspended in accordance with sections 21 - 35 of the Act.

On 7 July 2022, the Ministry emailed you seeking clarification of your original request above. On the same day you refined your request to:

- *My OIA request is in respect of policies adopted in response to COVID-19-related measures (insofar as they relate to NZ border closures during 2021 and the effect of such closures on superannuitants located overseas and unable to return to NZ).*

On 12 July 2022 the Ministry emailed you to advise more time was required to respond to this request. In accordance with section 15(1) and 15A of the Act, the Ministry's decision will be with you no later than 16 August 2022.

On 15 August 2022 the Ministry notified you that while we had decided to grant your request in part it would take more time to respond to your request, and that the reason was due to consultations necessary to make a decision on this request and that a decision will be with you on or before 11 October 2022.

New Zealand Superannuation (NZS) provides a retirement income for clients who have reached 65 years of age. Under the New Zealand Superannuation and Retirement Income Act 2001, NZS and Veteran Pension (VP) recipients can travel overseas for 26 weeks or less and continue to receive their payments. Clients are not entitled to receive NZS after 26 weeks, and if they do not return to NZ within 30 weeks, they may need to repay any NZS payments they received after they left New Zealand (NZ).

NZS and VP clients who are going overseas for longer than 26 weeks can apply for General Portability while they are still in NZ, which allows these clients to continue receiving their payments while they are out of the country.

If a client is already overseas and is unable to return to NZ within 30 weeks for reasons outside of their control, that could not have reasonably been foreseen before leaving NZ, they can apply for General Portability under Section 27 of the New Zealand Superannuation and Retirement Income Act 2001. You can find more information about overseas applications for General Portability at the following link: www.workandincome.govt.nz/map/to-or-from-overseas/portability/general-portability/applying-for-payment-from-overseas-01.html.

Following the COVID-19 pandemic, the Ministry developed the COVID-19 New Zealanders Stranded Overseas Support Programme. The purpose of this programme was to provide special financial support to New Zealand beneficiaries and superannuants who were stranded overseas because of the effects of COVID-19, until it could be reasonably expected that they can return to NZ. You can find more information about this programme at the following link: www.msd.govt.nz/about-msd-and-our-work/about-msd/legislation/notice-of-change/2020/covid-19-new-zealanders-stranded-overseas-support-programme.html.

Please find enclosed the following documents:

2021	File name
25/2/2021	REP/21/2/154 ending or Extending the Covid-19 New Zealanders Stranded Overseas Support Programme REPORT

4/06/2021	REP/21/2/154 ending or Extending the Covid-19 New Zealanders Stranded Overseas Support Programme CABINET PAPER
16/3/2021	REP/21/3/253 - Aide-memoire: Safe Travel Initiatives: Australia and Two-way Quarantine-Free Travel with the Cook Islands and Niue
26/3/2021	REP/21/3/301 - Aide-memoire: Extending the COVID-19 New Zealanders Stranded Overseas Support Programme
29/3/2021	REP/21/3/301 - Aide-memoire: Extending the COVID-19 New Zealanders Stranded Overseas Support Programme [cab paper]
13/4/2021	REP/21/4/342 Establishing the amended Covid-19 New Zealanders Stranded Overseas Support Programme 2021 (COVER REPORT & Amendment Instrument)
6/02/2021	REP/21/6/684 - COVID-19 New Zealanders Stranded Overseas Support Programme update REPORT
13/9/2021	REP/21/9/947 - Aide-memoire: Meeting with Minister Sepuloni: Budget 22
17/9/2021	REP/21/9/995 - Estimating the number of New Zealand Superannuation and Main Benefit Recipients Overseas
20/9/2021	REP/21/9/1000 - Unforeseeable reasons for absence from New Zealand [word]
10/08/2021	Memo to CE - Approval for Change of Approach: Superannuitants in Australia
18/10/2021	REP/21/10/1095 - Senior Status Report Issue #15

2022	File name
3/04/2022	REP/22/2/114 - Approval for review of New Zealand Superannuation international settings in light of the COVID-19 pandemic [coversheet]
3/04/2022	REP/22/2/114 - Approval for review of New Zealand Superannuation international settings in light of the COVID-19 pandemic REPORT
3/04/2022	REP/22/2/114 - Approval for review of New Zealand Superannuation international settings in light of the COVID-19 pandemic [appendix]

For REP/21/4/342, the Amendment instrument which can be read in conjunction with this report is available online at the following link: www.msd.govt.nz/about-msd-and-our-work/about-msd/legislation/notice-of-change/2021/stranded-overseas.html.

You will note that the Ministry has withheld names under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information provided to you has been withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Some information is withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

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



Lynne Cousins
Policy Manager
International Policy



Report

Date: 25 February 2021

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Ending or Extending the COVID-19 New Zealanders Stranded Overseas Support Programme

Purpose of the report

- 1 This report seeks your decision on options to end or extend the COVID-19 New Zealanders Stranded Overseas Support Programme (the NZSOS programme).

Executive summary

- 2 As part of the former government's response to COVID-19, a Ministerial Welfare Programme was established to enable continued or resumed benefit and pension payments to Ministry of Social Development (MSD) clients who were stranded overseas as a result of the pandemic.
- 3 Initially established for a six-month period, the NZSOS programme was originally due to expire in October 2020. A further six-month extension to 27 April 2021 was agreed to in September 2020, as people continued to rely on the programme for financial support and continued to face issues returning home because of COVID-19 [CAB-20-MIN-0452 refers]. Client communications throughout the duration of the programme have reiterated the eligibility criteria for payment under the programme, the importance of returning home as soon as clients are able, and reminded clients of their usual obligation to inform MSD of any change in their circumstances.
- 4 As at 31 January 2021, 1,767 clients (1,696 pensioners and 71 beneficiaries) were receiving payment under the NZSOS programme. The rate of payment is equivalent to what the client would have received had they been in New Zealand. A newly established demand-driven Benefit or Related Expenses appropriation (*New Zealand Beneficiaries Stranded Overseas*) was established to make the payments from, and payments have been considered fiscally neutral to date– the increased cost of paying overseas clients is offset by a corresponding saving in domestic payments.
- 5 The programme is currently scheduled to expire on 27 April 2021. Your decision is needed by 5 March 2021 on whether to end or extend this support to ensure that the appropriate legislative, IT, operational and communications changes can be implemented.
- 6 MSD recommends a four-month extension of the NZSOS programme, to 31 August 2021. This is based on what we know about the clients currently being supported by the programme and current flight and quarantine availability, which indicates that at least some of these clients continue to be prevented from returning home and are unlikely to be able to do so before the programme's current expiry in April 2021. Extending the programme aligns with the original policy intent of the programme, the approach taken by comparable international jurisdictions and the duration of government support being provided to temporary visa holders in New Zealand. A four-month extension would still reinforce the intended temporary nature of the

NZSOS programme, and MSD integrity risks will be mitigated by completion of client eligibility checks within the first two months of the extension period.

- 7 Extending the NZSOS programme for a further four months would increase the total duration of this programme to 16 months. Officials recommend that the funding for this extension be drawn down from the COVID-19 Response and Recovery Fund (CRRF), as the NZSOS programme aligns well with the criteria of time-limited COVID-19 responses. Continuing to fund this extension via a fiscally neutral adjustment is less feasible as the duration of support provision endures, and before client eligibility checks are completed. When the programme was initially established, it was reasonable to assume that if it was not for the client being stranded overseas, these clients would be receiving their benefit entitlement in New Zealand. As a result, the payments were considered fiscally neutral, as the increased cost of paying overseas clients is offset by a corresponding saving in domestic payments. Before completion of client eligibility checks, and as the duration of this programme endures, this assumption is less justifiable.
- 8 If you agree to extend the NZSOS programme, we'll prepare a Cabinet paper to be considered by the Cabinet Social Wellbeing Committee (SWC) on 24 March 2021, and Cabinet on 29 March 2021. This paper will note your intention to extend the programme and seek Cabinet's approval of a funding draw down from the CRRF to support continued payments being made under the extended programme. If Cabinet authorises this draw down request, a report will be provided to you seeking your approval and signature of the amended instrument. The extension will then be communicated to clients.

Recommended actions

It is recommended that you:

- 1 **note** from 20 April 2020, the COVID-19 New Zealanders Stranded Overseas Support Programme has been providing special financial assistance to clients stranded overseas as a result of COVID-19 and is scheduled to end on 27 April 2021
- 2 **note** as at 31 January 2021, 1,767 clients (1,696 pensioners and 71 beneficiaries) were receiving payment under the COVID-19 New Zealanders Stranded Overseas Support Programme
- 3 **note** due to legislative, IT, operational and communications requirements, your decision is needed on whether to end or extend the COVID-19 New Zealanders Stranded Overseas Support Programme by 5 March 2021
- 4 **note** the Ministry of Social Development recommends extending the COVID-19 New Zealanders Stranded Overseas Support Programme because at least some of those currently being paid under the programme are still prevented from returning home before the programme's current expiry due to COVID-19
- 5 **agree** to extend the COVID-19 New Zealanders Stranded Overseas Programme for a period of either:
 - 5.1 four-months (28 April 2021 to 31 August 2021) \$17.8 million gross (\$15.4 million net) **(recommended)**

Agree / Disagree
 - OR
 - 5.2 six-months (28 April 2021 to 26 October 2021) \$25.7 million gross (\$22.3 million net)

Agree / Disagree
 - OR

5.3 twelve-months (28 April 2021 to 28 April 2022) \$47.2 million gross (\$40.8 million net)

Agree / Disagree

- 6 **note** officials recommend this extension is funded from the COVID-19 Response and Recovery Fund, as the programme is well aligned with the criteria of time-limited COVID-19 responses
- 7 **note** if you agree to extend the COVID-19 New Zealanders Stranded Overseas Support Programme, the Ministry of Social Development will prepare a Cabinet paper to be considered by the Cabinet Social Wellbeing Committee on 24 March 2021 and Cabinet on 29 March 2021



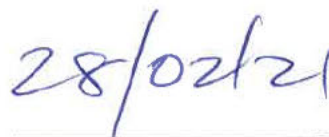
Julia Bergman
General Manager
Disability, Seniors and International Policy



Date



Hon Carmel Sepuloni
Minister for Social Development and
Employment



Date

The effects of COVID-19 have left a cohort of MSD clients stranded overseas since at least March 2020

A ministerial welfare programme was established in April 2020 to support these clients

- 9 When the Epidemic Preparedness (COVID-19) Notice 2020 came into force on 25 March 2020, there were 7,243 Ministry of Social Development (MSD) clients temporarily overseas.¹ Many of these clients were prevented from returning to New Zealand as countries introduced pandemic-related border and travel restrictions. Most clients were at risk of experiencing hardship as the length of time they were required to remain overseas endured, and their usual benefit and pension payments ended.²
- 10 In response to this, the COVID-19 Ministerial Group agreed that payments of certain benefits and pensions could be resumed, or continue to be paid, to people stranded abroad as a result of COVID-19. You implemented this decision through a Ministerial Welfare Programme, establishing the *COVID-19 New Zealanders Stranded Overseas Support Programme* on 20 April 2020.
- 11 The purpose of the NZSOS programme is to provide continued or resumed payments of New Zealand Superannuation (NZS), Veteran's Pension (VP), Main benefits and Supplementary assistance³ to clients who had exhausted their standard entitlement to payments because of their absence from New Zealand.⁴ The rate of payment is equivalent to what the client would have received had they been in New Zealand.
- 12 Payments made under the programme have been considered fiscally neutral to date – the increased cost of paying overseas clients is offset by a corresponding saving in domestic payments. Payments have been made from a new demand-driven Benefit or Related Expenses appropriation (*New Zealand Beneficiaries Stranded Overseas*), established by the Ministerial Group in April 2020. Fiscally neutral changes to appropriations have been approved to ensure sufficient funding has been available in this appropriation for payments made under the programme.

The NZSOS Programme is currently due to expire on 27 April 2021

- 13 Initially due to expire in October 2020, Cabinet agreed to fund a six-month extension of the NZSOS programme (to 27 April 2021) in September 2020 [CAB-20-MIN-0452 refers]. This extension was agreed to on the basis that people continued to rely on the programme for financial support, and were continuing to face issues returning home because of the impact of COVID-19.
- 14 Since April 2020, the NZSOS programme has supported 2,893 clients, at a total cost of \$20.2 million.⁵ The programme is currently due to expire on 27 April 2021.

¹ Of these 7,243 clients, 5,165 were pensioners and 2,078 were beneficiaries.

² For example, when the client's absence has exceeded the statutory absence provisions, which enable payment of pensions for up to 26 weeks and benefits for up to 28 days.

³ Supplementary assistance is defined in the NZSOS programme as meaning Accommodation Supplement, Child Disability Allowance, Disability Allowance, Orphan's Benefit, Special Benefit, Special Disability Allowance, Temporary Additional Support, Unsupported Child's Benefit, Winter Energy Payment, as well as assistance paid under specific Ministerial Welfare Programmes and Regulations.

⁴ In addition to other eligibility criteria, clients were not entitled to assistance under the NZSOS programme if they left New Zealand on or after 26 March 2020 (when the Epidemic Preparedness (COVID-19) Notice 2020 came into force).

⁵ This information was accurate as at 31 January 2021.

MSD is currently supporting 1,767 clients through the NZSOS programme

- 15 As at 31 January 2021, there were 1,767 clients receiving payment under the NZSOS programme. Of these 1,767 clients, 1,696 were pensioners (receiving the equivalent of NZS or VP) and 71 were beneficiaries (receiving the equivalent of a main benefit).
- 16 MSD does not have comprehensive information about the location of these clients. In July 2020, we surveyed just over 1,800 clients who were stranded abroad due to COVID-19 at that time. Only 596 clients anonymously responded with information about where they were stranded, including:
- nearly 300 clients in Australia
 - groupings of more than 15 clients in Asia (countries other than those listed), the United Kingdom, China, Europe, India, and the United States
 - smaller groupings in various other countries across the globe.
- 17 While these survey results indicate a wide geographic spread, MSD cannot confirm whether this is representative of the wider client cohort, or which of these 596 clients have now returned to New Zealand or moved elsewhere in an attempt to get home. Individual client communications confirm that larger groupings of clients are likely stranded in Australia (particularly Perth), with queries also being received from several clients in the Philippines.
- 18 A number of communications have been sent to clients since the NZSOS programme was established in April 2020.⁶ Most recently, clients were contacted in October 2020 to inform them that the programme had been extended to 27 April 2021. All communications to this group of clients have reiterated the eligibility criteria for continued payment under the programme, emphasised the need to return to New Zealand as soon as travel allows, prompted clients to check current travel requirements and reminded clients about their usual obligations to inform MSD of any changes in their circumstances.

The impact of COVID-19 continues to limit clients' ability to return home before the expiry of the NZSOS programme in April 2021

- 19 The number of clients currently receiving payment under the NZSOS programme (1,767 clients) is significantly less than the number of clients who were being paid under the NZSOS programme or statutory absence provisions leading up to the initial October expiry of the programme in August 2020 (3,150 clients),⁷ and when it was established in April 2020 (4,317).⁸
- 20 Based on the above data, more than 2,000⁹ of the 4,317 clients being paid under the NZSOS programme or statutory absence provisions in April 2020 have returned

⁶ MSD has sent out mass communications to clients who are being paid under the NZSOS programme, who we have known email addresses for, in April 2020, July 2020, August 2020 and October 2020. There are approximately 500 clients that MSD does not have current email addresses for. For these 500 clients, MSD is sending hard copy letters to the clients' domestic addresses and relying on these letters being relayed or redirected to the client.

⁷ In August 2020, clients were increasingly being paid under the NZSOS programme as clients increasingly exceeded the periods of absence allowed to continue receiving payment of New Zealand benefits and pensions under statutory provisions (1,482 under the statutory absence or portability provisions, 1,668 the NZSOS programme).

⁸ In April 2020, the majority of these clients were being paid under statutory absence provisions (4,093) with only 224 clients being paid under the NZSOS programme.

⁹ This number includes clients who have returned to New Zealand, but may also include clients who have had their payments suspended or cancelled).

home. A significant number of clients (1,767), predominately comprised of pensioners (1,696), are continuing to be paid under the NZSOS programme on the basis that they remain stranded abroad as they await reasonable travel options to return to New Zealand.

This group of 1,767 clients have a right to return to New Zealand, but flight and MIQ availability are making this difficult

- 21 Every New Zealand citizen continues to have a right to return to New Zealand, pursuant to section 18(2) of the New Zealand Bill of Rights Act 1990. However, ongoing uncertainty around international travel and the limited availability of places in MIQ are making it difficult for many to exercise this right.
- 22 Commercial flights to New Zealand are available from many destinations globally, including key transit hubs. Since December 2020, flight arrivals have remained relatively steady – from 14 countries and 18 cities. However, the frequency of flights has reduced, from 62 flights per week to 56 flights per week. At present, there are commercial pathways available from most of the countries where we know at least some of the clients being supported by the NZSOS programme are located.
- 23 Even though flights may be available, these flights may not be considered a reasonable travel option for this cohort of clients (e.g. long and unpredictable transit requirements may be considered unreasonable for older people who are more vulnerable to COVID-19). Securing a place in MIQ, health concerns, and accessing pre-departure flight testing may also be making travel more difficult for some of these clients. All spaces on the Managed Isolation Allocation System (the MIQ online booking system) are booked through to the end of May 2021.¹⁰ No spaces have been released beyond May 2021.

A decision is needed by 5 March 2021 on whether to end or extend the NZSOS programme

- 24 The NZSOS programme is currently scheduled to end on 27 April 2021. To ensure that the appropriate legislative, IT, operational and communications changes can be implemented by this date, we need your decision on whether to end or extend this support by 5 March 2021.
- 25 Considerations relevant to this decision of whether to end or extend the NZSOS programme principally relate to:
 - 25.1 the original policy intent of the programme, to provide special financial support to New Zealand beneficiaries and pensioners who are stranded overseas due to COVID-19.
 - 25.2 reinforcing the intended temporary nature of the support provided by the programme.
 - 25.3 ongoing uncertainties around commercial flights, border, and quarantine requirements across the globe due to the continuing impacts of COVID-19.
 - 25.4 equity considerations, in the context of the support being provided by this Government to temporary visa holders (TVHs) stranded in New Zealand, via Emergency Benefits (through the use of section 64 of the Social Security Act 2018).
 - 25.5 viable alternative options to support New Zealanders stranded abroad, helping to ensure the welfare of these clients is protected.
 - 25.6 international comparisons.

¹⁰ Note that some additional spaces for April/May 2021 will be released on to MIAS over the coming weeks, but demand for spaces is very high and are expected to book out rapidly.

MSD recommends extending the NZSOS programme

Extending the programme aligns with the intent of the programme, and would enable continued support for NZSOS clients as they try to return home

- 26 New Zealand's welfare system supports people to help alleviate hardship in certain circumstances, such as following a life shock. The clients being supported by the NZSOS programme are people who are ordinarily resident in New Zealand, and who would have been entitled to their usual benefit and pension payments, but for their absence from New Zealand. Their absence is due to extraordinary circumstances beyond their control – a global pandemic, and the impact of that pandemic on international travel.
- 27 Officials acknowledge that the level of information held about this cohort of clients needs to be improved (discussed more below at paragraph 29.2). However, based on what we do know about this group, and what we know about current travel and quarantine availability, it is clear that at least some of the NZSOS client cohort continue to be prevented from returning home, and are unlikely to be able to return before the programme's current expiry in April 2021.
- 28 Extending the NZSOS programme would:
 - 28.1 align with the original policy of the programme and reflect the ongoing uncertainty around international travel, by ensuring continued financial assistance is provided to this group of clients while they remain overseas.
 - 28.2 align with the approach taken by comparable international jurisdictions, most of whom are continuing payment of pensions to nationals stranded abroad as part of existing pension portability settings, or settings introduced in response to COVID-19.
 - 28.3 help to alleviate financial hardship for this group of clients, and avoid further hindering their return to New Zealand due to financial barriers (e.g. if their payments ended in April 2021).
 - 28.4 provide additional time for officials to monitor ongoing demand and need for the NZSOS programme, in order to consider more sustainable support options. This work is already underway, as part of MSD's review of the current settings to pay New Zealand benefits and pensions overseas, which you agreed to in September 2020 [REP/20/8/958 refers].
- 29 Extending the programme does however carry some implications, including:
 - 29.1 by the end of April 2021, the NZSOS programme would have been in force for 12 months. Any extension would arguably challenge the temporary nature of this support.
 - 29.2 integrity risks for MSD, primarily relating to verification of client eligibility. If you agree to an extension, MSD will complete an eligibility check on all clients receiving payment under the NZSOS programme within two months of the extension commencing (by 25 June 2021).¹¹ This check will not only confirm each client's eligibility for continued payment under the programme, but will also help MSD to build up more information about this client group, based on those who respond, including their location and additional contextual information about what is preventing their return to New Zealand. Clients who do not respond to this eligibility check (or who provide information that

¹¹ This eligibility check and information gathering can be carried out using MSD's existing review powers. Clause 14 of the NZSOS programme also enables MSD to review any grant of assistance under the programme at its discretion.

indicates they are ineligible for continued payment) will have their payments stopped if MSD is not satisfied they continue to be eligible.¹²

Ending the programme would likely mean this cohort of clients are left unsupported while they remain abroad

30 Ending the programme on 27 April 2021 would leave many of the 1,767 people currently being paid under the programme without government support while they remain overseas. Because many of these clients rely on MSD for their income, removing this support would risk pushing these clients into financial hardship at an already heightened time of stress.

31 Other implications of ending the programme include:

31.1 If you decide to end the NZSOS programme, MSD will communicate this decision as soon as possible to clients in early March 2020. It's unlikely that clients currently being paid under the NZSOS programme would be able to return by 27 April 2021 following our communication with them. Many would be left unsupported while stranded abroad, which is contrary to the policy intent of the programme. This is because alternative support options are limited and not available to all of those currently in receipt of payment:

- Statutory portability provisions (NZS and VP only) – clients can apply (usually before leaving New Zealand) to receive portable pension payments. Proportional payments can continue on an open-ended basis, if the client continues to be eligible and is not residing in a country with which we have a reciprocal social security agreement. Applications can be made after the client has left New Zealand, if their enduring absence is due to circumstances beyond their control (i.e. a global pandemic impacting international travel).¹³ Some clients may be eligible for portable payments under this exception, but their rate of payment may be impacted (it will be proportional, based on periods of working age residency in New Zealand).¹⁴
- Reciprocal social security agreements – if clients have been stranded in an agreement country,¹⁵ they may be able to apply to receive their NZS or VP payment under our agreement with that country, if they have been in that agreement country for more than 26 weeks.¹⁶
- Consular support – the Ministry of Foreign Affairs and Trade (MFAT) provides consular support to New Zealanders overseas. Financial

¹² Note that because these clients are overseas, this eligibility check will need to be carried out through an online channel. There is a sizable group of clients (approximately 500 clients) for whom we only have domestic mailing addresses. These clients may be at heightened risk of having their payments stopped, if they are not aware that they need to contact us with information about their current circumstances. Payments could be resumed again under the programme, if clients do contact us with information confirming their eligibility for payment.

¹³ Refer to section 27 of the New Zealand Superannuation and Retirement Income Act 2001.

¹⁴ There is also a resource consideration for MSD under this alternative support option. If the NZSOS programme ends on 27 April 2021, MSD would need to stagger receipt of applications from the nearly 1,700 clients likely to apply for portable pension payments under section 27. Processing this volume of applications in a short time period would place significant pressure on MSD's Service Delivery Group.

¹⁵ New Zealand currently has reciprocal social security agreements with Australia, Canada, Denmark, Republic of Ireland, Jersey and Guernsey, Greece, Malta, Netherlands, and the United Kingdom.

¹⁶ One exception is the reciprocal social security agreement with the United Kingdom. This Agreement does not allow for payment of NZS or VP to New Zealanders in the United Kingdom. Instead, a person may be eligible for payment of a United Kingdom State Retirement Pension.

assistance may be provided in exceptional circumstances via a consular loan, which the New Zealander must agree to pay back. A consular loan is only accessible after all other avenues of support have been exhausted. The purpose of a consular loan is to assist a New Zealander who is overseas and requires resources to ensure their immediate safety and well-being, or to assist a New Zealander who requires assistance to pay for a flight to New Zealand. A consular loan is typically intended to cover essential costs for a brief period until alternative arrangements can be made, rather than to provide a means of ongoing support. If the NZSOS programme is ended, some of the clients currently being supported by this programme may experience financial hardship and seek consular assistance from MFAT. This would be beyond the scope of the consular loan function and funding.

- 31.2 The public may view this as misaligned with the support being provided to TVHs stranded in New Zealand, with the Emergency Benefit for TVHs now continuing until 31 August 2021. In contrast, government support for New Zealanders stranded abroad would end in April 2021.
- 32 Ending the NZSOS programme in April 2021 would reinforce that support for New Zealanders stranded abroad because of the pandemic was intended to be temporary in nature, and the expectation is that people in this situation return home as soon as possible. However, it would leave a number of clients who are unable to return to New Zealand right now without government support, potentially risking their welfare and wellbeing.

We have consulted key agencies on this proposal

We have consulted MFAT, the Treasury, the Ministry of Business, Innovation and Employment and Veterans' Affairs New Zealand on this advice. All agencies are supportive of the proposal.

There are options for the time-period of an extension

There are options for extending this programme

- 33 If you agree to extend the NZSOS programme, there are options as to the timeframes for the extension.
- 34 Any extension would require additional funding. Total costs for each extension period are set out below:
- 34.1 four-month extension (28 April 2021 to 31 August 2021): \$17.8 million gross (\$15.4 million net), over 2020/21 and 2021/22
- 34.2 six-month extension (28 April 2021 to 26 October 2021): \$25.7 million gross (\$22.3 million net), over 2020/21 and 2021/22
- 34.3 twelve-month extension (28 April 2021 to 28 April 2022): \$47.2 million gross (\$40.8 million net), over 2020/21 and 2021/22.¹⁷
- 35 All of the proposed extension timeframes coincide with the time period for which the Winter Energy Payment (WEP) is provided. NZSOS clients will be eligible for WEP during the WEP period as entitlement is based on receipt of a qualifying benefit, including those benefits and pensions covered by the scope of the NZSOS programme. WEP will begin on 1 May 2021 and run through until 1 October 2021, with single people receiving \$20.46 per week and couples or people with children receiving \$31.82 per week. WEP has been incorporated into the above costings.

¹⁷ Note that the extension options are not ending cleanly on the 28th of the relevant month for all options. E.g. the four-month extension is actually a four month and three-day extension. This has been done intentionally, to align with pay periods for New Zealand Superannuation.

- 36 Officials recommend funding any agreed extension of the NZSOS programme from the CRRF, as opposed to how the programme is currently funded, via fiscally neutral adjustments. This is because the programme is well aligned with the criteria of time-limited COVID-19 responses. As previously discussed, it also becomes less feasible to consider payments made under any extended programme fiscally neutral as the duration of the programme endures and before client eligibility checks have been carried out.

MSD recommends an extension of four months

- 37 Extending the NZSOS programme for a further four months (16 months of total support) reflects that this support is temporary in nature, but acknowledges that the need for support remains, given the ongoing nature of the COVID-19 pandemic. It would also align with the government support being offered to TVHs in New Zealand, via the Emergency Benefit. Under a four-month extension, the end dates of support for both cohorts will be aligned.
- 38 While payments under the NZSOS programme would be available for another four months under this extension option, this does not automatically mean that all clients currently receiving support under the programme would continue receiving payments for this whole time period. Clients currently receiving support under the programme would not need to reapply to continue receiving payments, however their eligibility will be checked by MSD by 28 June 2021 (refer paragraph 29.2 above) to confirm their ongoing eligibility for payment. Clients who do not respond to this eligibility check (or who respond with information that indicates they are no longer eligible for payment) will have their payments stopped if MSD is not satisfied they continue to be eligible, after a number of prompts. MSD will continue to rely on data matching with Customs New Zealand to determine when clients return to New Zealand, and which clients remain overseas.

MSD does not recommend the alternative time-periods for extension, or any other amendment to the NZSOS programme

- 39 An extension longer than four months is not recommended at this stage because:
- 39.1 these extension periods may not reinforce that support is temporary in the same way that a four-month extension would. The six- and twelve-month extension options would bring the total length of NZSOS support to 18 months and 24 months, respectively.
 - 39.2 integrity risks for MSD (related to verification of eligibility for payment) may be heightened over these longer time periods of extension.
 - 39.3 the impacts of COVID-19 are likely to have changed more significantly over longer time periods of extension, particularly the twelve-month option.
- 40 Other than amending the expiry of the NZSOS programme to 31 August 2021, we are not proposing any other amendments to the programme. The information we have about the cohort of clients being supported by the programme, and the ongoing need for this support by this group, and possibly others stranded abroad (i.e. who did not leave before 25 March 2020), is insufficient to justify any amendments to the scope of the programme at this stage.


Next steps

- 41 MSD requires your direction about whether to end or extend the NZSOS programme by 5 March 2021, due to legislative, IT, operational and communication requirements.
- 42 If you agree to extend the NZSOS programme:
- 42.1 MSD will prepare a Cabinet paper to be considered by SWC on 24 March 2021, and Cabinet on 29 March 2021. This paper will note your intention to extend the NZSOS programme for four months, and seek Cabinet's approval of a CRRF drawdown to fund this extension.

- 42.2 Following Cabinet's agreement to fund the extension, a report will be provided to you seeking your approval and signature of the amended instrument. Your approval to waive the 28-day rule will be needed to enable the amended programme to take effect by 28 April 2021.
- 42.3 The extend decision will be communicated to clients as soon as possible after receipt of Cabinet's decision.¹⁸ Because we'll be communicating to clients reasonably close to the current planned expiry of the programme, MSD is expecting an influx of queries about the programme from clients leading up to 27 April 2021.
- 43 If you decide to end the NZSOS programme on 27 April 2021, MSD will communicate this decision to clients and staff accordingly. Operational and IT changes will also be made to implement this decision.

Reference number: REP/21/2/154

s 9(2)(a) OIA



¹⁸ These communications will again reiterate the importance of clients returning home as soon as travel allows, as well as re-emphasising eligibility criteria for continued payment under the NZSOS programme and the need to inform MSD of any changes in circumstances. Current travel requirements, such as securing a place in MIQ, will also be referenced.

Aide-mémoire



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

Date: 16 March 2021 **Security Level:** Cabinet Sensitive

For: Hon Carmel Sepuloni, Minister for Social Development and
Employment

File Reference: REP/21/3/253

Safe Travel Initiatives: Australia and Two-way Quarantine-Free Travel with the Cook Islands and Niue

**Cabinet
Committee** Social Wellbeing Committee

Date of meeting 17 March 2021

Minister Hon Carmel Sepuloni, Minister for Social Development and
Employment

Proposal These papers propose Quarantine-Free Travel (QFT) between
New Zealand and Australia, Cook Islands and Niue.
We recommend that you **support** the proposal.

Key issues MSD expects a spike in MSD clients travelling to Australia, Cook
Islands and Niue following the introduction of QFT to these
countries.

The key issues for MSD include:

- Any impact on client's payments due to their absence (and potentially longer than expected absence) from New Zealand
- Linked to the above, how QFT impacts a client's ongoing eligibility for payment under the *COVID-19 New Zealanders Stranded Overseas Support Programme*
- Ensuring timely information flow from other agencies about changes in travel restrictions and any resurgence of COVID-19 in QFT zones
- Clearly communicating expectations to clients. For example, clients who choose to travel need to be prepared for the possibility of a disrupted return to New Zealand and their responsibilities in this situation. Clients will be expected to have enough resources to support themselves for an extended stay in their travel location (in the event of a COVID-19 resurgence and resulting paused QFT). Making it clear that travellers will not, for

the most part, be able to access financial or repatriation assistance from the Government.

MSD was not consulted on these papers. The impact on MSD's business has not been considered in detail. There will be operational impacts resulting from the need to more regularly update communications and check the eligibility of clients who are absent from New Zealand.

Speaking points

I am supportive of the QFT being proposed between New Zealand and Australia, the Cook Islands and Niue.

The primary consideration for MSD is how this travel is likely to impact client payments

- Statutory provisions are in place to enable continued payment to beneficiaries and pensioners in specified circumstances, while they are absent from New Zealand
 - Main beneficiary recipients are able to continue receiving their payments in specified circumstances, usually only with an approved reason for travel, for up to 28 days.
 - New Zealand Superannuation/Veterans' Pension recipients can continue receiving their payments while absent from New Zealand, for up to 26 weeks. If their absence is expected to be longer than this, there is also flexibility to apply for open ended proportional payments (based on periods of New Zealand residence) under general or special portability provisions, or under a reciprocal social security agreement.
- QFT will not impact these statutory provisions - beneficiaries and pensioners will continue to be able to be receive their payments while absent from New Zealand, if they meet the legislative requirements.

QFT is likely to reduce the number of people being supported by the COVID-19 New Zealanders Stranded Overseas Support Programme (NZSOS programme)

- I established this Ministerial Welfare Programme in April 2020, to enable special financial support (equivalent to NZS, VP, Main Benefit or Supplementary Assistance) to be provided to MSD clients who are stranded outside of New Zealand as a result of COVID-19. The programme is currently scheduled to expire on 27 April 2021.
 - One of the eligibility criteria for payment under this programme is that it is not reasonable for the client to return to New Zealand because no reasonable travel options are available due to COVID-19. Flight and MIQ availability are preventing many clients from returning home, as well as health concerns associated with long journeys and transit requirements.
 - MSD does not have comprehensive information about
-

the more than 1,700 clients currently receiving payment under the NZSOS programme. We know the majority of these clients are NZS/VP recipients (1,696) with a small number being main beneficiaries (71), but cannot confirm the current location of all 1,767 currently being paid under the programme.

- Officials estimate about half of these clients are in Australia. QFT will open up reasonable travel options for these clients to return to New Zealand, and transfer back to receiving their domestic benefit or pension payments. Those who opt to remain in countries where QFT is available, may no longer be eligible for continued payment under this welfare programme, depending on individual circumstances.
- Over the coming months, MSD will complete eligibility checks of all of the clients currently receiving payment under the NZSOS programme (to be completed by the end of June 2021). As part of this, client location will be confirmed, which will enable MSD to proactively contact clients impacted by any QFT announcements and subsequent disruption to QFT as a result of any COVID-19 resurgence.
- I'll be bringing a proposal to extend the NZSOS programme for a further four months (to 31 August 2021) to Cabinet early next month. If this extension is agreed to, MSD will ensure that when this decision is communicated to clients, any QFT announcements will also be referenced. Information will also be provided about how these arrangements may impact eligibility under the programme.

Information flow and communications will be especially important for MSD

- Good information flow from other agencies about QFT announcements and disruptions will be important for MSD to effectively communicate with clients about these changes, and how the changes may impact their eligibility.
- Clearly communicating what's expected of clients who choose to travel will also be very important. MSD will ensure information is made available to traveling clients about planning for travel disruptions, having sufficient resources to shelter in place if required to do so, and reiterating that, for the most part, these clients will not be able to access financial or repatriation assistance from Government.


Following further Cabinet announcements about QFT, MSD will:

- Work closely with other key agencies on how to

communicate the right information to clients, at the right time. Key messages will be provided on MSD's website. These key messages will be drawn from the communications plan referenced in the Cabinet paper *Safe Travel Initiatives: Australia*.

- Continue to work through eligibility checks for clients being supported by the NZSOS programme, and proactively contact clients impacted by QFT once their location is known.

s 9(2)(a) OIA



RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Aide-mémoire



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

Date: 25 March 2021 **Security Level:** Cabinet Sensitive

For: Hon Carmel Sepuloni, Minister for Social Development and
Employment

File Reference: REP/21/3/301

Extending the COVID-19 New Zealanders Stranded Overseas Support Programme

Cabinet Committee Cabinet Business

Date of meeting 29 March 2021

Minister Hon Carmel Sepuloni, Minister for Social Development and
Employment

Proposal You are seeking Cabinet's agreement to fund a four-month extension of the COVID-19 New Zealanders Stranded Overseas Support Programme.

Talking points

- I'm asking Cabinet to agree to fund a four-month extension of a Welfare Programme that's providing core financial support to 1,298 MSD clients who are stranded overseas as a result of COVID-19.
- The *COVID-19 New Zealanders Stranded Overseas Support Programme* provides special financial assistance equivalent to New Zealand Superannuation, Veterans' Pension, Main Benefit and Supplementary Assistance to clients who are stranded abroad as a result of COVID-19, until it can reasonably be expected that the client return to New Zealand.
- When I established the programme in April 2020, I made it clear that the programme was intended to provide temporary support and the expectation was that clients would return to New Zealand as soon as travel allows. Unfortunately, 1,227 pensioners and 71 beneficiaries still remain overseas and continue to face issues returning to New Zealand.
- Flight and MIQ availability is still very limited, and some clients (particularly the 1,227 pensioners receiving support under the programme) are concerned about their health and heightened susceptibility to COVID-19, especially if they need to take long journeys home, with transits through high-

risk airports. These factors are making it difficult for many clients to get back to New Zealand.

- The programme is currently scheduled to expire on 27 April 2021. I'm proposing to extend it for a further four months, to 31 August 2021.
- A four-month extension will:
 - Ensure clients will not be stranded overseas without financial support for this extension period
 - Align with the end date of the Emergency Benefit offered to temporary visa holders in New Zealand.
- When the extension is communicated to clients, MSD will make it clear that the programme will not be extended beyond August 2021. The importance of returning home as soon as travel allows will continue to be reiterated.
- During the extension, MSD will undertake a check of clients' eligibility for:
 - Ongoing support under the NZSOS programme – information about each client's location and circumstances will be gathered; and
 - Alternative support options – some NZS and VP clients may be eligible for payment under statutory portability provisions or reciprocal agreements. No alternative support options are available to the 71 beneficiaries currently being supported by the programme.
- By the end of the extension, MSD will
 - Transition eligible NZS and VP clients to receiving payments under the portability provisions or agreements. Some of these clients may not be able to, or want to, return home by 31 August 2021. MSD will work to ensure that those who are eligible to continue receiving support under other existing settings, while they remain abroad, are able to do so.
 - Work with MIQ officials to explore any existing avenue that could be used to allocate MIQ places to the 71 beneficiaries being supported by the programme. There are no alternative support options for these clients, so MSD will instead focus on options to remove barriers that may be preventing their return to New Zealand.
- The location information gathered as part of these eligibility checks will also be used by MSD to proactively contact and re-assess the eligibility of clients impacted by any quarantine-free travel zones that may be announced over the coming months.
- I am seeking Cabinet's approval to fund this \$15.4 million extension from the COVID-19 Response and Recovery Fund (CRRF).
- If this extension is agreed to, MSD will communicate this decision to clients, and provide them with an eligibility check

web form to complete, in the week commencing 12 April 2021. Factoring in reasonable response and reminder timeframes, MSD expects to determine the eligibility of most clients who respond to this check by the end of May 2021. Payments will be stopped for those who do not respond by 6 June 2021. MSD will endeavour to ensure that as many clients as possible have been transitioned to alternative supports by the end of the programme.

**Additional
information**

Why is MSD treating the 1,227 pensioners differently from the 71 beneficiaries?

Because the rules regarding payment of benefits and pensions while beneficiaries and pensioners are absent from New Zealand differ.

Supporting contextual information:

- The general rule is that a benefit is not payable while a beneficiary is absent from New Zealand (section 219, Social Security Act 2018). However, there are exceptions to this general rule.
- *Beneficiaries:*
 - must inform MSD of any travel plans and reasons for travel before leaving New Zealand
 - Payments can continue, only in specified circumstances, typically for only up to 28 days (Regulation 142, Social Security Regulations 2018).
- *Pensioners:*
 - can continue receiving their payments while absent from New Zealand for up to 26 weeks – statutory absence provisions (section 22, New Zealand Superannuation and Retirement Income Act 2001).
 - A pensioner can also apply to receive proportional portable payments if they are intending to travel or reside in a country (that's not an agreement country) for more than 26 weeks (section 26, New Zealand Superannuation and Retirement Income Act 2001).
 - A client can apply to receive payments under a reciprocal social security agreement, if the client is residing in one of those agreement countries. New Zealand currently has an agreement with Australia, Canada, Denmark, Republic of Ireland, Jersey and Guernsey, Greece, Malta, Netherlands, and the United Kingdom.

Why didn't MSD check the eligibility of these clients earlier?

A high-trust model was adopted by MSD. This, in addition to resource constraints and other competing priorities, meant checks of these clients were unable to be prioritised.

What are the alternative support options available to clients currently receiving support under the programme?

There are no alternative support options for beneficiaries. Pensioners may be eligible for proportional payments under statutory portability provisions or reciprocal social security agreements.

Consular support is available to all New Zealanders overseas, but this is a last resort support option. Consular support is not an ongoing support option for clients receiving payments under the NZSOS programme.

Supporting contextual information

- Statutory portability provisions
 - Clients typically need to apply for portable proportional payments before leaving New Zealand (s 26 of the New Zealand Superannuation and Retirement Income Act 2001).
 - Applications can be made after leaving New Zealand if the client's enduring absence is due to circumstances beyond their control (s 27 of the New Zealand Superannuation and Retirement Income Act 2001).
 - Portability usually isn't available to clients in reciprocal agreement countries. However, portable payments may still be available to clients who are not eligible for support under the relevant social security agreement under s 26, if the client is travelling (rather than residing) in that country.
 - Payments are proportional (based on periods of New Zealand working age residence).
 - MSD won't know which clients are eligible for portable payment, and the rate of payment they may be eligible for, until the client's application for portability is received and processed.
 - Portability applications take around 2 hours to process, and then the client's travel movements are verified with Customs NZ, using a bulk data matching process. This information matching process is completed as a bulk request and can take up to 20 working days to complete.

- Reciprocal social security agreements

- Clients can apply to for payments under one of our reciprocal social security agreements, if they are residing in that agreement country.
- New Zealand currently has agreements with Australia, Canada, Denmark, Republic of Ireland, Jersey and Guernsey, Greece, Malta, Netherlands, and the United Kingdom.
- Payment under agreements is conditional on the client having a valid resident visa, and legal right to live in, that agreement country.
- Most payments of NZS and VP are proportional, based on periods of working age residence in New Zealand.
- MSD won't know which clients are eligible for payment under an agreement, or the rate of payment they may be eligible for, until the client's application for payment under the agreement is received and processed by both countries.
- Officials surveyed just over 1,800 clients who were stranded abroad due to COVID-19 in July 2020. Of the 596 clients who anonymously responded with information about where they were stranded at the time, the following were in agreement countries:

Australia	314
Canada	s 9(2) (a) OIA
Denmark	s 9(2) (a) OIA
Republic of Ireland	s 9(2) (a) OIA
Jersey and Guernsey	s 9(2) (a) OIA
Greece	s 9(2) (a) OIA
Malta	s 9(2) (a) OIA
Netherlands	s 9(2) (a) OIA
United Kingdom	39

- Consular support

- is available to all New Zealanders overseas, but is considered a last resort option.
- The Ministry of Foreign Affairs and Trade provides consular support to New Zealanders overseas. Financial assistance may be provided in exceptional circumstances via a consular loan, which the New Zealander must agree to pay back. This is not an ongoing support option to replace payments under the NZSOS programme.
- The purpose of a consular loan is to assist a New Zealander who is overseas and requires resources

to ensure their immediate safety and well-being, or to assist a New Zealander who requires assistance to pay for a flight to New Zealand. The purpose of consular loans is typically to cover essential costs for a brief period until alternative arrangements can be made, rather than to provide a means of ongoing support.

- If the NZSOS programme is ended, some of the clients currently being supported by this programme may experience financial hardship and seek ongoing consular assistance from MFAT. This would be beyond the scope of the consular loan function and funding.
- Advanced payments of benefits and pensions are not available to these clients
 - Pursuant to section 347(1)(a) of the Social Security Act, advance payments of 1 or more instalments of a benefit are only able to be made if the benefit is a main benefit, an orphan's benefit, an unsupported child's benefit, New Zealand superannuation, or a veteran's pension.
 - NZSOS clients are not receiving any of these benefits, they are receiving special financial assistance.

Why didn't we rely on portability provisions and agreements from the beginning – why was this programme needed?

Clients would not have been eligible for payment under reciprocal social security agreements in April 2020, and most clients would have received a lower, or nil, rate of payment under the portability provisions. MSD wanted to promote client wellbeing through payment certainty, by ensuring payments continued at the domestic rate while clients were stranded.

Supporting contextual information

- Portability provisions
 - Transferring clients to receiving these portability provisions in April 2020 would have impacted their rate of payment – some clients would have received a reduced, or nil, payment.
 - At an already stressful time for these clients, and in the context of the uncertainty surrounding COVID-19 at the time, MSD wanted to give clients certainty that their payments would continue while they were unable to return to New Zealand.
 - Reciprocal social security agreements
-

-
- clients would unlikely have been eligible for payment under agreements at this time, because they were not residing or intending to reside in the agreement country.
 - Payment under agreements is conditional on the client having a valid resident visa, and legal right to live in, that agreement country. As part of this, most agreements require a person to be either resident or ordinarily resident in the agreement country.
 - For the purpose of administering agreements, ordinary residence can be conceded where a person is either intending to reside in an agreement country for 26 weeks or more or where the person has been in the agreement country for 26 weeks or more.
 - In April 2020, clients would not have been in these countries for more than 26 weeks, and were unlikely intending to be so. Ordinary residence in those countries would not have been able to be conceded in this way.

Why is this proposed extension being funded differently from payments made under the programme to date?

For two reasons:

- The support provided by the programme aligns well with the COVID-19 Response and Recovery Fund criteria - it is a time-limited COVID-19 response.
- Categorising the payments made under the programme as fiscally neutral – and continuing to fund them through fiscally neutral adjustments to appropriations – becomes less feasible as the duration of the programme endures (12 months in April 2021) and before eligibility checks are completed to confirm each client's payment entitlement.

Supporting contextual information

- Payments made under the programme to date have been considered fiscally neutral
 - The assumption has been that, if it was not for the client being stranded overseas, these clients would be receiving their benefit entitlement in New Zealand. The increased cost of paying overseas clients is therefore offset by a corresponding saving in domestic payments.
 - Payments have been made from a newly established demand-driven Benefit or Related Expenses appropriation (*New Zealand Beneficiaries Stranded Overseas*). Fiscally neutral

changes to appropriations have been approved to ensure sufficient funding has been available in this appropriation for programme payments.

- Continuing to fund this extension via a fiscally neutral adjustment is less feasible as the duration of support provision endures, and before client eligibility checks are completed.
 - When the programme was initially established, it was reasonable to assume that if it was not for the client being stranded overseas, these clients would be receiving their benefit entitlement in New Zealand. As a result, the payments were considered fiscally neutral, as the increased cost of paying overseas clients is offset by a corresponding saving in domestic payments. Before completion of client eligibility checks, and as the duration of this programme endures, this assumption is less justifiable.
- The NZSOS programme is well aligned with the criteria of the COVID-19 Response and Recovery Fund
 - Because the programme is a time-limited COVID-19 response.

Why is the amount of funding sought for this four-month extension proportionally higher than the cost of funding the programme to date?

This is because the number of people receiving assistance under the programme increased around mid-September 2020, when all clients eligible for payment under the programme had been out of New Zealand for more than 26 weeks and were no longer eligible to continue receiving their NZS or VP payments under the statutory absence provisions (s 22 of the New Zealand Superannuation and Retirement Income Act 2001).

Supporting contextual information

- I am seeking \$15.4 million net over 2020/21 to fund this four-month extension of the NZSOS programme. \$20.2 million was required to fund the programme between April 2020 and January 2021.
- During the beginning of the programme, many clients were being paid under statutory absence provisions, which allow for a 26-week absence from New Zealand.
- As the statutory absence period was exceeded by clients, they progressively shifted to being paid under the NZSOS programme.
- Clients needed to have left New Zealand before 26 March 2020 to be considered stranded overseas, and to be eligible for financial support under the NZSOS programme. By mid-September 2020, all clients who

were eligible for payment under the programme had been out of New Zealand for more than 26 weeks.

Will debts be created for clients who MSD finds are ineligible for continued payment under the programme?

If MSD is satisfied based on an eligibility check that a person is no longer entitled to a payment under the NZSOS programme, MSD will stop payments from the date the eligibility check is completed. This means no debt will need to be established as no overpayments will be made.

In some cases, if as a result of the eligibility check, MSD considers the person's eligibility ceased before the eligibility check and MSD was not notified of the client's change in circumstances, further investigations may be necessary which may result in a debt being established.

Supporting contextual information

- The eligibility checks MSD intends to complete, to check if clients continue to be eligible for payment under the NZSOS programme, will be conducted under s 304 of the Social Security Act 2018.
- If, as a result of this check, MSD is satisfied that the client is no longer entitled to payment under the NZSOS programme, MSD may suspend, cancel or vary the rate of the benefit from a date MSD reasonably determines (s 306(2) of the Social Security Act 2018).
- Unless there is other information to suggest the date the payment should be cancelled is earlier than the date of the eligibility test, MSD will generally exercise discretion to determine the date we find clients to be non-entitled as the reasonable date to stop their payment.

Why are NZSOS clients not liable for MIQ fees?

This is because, to be eligible for payment under the NZSOS programme, a person needed to have left before 26 March 2020 (clause 8(2)(c)). MIQ fees only apply if a person left New Zealand after 10 August 2020.

How many people are being supported by the NZSOS programme, as at March 2021?

1,298 clients – 1,227 pensioners and 71 beneficiaries.

Supporting contextual information

- The difference between the 31 January 2021 and March 2021 data
 - As at 31 January 2021 – 1,767 clients (1,696 pensioners, 71 beneficiaries).
 - As at 22 March 2021 – 1,298 clients (1,227 pensioners and 71 beneficiaries).

-
- Why is the difference between the January and March data so large?
 - 131 clients returned to New Zealand between 31 Jan and March 2021.
 - 338 clients were removed following a data matching exercise
 - As part of matching with Customs MSD receives client matches that are exact matches (full match) and partial matches where there are one or 2 minor differences between the names and DOB.
 - A screening exercise was recently undertaken for clients still receiving payment under the programme, that were a partial match to MSD data, to check that we have matched to the correct person.
 - This screening process takes place for all partial matches in the daily matching as part of the BAU work, but we did not have the authority to complete this for the stranded travel client group.
 - An amendment to MSD's information sharing agreement with Customs was required to allow this check to be conducted for the NZSOS programme specifically. Once this amendment was agreed to by both agencies, we were able to pull data where clients had a partial match with Customs data. This data is not included in regular NZSOS reporting and took some time.
 - The NZSOS match was carried out between mid-February 2021 and mid-March 2021.
 - Each individual client in the NZSOS data set is an MSD client who was counted as receiving support through the programme. The 338 clients who have been removed as a result of this check are clients who have been in New Zealand for this period and were actually receiving their normal domestic payments (not special assistance under the programme). This has led to a journaling error, not overpayments, duplicate payments, or payments to wrong clients.

In the context of the eligibility check, why is so much time required between client communications?

When reviewing entitlement that could lead to a person's payments being stopped, MSD needs to be fair and reasonable from a natural justice perspective.

If Cabinet agrees to extend the programme, this decision will be communicated to clients in the week commencing 12 April 2021 following the Cabinet decision on 6 April 2021. This delay is to accommodate IT work to complete the build of the eligibility

check web form, which will be sent out with these initial communications.

Supporting contextual information

- When MSD initiates a review of a person's entitlement under section 304 of the Social Security Act 2018 their current practise is to notify the person, explain what they need to do, request any required information, provide a reasonably amount of time for the person to respond, explain any consequences if they don't response and provide review rights.
- MSD carries out these activities sequentially as follows:
 - **Initial contact** - Send a letter/email to the person explaining that we are reviewing their entitlement and explain what we need them to do next, noting that their payments may be affected if they don't respond. For the people who are overseas being paid under the programme the next steps are to contact us and provide information within 10 working days. (Typically, people who are in New Zealand would be asked to attend an appointment in two weeks' time.) We'd expect a significant number of people to respond at this point.
 - **Second contact** - People who don't respond are sent a reminder letter/email reinforcing what they need to do, and they are advised that their payment will be affected if they don't respond. They are given the same notice period.
 - **Third contact** - People who still don't respond after the second notice are advised that they still have an opportunity to do so but if they don't respond by a specific date they are considered as not entitled to their and their payments will stop on that date.

s 9(2)(a) OIA

Responsible manager: Lynne Cousins, Policy Manager, Seniors and International Policy

In confidence

Office of the Minister of Social Development and Employment
Cabinet Business Committee

**EXTENDING THE COVID-19 NEW ZEALANDERS STRANDED
OVERSEAS SUPPORT PROGRAMME**

Proposal

- 1 This paper seeks Cabinet agreement to fund an extension of the COVID-19 New Zealanders Stranded Overseas Support Programme (the NZSOS programme) for a further four months, to 31 August 2021.

Relation to government priorities

- 2 This proposal relates to the Government's ongoing COVID-19 response.

Executive Summary

- 3 Following the COVID-19 outbreak, a group of Ministry of Social Development (MSD) clients were prevented from returning home due to pandemic-related border and travel restrictions. Many of these clients were at risk of experiencing hardship as the length of time they remained outside of New Zealand endured, and their usual benefit and pension payments ended.
- 4 In April 2020, a Ministerial Welfare Programme was established to support these clients. The NZSOS programme enables special financial support to be provided to recipients of New Zealand Superannuation (NZS), Veterans' Pension (VP), Main Benefit and Supplementary Assistance who are unable to return to New Zealand due to COVID-19, until it can reasonably be expected that the client is able to do so. The programme is scheduled to expire on 27 April 2021.
- 5 There are 1,298 clients (1,227 pensioners and 71 main beneficiaries) who remain overseas and continue to be supported by the NZSOS programme. Factors such as flight and MIQ availability, pre-departure testing requirements, and travel-related health concerns may be making it difficult for some clients to return home before the current expiry of the programme.
- 6 I propose to extend the NZSOS programme for a further four months, to 31 August 2021. That ensures that no eligible clients will remain overseas without financial support for that period, and aligns the end dates of the programme and the Emergency Benefit offered to temporary visa holders in New Zealand.
- 7 MSD will make it clear to clients that the programme will not be extended beyond August 2021. A four-month extension therefore also provides time for MSD to undertake a check of clients' eligibility for:

- 7.1 Ongoing support under the NZSOS programme. MSD will gather information about the location and circumstances of all clients being supported by the programme to ensure they meet the criteria and better understand what is preventing them from returning home.
- 7.2 Alternative support options. NZS and VP clients may be eligible for payment under statutory portability provisions and reciprocal social security agreements. If they are, MSD will work to transition them before the NZSOS programme ends. Not all clients will be eligible for payments under these settings, and the rate of payment received may be less, or nil, for many clients.
- 8 MSD will encourage the 71 beneficiaries currently being supported by the programme to return to New Zealand as soon as possible.¹ This is necessary because there are no portable payment options available to these clients.²
- 9 A timeline of the eligibility check processes is attached as Appendix One.
- 10 I am seeking your approval to fund this \$12.1 million extension from the COVID-19 Response and Recovery Fund (CRRF). I will implement the extension by amending the existing NZSOS programme before its expiry on 27 April 2021. To ensure the amendment takes effect before the expiry of the current NZSOS programme, I intend to waive the 28-day rule.

The NZSOS Programme was established to provide special financial support to eligible MSD clients unable to return to New Zealand due to COVID-19

The effects of COVID-19 have left a cohort of MSD clients outside of New Zealand since at least March 2020

- 11 When the Epidemic Preparedness (COVID-19) Notice 2020 came into force on 25 March 2020, there were 7,243 MSD clients temporarily overseas.³ Many of these clients were prevented from returning to New Zealand by pandemic-related border and travel restrictions. Some clients were at risk of experiencing hardship as the length of time they were required to remain overseas endured, and their usual benefit and pension payments ended.⁴

A Ministerial Welfare Programme was established to support these clients

- 12 On 3 April 2020, the COVID-19 Ministerial Group agreed that payments of certain benefits and pensions could be resumed, or continue to be paid, to

¹ Note that NZSOS clients will not be liable for MIQ fees. Fees only apply if the person left New Zealand after 10 August 2020. All NZSOS clients left on or before 26 March 2020.

² Payments can continue for beneficiaries in specified circumstances, usually only with an approved reason for travel, for up to 28 days. Whereas, pensioners can continue receiving their payments while absent from New Zealand for up to 26 weeks. If their absence is expected to be longer than this, there is also flexibility to apply for open-ended proportional payments under general or special portability, or under a reciprocal social security agreement.

³ Of these 7,243 clients, 5,165 were pensioners and 2,078 were beneficiaries.

⁴ For example, when the client's absence has exceeded the statutory absence provisions, which enable payment of pensions for up to 26 weeks and benefits for up to 28 days.

people who are unable to return to New Zealand because of COVID-19. I established the *COVID-19 New Zealanders Stranded Overseas Support Programme* on 20 April 2020.

- 13 Under the NZSOS programme, special financial support can be provided to MSD clients who are unable to return to New Zealand because of the impact of COVID-19.⁵ Payments made under the programme are equivalent to the rate of NZS, VP, Main benefit or Supplementary Assistance⁶ the client would have received had they been in New Zealand.
- 14 A new demand-driven Benefit or Related Expenses appropriation (*New Zealand Beneficiaries Stranded Overseas*) was established by the Ministerial Group to make payments under the NZSOS programme. Changes to appropriations have been approved to ensure sufficient funding has been available in this appropriation to support continued payments being made under the programme. To date, all payments made under the programme have been considered fiscally neutral – the increased cost of paying overseas clients is offset by a corresponding saving in domestic payments.

The current NZSOS programme is scheduled to expire on 27 April 2021

- 15 The NZSOS programme was established for a six-month period, expiring on 20 October 2020. In September 2020, there was ongoing demand for the support provided by the programme, and many of the clients relying on it for financial support continued to face issues returning home. As a result, Cabinet agreed to fund a six-month extension of the programme in September 2020 [CAB-20-MIN-0452 refers]. It is scheduled to expire on 27 April 2021.
- 16 Since April 2020, the programme has supported 2,893 clients, at a total cost of \$20.2 million.⁷

Some clients may be facing challenges returning to New Zealand and are being supported by the NZSOS programme while they remain overseas

MSD is currently supporting 1,298 clients through the NZSOS programme

- 17 As at 22 March 2021, there were 1,298 clients receiving payment under the NZSOS programme. 1,227 were pensioners (receiving the equivalent of NZS or VP) and 71 were beneficiaries (receiving the equivalent of a main benefit).

⁵ In addition to other eligibility criteria, clients were not entitled to assistance under the NZSOS programme if they left New Zealand on or after 26 March 2020 (when the Epidemic Preparedness (COVID-19) Notice 2020 came into force).

⁶ Supplementary Assistance is defined in the NZSOS programme as Accommodation Supplement, Child Disability Allowance, Disability Allowance, Orphan's Benefit, Special Benefit, Special Disability Allowance, Temporary Additional Support, Unsupported Child's Benefit, Winter Energy Payment, and support paid under specified Ministerial Welfare Programmes and Regulations.

⁷ This information was accurate as at 31 January 2021.

18 The location of these clients is not well-known. Officials surveyed just over 1,800 clients who were receiving support under the NZSOS programme in July 2020. Of the 596 clients who anonymously responded:

- nearly 300 clients were in Australia
- groupings of more than 15 clients were in the United Kingdom, Europe, the United States, China, India and other Asian nations
- smaller groupings were in various other countries across the globe.

19 More information is available about the location of the 71 beneficiaries who are being supported by the NZSOS programme. This is because these clients were required to tell MSD about their travel plans and reasons for travel before leaving New Zealand, pursuant to section 114 of the Social Security Act 2018. These 71 clients are located in the following countries:

Table 1: Location of 71 beneficiaries being supported by the NZSOS programmes, as at March 2021

Country	Number of clients	Country	Number of clients
Afghanistan	5	Japan	5
Australia	33	Jordan	9(2)
Canada	5	Peru	5
China	9(2)	Samoa	9(2)
Ecuador	5	Somalia	5
Ethiopia	9(2)	Tonga	9(2)
India	9	Tuvalu	5
Ireland	5	United States	9(2)
Israel	5		9(2)

20 Several communications have been sent to clients since the NZSOS programme was established in April 2020.⁹ These communications have reiterated the eligibility criteria for continued payment under the programme, emphasised the need to return to New Zealand as soon as travel allows, prompted clients to check travel requirements and reminded them of their obligation to inform MSD of changes in their circumstances.

The impact of COVID-19 may be limiting clients' ability to return home before the current expiry of the NZSOS programme in April 2021

21 At present, there are commercial pathways available from most of the countries where we know at least some of the clients being supported by the NZSOS programme are located. However, these flights may not be considered a reasonable travel option for all clients (e.g. long and

⁸ Suppressed to protect the privacy of individuals given very low numbers.

⁹ MSD has sent out mass communications to clients who are being paid under the NZSOS programme, who MSD have known email addresses for, in April 2020, July 2020, August 2020 and October 2020. There are approximately 500 clients that MSD does not have current email addresses for. For these 500 clients, MSD is sending hard copy letters to the clients' domestic addresses and relying on these letters being relayed or redirected to the client.

unpredictable transit requirements may be considered unreasonable for older people who are more vulnerable to COVID-19).

- 22 Securing a place in MIQ, health concerns, and accessing pre-departure flight testing may also be making travel more difficult for some of these clients. All spaces on the Managed Isolation Allocation System (the MIQ online booking system) are booked through to mid-June 2021. Further voucher releases for June and July are planned for the coming weeks.

I propose to extend the NZSOS programme for a further four months

I propose to extend the NZSOS programme because reasonable travel options for some clients to return to New Zealand continue to be limited by COVID-19 ...

- 23 Based on the information MSD has about the NZSOS client cohort, it is likely that at least some of these clients continue to be prevented from returning home, and are unlikely to be able to return before the NZSOS programme's current expiry in April 2021.
- 24 Extending the NZSOS programme:
- 24.1 aligns with the original policy intent of the programme, to provide financial support to eligible New Zealand beneficiaries and pensioners who are unable to return to New Zealand due to COVID-19
 - 24.2 aligns with the approach taken by comparable international jurisdictions, most of whom are continuing payment of pensions to nationals who are unable to return home, as part of existing pension portability settings, or settings introduced in response to COVID-19
 - 24.3 reflects the ongoing uncertainties around flight, border, and quarantine requirements across the globe resulting from COVID-19
 - 24.4 will ensure continued financial assistance is provided to clients, helping to alleviate financial hardship and barriers to their return
 - 24.5 will provide officials with more time to transition clients who are unable to return before the programme's expiry to alternative support options.
- 25 Ending the NZSOS programme in April 2021 would reinforce that support for New Zealanders who are unable to return home because of the pandemic was intended to be temporary in nature, and that the expectation is that people in this situation return to New Zealand as soon as possible. However, it may also leave any eligible clients who are unable to return home right now without government support, potentially risking their welfare and wellbeing.

... And that this extension be for four months until 31 August 2021

- 26 I considered differing time periods to extend the NZSOS programme, of four, six and twelve months. On balance, the four-month extension is preferable because this option:

- 26.1 reflects that the support provided by the programme is temporary in nature, while acknowledging that the need for support remains, given the ongoing nature of the COVID-19 pandemic
- 26.2 aligns with the government support being offered to temporary visa holders in New Zealand, via the Emergency Benefit, which is continuing until 31 August 2021 [CAB-21-MIN-024 refers]. A four-month extension aligns the end dates of support for both cohorts.
- 27 Longer extension periods were discounted because these options do not reinforce the temporary nature of support and represent time periods in which the impacts of COVID-19 may have changed in some significant ways, particularly under the twelve-month option.

No other amendments to the NZSOS programme are being proposed

- 28 Other than amending the expiry of the NZSOS programme, I am not making any other amendments to the programme.

MSD will check clients' eligibility for the NZSOS programme, explore alternative support options and support clients to return home

MSD will prioritise checking all clients' eligibility for the NZSOS programme...

- 29 While payments under the NZSOS programme will be available for another four months under this extension, this does not automatically mean that all clients currently receiving support under the programme will continue receiving payments for this whole time period. Although clients currently being paid under the programme would not need to reapply to continue receiving their payments, MSD will undertake an eligibility check on all clients receiving payment under the programme.
- 30 This eligibility check will confirm each client's eligibility for continued payment under the NZSOS programme, and provide MSD with more information about their location and circumstances. It will commence within two weeks of Cabinet's decision to extend the programme. MSD expects to determine the eligibility of most clients who respond to the check by the end of May 2021.
- 31 Clients who do not respond to this eligibility check, or who provide information that indicates they are ineligible for continued payment, will have their payments stopped unless MSD is satisfied they remain eligible. Several prompts must be provided to clients before their payments are stopped. Payments will be stopped to all clients who do not respond to the check by 6 June 2021.
- 32 As travel restrictions ease, including when any Quarantine-Free Travel (QFT) zones are announced, MSD will proactively reach out to all clients receiving payments under the NZSOS programme to inform them that their eligibility for continued payment may be impacted by these announcements (as reasonable travel options to New Zealand may now be available) and reiterate the importance of affected clients returning to New Zealand.

- 33 Once the eligibility check is completed, MSD will know the location of the clients being supported by the NZSOS programme. It can then identify and contact clients in countries impacted by QFT zone announcements as those announcements are made to re-confirm their eligibility for payment.
- 34 These clients' payments under the programme will be stopped unless MSD is satisfied they remain eligible. Because MIQ availability is only one of the barriers preventing clients' return to New Zealand, some clients in these locations may continue to be eligible for payment under the programme despite quarantine free travel being available.
- 35 Where MSD can identify that MIQ availability is the only barrier to a client returning home, it will contact these clients and ask them to book and provide confirmation of flights within 10 working days. This contact will also provide clients with an opportunity to inform MSD of any changes in their circumstances that may be preventing them from booking return flights right now. If clients do not respond to this request for proof of flight confirmation within a maximum of a further 20 working days, and if MSD has no further information it can rely on, MSD will suspend these clients' payments as they cannot confirm ongoing eligibility for special assistance under the programme.
- 36 For clients who book their flights, and provide confirmation of this to MSD, their special assistance payments will continue under the NZSOS programme until their return to New Zealand, or the end of the programme, whichever is sooner.

... And check NZS and VP recipients' eligibility for alternative supports

- 37 While MSD undertakes the eligibility check discussed in paragraphs 29 and 30 above, additional information will also be sought from NZS and VP clients about the length of their New Zealand working age residency. This will assist MSD to transition NZS and VP clients who are unable to return to New Zealand before 31 August 2021 to receive their NZS or VP payments under:
- 37.1 Statutory portability provisions. A client typically needs to apply for portable proportional payments¹⁰ before leaving New Zealand, but applications can be made after the client's departure if their enduring absence is due to circumstances beyond their control.¹¹ Some NZSOS clients may be eligible for portable payments under this exception.
- 37.2 Reciprocal social security agreements. New Zealand has a network of reciprocal social security agreements that enable New Zealanders to receive certain benefits or pensions while residing in agreement countries, if they meet certain eligibility criteria.¹² If NZSOS clients have been in an agreement country for more than 26 weeks, they may be

¹⁰ The rate of payment payable under the NZSOS payment is equivalent to what the client would have been entitled to in New Zealand – the domestic rate of payment.

¹¹ Refer to section 27 of the New Zealand Superannuation and Retirement Income Act 2001.

¹² New Zealand currently has a reciprocal social security agreement with Australia, Canada, Denmark, Republic of Ireland, Jersey and Guernsey, Greece, Malta, Netherlands, and the United Kingdom.

able to apply to receive a proportional payment of NZS or VP under our agreement with that country.¹³ This option will not be widely available to NZSOS clients, as payment under most agreements is conditional on the client having a valid resident visa, and legal right to live in, that agreement country.¹⁴

- 38 Eligible clients will be encouraged to apply to receive NZS and VP payments under these existing policy settings. MSD will work with them to gather any additional information it requires, verify their travel movements with the New Zealand Customs Service and process their applications before the expiry of the programme. Although this process will be complex, due to the different eligibility requirements for portable payments and benefits or pensions in each agreement country, MSD will endeavour to ensure that as many clients as possible have been transitioned to alternative supports by the end of the programme.
- 39 MSD officials will report back to the Minister for Social Development and Employment by 1 July 2021 on:
- 39.1 the number of people being supported by the NZSOS programme
 - 39.2 the number of people who have exited the programme
 - 39.3 the number of people who are eligible to transition to alternative support options, and have been transitioned, and
 - 39.4 any issues it is experiencing with the transition process.

There are no alternative support options for the 71 main beneficiaries being supported by the NZSOS programme, so officials will instead focus on exploring options to assist their return to New Zealand

- 40 Benefit payments are typically only payable for up to 28 days, in specified circumstances. There are no options for portable benefit payments beyond this period.
- 41 Given this, officials will prioritise the processing of eligibility check responses from the 71 beneficiaries being supported by the NZSOS programme. This will enable payments being made to clients who are no longer eligible for

¹³ One exception is the reciprocal social security agreement with the United Kingdom. This Agreement does not allow for payment of NZS or VP to New Zealanders in the United Kingdom. Instead, a person may be eligible for payment of a United Kingdom State Retirement Pension.

payment to be stopped, and information about the location of clients to be captured, as quickly as possible.¹⁵

- 42 MSD will work with this group of 71 clients to encourage them to return to New Zealand as soon as possible.

There are limited options to support clients who may be facing financial barriers to returning home

- 43 NZSOS clients will not be liable for MIQ fees. Fees only apply if the person left New Zealand after 10 August 2020. All NZSOS clients left on or before 26 March 2020.
- 44 The Ministry of Foreign Affairs and Trade provides consular support to New Zealanders overseas. Financial assistance may be provided in exceptional circumstances via a consular loan, which the New Zealander must agree to pay back. This is not an ongoing support option for clients receiving payments under the NZSOS programme.¹⁶

Implementation

- 45 A decision is needed to fund the extension of the NZSOS programme on 6 April 2021. This will provide MSD sufficient time to complete the IT, operational and communications work required to continue payments under the NZSOS programme and initiate the eligibility check by 28 April 2021.

Financial Implications

- 46 The overall estimated cost of extending the NZSOS programme for four months is approximately \$12.1 million net, over 2020/21 and 2021/22. I seek funding of \$12.1 million net from the COVID-19 Response and Recovery Fund, established as part of Budget 2020, to fund this extension.
- 47 The funding being sought for the proposed four-month extension is proportionally higher than the \$20.2 million required to fund the NZSOS programme between April 2020 and January 2021. During the beginning of the programme, many clients were being paid under statutory absence provisions, which allow for a 26-week absence from New Zealand. As the statutory absence period was exceeded by clients, they progressively shifted to being paid under the NZSOS programme. By mid-September, all clients who were eligible for payment under the programme had been out of New Zealand for more than 26 weeks and were shifted to the programme.¹⁷

¹⁵ These clients will still be afforded the same amount of time to respond to the eligibility check as pensioners, and will also receive the same number of reminders before payments are ended, where appropriate.

¹⁶ The purpose of a consular loan is to assist a New Zealander who is overseas and requires resources to ensure their immediate safety and well-being, or to assist a New Zealander who requires assistance to pay for a flight to New Zealand. It is not a means of ongoing support.

¹⁷ Clients needed to have left New Zealand before 26 March 2020 to be eligible for financial support under the NZSOS programme.

- 57 Subsequent communications will also be sent to clients during the new extension period, reminding clients of the NZSOS programme's new expiry date and that it will not be extended further. Sending these communications will ensure clients have time to plan for the cessation of the programme.

Proactive Release

- 58 MSD will proactively release this paper in accordance with Cabinet guidelines. Any redactions made will be consistent with the Official Information Act 1982.

Recommendations

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

- 1 **note** that the Minister for Social Development and Employment established the NZSOS programme on 20 April 2020, to provide special financial support to eligible MSD clients who are unable to return to New Zealand due to COVID-19
- 2 **note** that Cabinet agreed to extend the expiry of the NZSOS programme from 20 October 2020 to 27 April 2021 in September 2020 [CAB-20-MIN-0452]
- 3 **note** that as at 22 March 2021, 1,298 clients were being supported by the NZSOS programme, and the impact of COVID-19 may be limiting these clients' ability to return to New Zealand before the expiry of the programme
- 4 **agree** to extend the NZSOS programme for four months, to 31 August 2021
- 5 **note** that the Minister for Social Development and Employment will amend the NZSOS programme with immediate effect before 27 April 2021, to implement the decision in recommendation 4, and to allow payments currently being made under the existing programme to continue to eligible clients
- 6 **direct** MSD officials to clearly communicate to clients that the NZSOS programme will not be extended further beyond 31 August 2021
- 7 **direct** MSD officials to undertake a check of the location and eligibility of all clients being supported by the NZSOS programme to receive ongoing support under the programme commencing in the week of 12 April 2021
- 8 **note** that MSD officials will determine the eligibility of most clients who respond to the check referred to in recommendation 7 above by the end of May 2021 and payments will be stopped for those who do not respond to the check by 6 June 2021
- 9 **direct** MSD officials to undertake a check of the eligibility of NZS and VP clients being supported by the NZSOS programme to alternative support options, including payment under statutory portability provisions and reciprocal social security agreements, and to transition as many clients as possible to alternative supports

- 10 **direct** MSD officials to actively work to transition NZS and VP clients to alternative support options and encourage the 71 beneficiaries currently being supported by the programme to return to New Zealand
- 11 **note** that once MSD has gathered information about clients' locations, as part of the eligibility check noted in recommendation 7 above, if quarantine free travel opens with another country (including Australia), MSD will directly communicate with clients in that country to re-assess their eligibility for continued payment under the NZSOS programme and payments will be stopped within seven weeks, unless MSD is satisfied they remain eligible
- 12 **note** that MSD officials will report back to the Minister for Social Development and Employment on the number of people being supported by the NZSOS programme, who have exited the programme and who are eligible to transition to alternative support options by 1 July 2021
- 13 **note** that the Minister for Social Development and Employment intends to waive the 28-day rule for the amendment to the welfare programme noted at recommendation 5, so that it can have immediate effect before the expiry of the current programme
- 14 **agree** to increase spending to provide for the costs associated with the decision in recommendation 4 above, with the following impact on the operating balance and net core Crown debt:

	\$m - increase/(decrease)				
Vote Social Development	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	6.012	6.111	-	-	-
Debt Impact	-	-	-	-	-
No Impact	0.904	0.921	-	-	-
Total	6.916	7.032	-	-	-

- 15 **approve** the following changes to appropriations to give effect to the decision in recommendation 14 above:

	\$m - increase/(decrease)				
Vote Social Development Minister for Social Development and Employment	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Benefits or Related Expenses: NZ Beneficiaries Stranded Overseas	6.916	7.032	-	-	

Legislative Implications

- 48 An amendment to the NZSOS programme is required, which I intend to make before the end of the current NZSOS programme on 27 April 2021. This will be made under section 101 of the Social Security Act 2018.
- 49 To ensure the amendment takes effect before the expiry of the current NZSOS programme, and because the amendment will only confer benefits to the public, I intend to waive the 28-day rule.

Regulatory Impact Statement

- 50 The Treasury has determined that the proposal to extend the COVID-19 New Zealanders Stranded Overseas Support Programme is exempt from the requirement to provide a Regulatory Impact Statement (RIS) because it is intended to temporarily defer or extend legislative deadlines and is required urgently to be effective, making a complete, robust and timely RIS unfeasible. MSD has previously prepared an Impact Summary which considers this proposal, *Funding an extension to the COVID-19 New Zealanders Stranded Overseas Support Programme* [CAB-20-MIN-0452 refers].

Climate Implications of Policy Assessment

- 51 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 52 There are no immediate gender or disability implications from this paper.
- 53 Older people, who make up the majority of the clients currently being supported by the NZSOS programme (1,227 of 1,298 clients), will be positively impacted by the extension.

Human Rights

- 54 This paper has no immediate implications for the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 55 This paper has been prepared by MSD in consultation with MFAT, Ministry of Business, Innovation and Employment, Veterans' Affairs, and the Treasury.

Communications

- 56 Officials will develop key messages on the provision of assistance to eligible MSD clients who may be unable to return to New Zealand due to COVID-19, and will communicate these messages to those clients. MSD's website will be updated to reflect the NZSOS programme extension.

Total Operating	6.916	7.032	-	-	
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- 16 **agree** that the proposed changes to appropriations for 2020/21 above be included in the 20/21 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply
- 17 **agree** that the operating balance impact and net core Crown debt impact in recommendation 14 above of the expenses incurred under recommendation 15 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
- 18 **authorise** the Minister for Social Development and Employment to make minor and technical policy, design, and implementation decisions regarding the NZSOS programme

Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development and Employment

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Appendix One – Indicative timeframes to complete client eligibility checks

TIMELINE		NZSOS ELIGIBILITY	ELIGIBILITY FOR PORTABLE/AGREEMENT PAYMENTS	EXITED AND REFERRED TO INTERNATIONAL SERVICES
WEEK BEG	29-Mar			
WEEK BEG	5-Apr			
WEEK BEG	12-Apr	Letter 1	No Yes	
WEEK BEG	19-Apr			
WEEK BEG	26-Apr	Letter 2	No Yes	
WEEK BEG	3-May			
WEEK BEG	10-May			
WEEK BEG	17-May	Letter 3	No Yes	
WEEK BEG	24-May			
WEEK BEG	31-May	Letter 4 - No response; advising clients payments will stop. Bulk suspension due end of the week (IT to confirm).	MSD will work with clients to gather any additional information following receipt of client's completed web form, travel movements verified with Customs, applications for payment portability/agreement processed. Applications typically take 2 hours to process, with the MSD-Customs NZ information match taking up to 20 working days.	

IN CONFIDENCE

WEEK BEG	7- Jun			
WEEK BEG	14- Jun			
WEEK BEG	21- Jun			
WEEK BEG	28- Jun			
WEEK BEG	5- Jul	NZSOS Programme and eligibility update (Note: MSD may not have collated all information for second eligibility check based on back-and-forth required with individual clients, update may be indicative)		
WEEK BEG	12- Jul			
WEEK BEG	19- Jul			
WEEK BEG	26- Jul			
WEEK BEG	2- Aug			
WEEK BEG	9- Aug			
WEEK BEG	16- Aug			
WEEK BEG	23- Aug			
WEEK BEG	30- Aug	PROGRAMME END		

IN CONFIDENCE



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Establishing the amended COVID-19 New Zealanders Stranded Overseas Support Programme

Date: 13 April 2021

Report no.: REP/21/4/342

Security level: IN CONFIDENCE

Priority: Medium

Action Sought

Hon Carmel Sepuloni
Minister for Social Development and
Employment

Sign the attached amendment instrument

14 April 2021

Contact for telephone discussion

Name	Position	Telephone	1st Contact
Lynne Cousins	Policy Manager, Seniors and International Policy	s 9(2)(a) OIA	<input checked="" type="checkbox"/>
Julia Bergman	General Manager, Disability, Seniors and International Policy		

Report prepared by: s 9(2)(a) OIA

Minister's office comments

- ☒ Noted
- ☒ Seen
- ☒ Approved
- ☐ Needs change
- ☐ Withdrawn
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Referred to (specify)

Comments

REC 8 TO BE ORGANISED BY
THE OFFICE

Date received from MSD

Date returned to MSD

14/04/2021



Report

Date: 13 April 2021

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Establishing the amended COVID-19 New Zealanders Stranded Overseas Support Programme

Purpose of the report

- 1 This report seeks your agreement to sign the attached *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021*. This Amendment Instrument amends the expiry of the COVID-19 New Zealanders Stranded Overseas Support Programme (the Programme), from 27 April 2021 to 31 August 2021.

Recommended actions

It is recommended that you:

- 1 **note** that on 20 April 2020 the COVID-19 New Zealanders Stranded Overseas Support Programme commenced, and is due to expire on 27 April 2021
- 2 **note** that on 7 April 2021, the Cabinet Social Wellbeing Committee (SWC), having been authorised by the Prime Minister to have Power to Act:
 - 2.1 agreed to extend the expiry of the Programme for a further four months, to 31 August 2021
 - 2.2 agreed that the operating balance impact and net core Crown Debt impact of the expenses incurred as a result of this extension (\$12.1 million net total) be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
 - 2.3 noted that the amended programme would be established by you with immediate effect, prior to the expiry of the current programme on 27 April 2021 [SWC-21-MIN-0045 refers]
- 3 **note** the attached *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021* has been drafted to reflect the SWC's decisions
- 4 **sign** and date the attached *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021*

Agree / Disagree
- 5 **agree** to waive the 28-day rule for the *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021*, so that it can have immediate effect prior to the expiry of the current programme on 27 April 2021

Agree / Disagree

- 6 **note** that pending your approval to recommendations 4 and 5, the attached amendment instrument will come into force on the day after it is signed
- 7 **note** that officials will arrange for publication of the amending instrument in the New Zealand Gazette and on the Ministry of Social Development's website (in accordance with section 102 of the Social Security Act 2018)
- 8 **direct** your Office to arrange for a copy of the amending instrument to be tabled in the House of Representatives as soon as practicable (in accordance with section 102 of the Social Security Act 2018)


☒ Yes / No



Lynne Cousins
Policy Manager
Seniors and International Policy

13-4-2021

Date



Hon Carmel Sepuloni
Minister for Social Development and Employment

13/4/21

Date

Cabinet has agreed to extend the COVID-19 New Zealanders Stranded Overseas Support Programme

- 2 The Programme commenced on 20 April 2020. Under the Programme, special financial assistance is provided to Ministry of Social Development (MSD) clients who are unable to return to New Zealand because of the impact of COVID-19. Payments made under the Programme are equivalent to the rate of New Zealand Superannuation (NZS), Veteran's Pension (VP), main benefit or supplementary assistance the client would have received had they been in New Zealand.
- 3 Initially established for a six-month period, the Programme was originally due to expire in October 2020. A further six-month extension to 27 April 2021 was agreed to in September 2020, as people continued to rely on the Programme for financial support and continued to face issues returning home because of COVID-19 [CAB-20-MIN-0452 refers]. As at 22 March 2021, there were 1,298 MSD clients receiving payments under the Programme.
- 4 You agreed to extend the Programme on 28 February 2021 [REP/21/2/154 refers]. On 7 April 2021, the Cabinet Social Wellbeing Committee (SWC), having been authorised by the Prime Minister to have Power to Act:
 - 4.1 agreed to extend the expiry of the Programme for a further four months, to 31 August 2021
 - 4.2 agreed that the operating balance impact and net core Crown Debt impact of the expenses incurred as a result of this extension (\$12.1 million net total) be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
 - 4.3 noted that the amended programme would be established by you with immediate effect, prior to the expiry of the current programme on 27 April 2021 [SWC-21-MIN-0045 refers].
- 5 The attached Amendment Instrument enables this extension, adjusting the expiry of the Programme from 27 April 2021 to 31 August 2021.
- 6 Without an extension to the Programme, eligible clients who are unable to return to New Zealand before 27 April 2021 may be left without Government support, potentially risking their welfare and wellbeing.

We seek your approval and signature for the attached Amendment Instrument

- 7 The attached *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021* reflects what Cabinet Social Wellbeing Committee agreed to on 7 April 2021.
- 8 As Minister for Social Development and Employment, you have legislative authority to make this amendment to the Programme. We are seeking your approval of this instrument to enable its commencement.

We seek your agreement to waive the 28-day rule for this Amendment Instrument

- 9 Your agreement to waive the 28-day rule for the *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021* is being sought so that it can have immediate effect prior to the expiry of the current programme.
- 10 Your intention to waive the 28-day rule was noted by the Cabinet Social Wellbeing Committee on 7 April 2021 [SWC-21-MIN-0045].

Next steps

- 11 Pending your approval and signature, the *COVID-19 New Zealanders Stranded Overseas Support Amendment 2021* will commence on the day after it is signed.

- 12 Once you have signed the attached instrument, officials will arrange for it to be notified in the New Zealand Gazette and published on MSD's website as soon as practicable.
- 13 Officials will also work with your office to arrange for a copy of the instrument to be tabled in the House of Representatives as soon as practicable.

Reference number: REP/21/4/342

s 9(2)(a) OIA

Responsible manager: Lynne Cousins, Policy Manager, Seniors and International Policy

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

COVID-19 New Zealanders Stranded Overseas Support Amendment 2021

I certify that this instrument is in order for signing by the Minister

s 9(2)(a) OIA

Advisory Team,
MSD Legal
13/04/2021

This instrument is made under section 101(1) of the Social Security Act 2018 by the Minister for Social Development and Employment.

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Instrument

- 1 Title**
This instrument is the COVID-19 New Zealanders Stranded Overseas Support Amendment 2021.
- 2 Commencement**
This instrument comes into effect on the day after it is signed.
- 3 Principal programme**
This instrument amends the COVID-19 New Zealanders Stranded Overseas Support Programme¹ (as established and approved on 17 April 2020) (the **principal programme**).
- 4 Clause 17 amended (Expiry)**
In clause 17, replace “on 27 April” with “at the close of 31 August”.

Minister for Social Development and Employment

Signed at this day of April 2021

¹ New Zealand Gazette, 21 April 2020, notice 2020-go1713.

COVID-19 New Zealanders Stranded Overseas Support Amendment 2021

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- 4 Clause 17 amended (Expiry)**
In clause 17, replace “on 27 April” with “at the close of 31 August”.



Minister for Social Development and Employment

Signed at *Wellington* this *15th* day of April 2021

¹ New Zealand Gazette, 21 April 2020, notice 2020-go1713.

Explanatory Note

This note is not part of the instrument, but is intended to indicate its general effect.

This instrument, which comes into effect on the day after it is signed, amends the **principal programme** made under section 101(1) of the Social Security Act 2018 to extend the programme until the close of 31 August 2021.

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Aide-mémoire

Meeting

Date: 13 September 2021 **Security Level:** Out of Scope

For: Hon Dr Ayesha Verrall, Minister for Seniors

File Reference: REP/21/9/947

Meeting with the Minister for Social Development and Employment Out of Scope

Meeting details 10:30am Tuesday 14 September 2021 over Zoom.

Expected attendees

- Hon Carmel Sepuloni, Minister for Social Development and Employment

Purpose of meeting Out of Scope

You may also wish to discuss with Minister Sepuloni:

- NZ Super recipients in Australia
- Out of Scope

Background Out of Scope

Topics of discussion Out of Scope

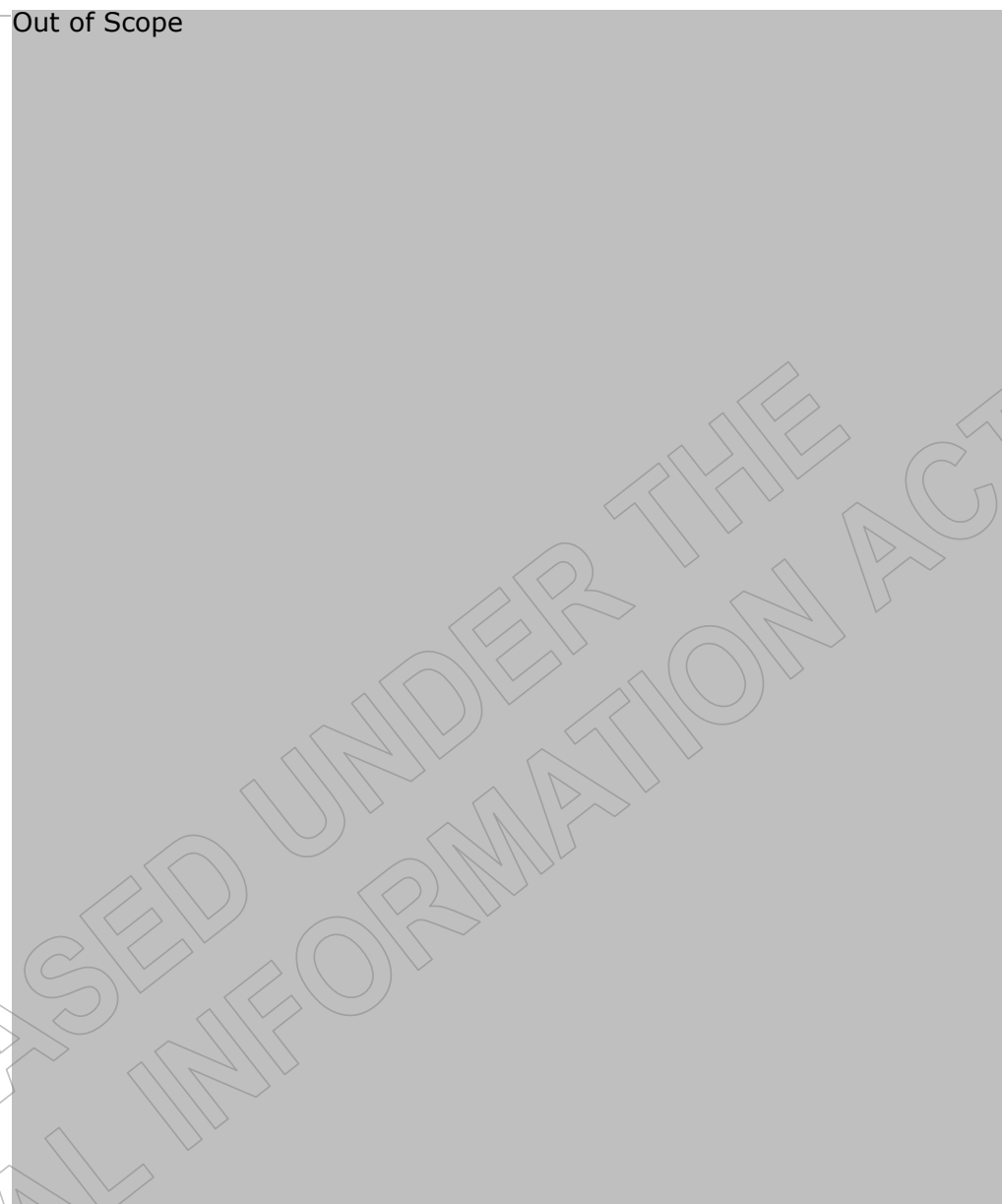
Out of Scope

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Out of Scope

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Out of Scope



NZ Superannuation Recipients in Australia

You have recently received correspondence concerning the small number of New Zealand Superannuation recipients stranded in Australia who may be unable to return within the 30 week period required to maintain receipt. This correspondence has been referred to the Minister for Social Development and Employment. MSD advice on this matter is attached below as Appendix 1.

Out of Scope



**Suggested
talking
points**

Out of Scope

- You may also wish to raise with the Minister for Social Development and Employment:
 - The issue of NZ Super recipients stranded in Australia
 - Out of Scope

Risks

Out of Scope

Next steps

Out of Scope

Out of Scope

Responsible manager: George Minton (acting for Diane Turner, Director, Office for Seniors)

Attachments

Appendix 1 - Superannuitants Stranded in Australia

Appendix 1 – Superannuitants Stranded in Australia

Some superannuitants travelled to Australia while the travel bubble was open and are now stranded. Unless they are able to return to New Zealand within 30 weeks their NZS payments will stop (and they will have to repay 26 weeks of NZS). Superannuitants who travelled to Australia after the bubble opened will continue to be eligible for NZS payments until at least 19 October (26 weeks after the bubble opened).

Superannuitants do not have to inform us when they leave the country temporarily. Consequently, we do not have robust information on the number of people affected, but this stage we think it could be less than 50 people.

We have not been able to identify any current legislative provisions under which NZS clients who left NZ and are now stuck in Australia for COVID related reasons could be paid any financial assistance by MSD.

Temporary absence rules only provide payment for up to 26 weeks

Temporary absence rules cover people who wish to leave NZ temporarily (for 26 weeks or less). People covered by temporary absence continue to receive the domestic rate while they are outside NZ.

Under section 22 of the New Zealand Superannuation and Retirement Income Act 2001 (NZSRIA) a superannuitant is entitled to payment for the first 26 weeks of absence from NZ as long as either:

- they return to NZ within 30 weeks; or
- their absence exceeds 30 weeks and MSD is satisfied the absence beyond 30 weeks is due to circumstances beyond their control that they could not reasonably have foreseen before departure.

This means that where an absence beyond 30 weeks is due to circumstance that were reasonably foreseeable before departure, any payment made in the first 26 weeks becomes an overpayment. In our opinion, closure of the travel bubble with Australia, other flight limitations due to COVID and difficulty securing a spot in MIQ etc were all reasonably foreseeable before departure for anyone who left NZ within the past 30 weeks.

Portability must be applied for before a person leaves New Zealand

Portability is paid to people who are resident overseas or traveling for more than 26 weeks. Applications for portability must be made before a person leaves New Zealand.

However, section 27 of the NZSRIA allows MSD to accept an application for portability from a person overseas if we are satisfied that the person intended to be absent for 26 weeks or less, but the absence for more than 26 weeks is or was due to circumstances beyond the applicant's control that could not reasonably have been foreseen before leaving New Zealand.

As above, not being able to return for reasons relating to COVID was reasonably foreseeable in the last 26 weeks. Therefore, clients who now find themselves stuck in Australia are not eligible under section 27. However, each case still has to be considered on its facts and there may be other reasons why a client is unable to return (eg a serious medical event).

If someone was intending to be absent from NZ for 26 weeks or less, but anticipated a possible delayed return because of the pandemic, they would not usually think to apply for portable payments, nor would Work and Income be likely to offer this as an option.

Social security agreement with Australia

The social security agreement with Australia covers people who choose to reside in Australia. To qualify for payment of NZS under the agreement a person must be either ordinarily resident and present in Australia or 'present long term in Australia' (defined as 'when a person is physically present in the territory of either Party and either has been in the territory of that Party for at least 26 weeks, or intends to remain in the territory of that Party for one year or more'). Generally, people who went to Australia temporarily would not meet this qualification.

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Report

Date: 16 September 2021

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Estimating the number of New Zealand Superannuation and Main Benefit Recipients Overseas

Purpose of the report

- 1 This report provides you with information about New Zealand Superannuation (NZS), Veteran's Pension (VP), and Main Benefit recipients overseas for your noting.

Executive summary

- 2 The Trans-Tasman bubble opened 19 April 2021 and was paused in July. Closure of the Trans-Tasman bubble means some NZS recipients may soon have their payments stopped and a debt established.
- 3 There are no legislative provisions under which New Zealand Superannuation (NZS) and Veteran Pension (VP) clients who left New Zealand and are now stuck in Australia solely due to closure of the travel bubble could be paid any financial assistance by the Ministry of Social Development (MSD).
- 4 Officials understand that 3,364 NZS/VP clients departed New Zealand between 19 April (the start of the Trans-Tasman bubble) and 14 September 2021. This is based on a data match of clients from information held by Customs. We do not know how many of these clients are currently in Australia.
- 5 There are major caveats to this data. It is unclear if these clients departed for migratory or visitor purposes and we cannot identify which countries clients departed for. It is possible a number of these clients may have returned to New Zealand but their return was missed in the data match process.
- 6 Officials are unable to estimate the number of Main Benefit recipients who departed New Zealand between 19 April and 14 September based on the available data.
- 7 It is not clear from this data how many clients are located in Australia and are experiencing hardship due to being unable to return to New Zealand.

Recommended actions

It is recommended that you:

- 1 **note** that 3,364 New Zealand Superannuation and Veterans Pension clients departed New Zealand between 19 April and 14 September 2021
- 2 **note** that it is unclear where these clients are currently located and if they are experiencing hardship due to being unable to return to New Zealand
- 3 **note** if requested we can explore whether there are any options to provide support for New Zealand Superannuation and Veterans Pension clients in Australia



Lynne Cousins
Policy Manager
Seniors and International Policy

16-9-21
Date

Hon Carmel Sepuloni
Minister for Social Development and Employment

Date

The Trans-Tasman bubble opened 19 April 2021 and was paused in July

- 8 The Quarantine Free Travel bubble with Australia opened 19 April 2021.
- 9 The 23 July 2021 pause on the Trans-Tasman bubble has seen a group of MSD clients prevented from returning home due to pandemic-related border and travel restrictions. Some clients may be at risk of hardship if their absence exceeds the temporary absence period and their usual pension payments end.

Closure of the Trans-Tasman bubble means some NZS recipients may soon have their payments stopped and a debt established

- 10 Under section 22 of the New Zealand Superannuation and Retirement Income Act 2001 (NZSRIA), a superannuitant is entitled to payment of their normal rate of superannuation in respect of the first 26 weeks of absence from NZ as long as either:
 - they return to NZ within 30 weeks; or
 - their absence exceeds 30 weeks and MSD is satisfied the absence beyond 30 weeks is due to circumstances beyond their control that they could not reasonably have foreseen before departure.
- 11 This means that where an absence beyond 30 weeks is due to circumstance that were reasonably foreseeable before departure, any payment made in the first 26 weeks becomes an overpayment.
- 12 Closure of the travel bubble with Australia, other flight limitations due to COVID-19, and difficulty securing a spot in MIQ if the bubble did close were all reasonably foreseeable before departure for anyone who left NZ within the past 30 weeks. The Prime Minister and Hon Chris Hipkins warned that travellers would be travelling at their own risk and may be left without Government support if the bubble suddenly closed.¹
- 13 There are no legislative provisions under which NZS and VP clients who left New Zealand and are now stuck in Australia solely due to closure of the travel bubble could be paid any financial assistance by MSD.
- 14 However, MSD must consider each case on the facts as there may be other unforeseeable reasons a person may not be able to return. For example, there may have been a serious medical event that prevented their return.
- 15 Those who departed New Zealand when the travel bubble with Australia opened will not be affected yet as the 26 weeks will not be realised until 18 October. The additional 30 weeks from departure would not be until 15 November, so clients in this category would not incur debt until this date onwards.
- 16 Some of these clients may be able to return to New Zealand via repatriation flights provided by the Government or commercial flights. The Government will be announcing further flights in September.

The number of stranded clients is unclear

- 17 3,364 NZS/VP clients departed New Zealand between 19 April (the start of the Trans-Tasman bubble) and 14 September 2021. This is based on a data match of clients from information held by Customs. We do not know how many of these people have since returned to New Zealand.

¹ <https://www.stuff.co.nz/travel/news/300256326/jacinda-ardern-warns-kiwi-travellers-could-get-stuck-when-the-transtasman-bubble-opens>

- 18 Information gathered is largely ad-hoc as superannuitants are not required to advise MSD of absences overseas of up to 26 weeks. There are no centralised records of absence information, any information would be stored on individual client records.
- 19 It is unclear if these clients departed for migratory or visitor purposes. We cannot identify which countries clients departed for or where they are currently. It is possible a number of these clients may have returned to New Zealand but their return was missed in the data match process.
- 20 We are unable to estimate the number of Main Benefit recipients who departed New Zealand between 19 April and 14 September based on the available data.
- 21 Since 1 June 2021, 16 clients have contacted International Services regarding absences under Section 22 of the New Zealand Superannuation and Retirement Income Act 2001. From these, 4 have been identified as relating to people stranded in Australia and 1 is regarding a person stranded in a Pacific country.

Next Steps

- 22 If requested we can explore whether there are any options to provide support for NZS clients in Australia.

REP/21/9/995

s 9(2)(a) OIA

Responsible manager: Lynne Cousins, Policy Manager, Seniors and International Policy



Report

Date: 17 September 2021

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Unforeseeable reasons for absence from New Zealand

Purpose of the report

- 1 This report provides you with information about unforeseeable reasons why New Zealand Superannuation (NZS), Veteran's Pension (VP), and Main Benefit recipients could be delayed from returning to New Zealand for your noting.

Recommended actions

It is recommended that you:

- 2 **note** that if a client's absence exceeds 30 weeks due to unforeseeable reasons, they will not have a debt established with the Ministry for Social Development for the 26 week period they may otherwise be not entitled to
- 3 **note** that if a client's absence exceeds 26 weeks and is determined by the Ministry of Social Development to be unforeseeable, the client can apply for a portable payment that is able to be paid overseas


Lynne Cousins
Policy Manager
Seniors and International Policy

17/9/21
Date

Hon Carmel Sepuloni
Minister for Social Development and Employment

Date

Examples of foreseeable and unforeseeable reasons for absence from New Zealand

- 1 Under section 22 of the New Zealand Superannuation and Retirement Income Act 2001 (NZSRIA), a superannuitant is entitled to payment of their normal rate of superannuation in respect of the first 26 weeks of absence from NZ as long as either:
 - they return to NZ within 30 weeks; or
 - their absence exceeds 30 weeks and MSD is satisfied the absence beyond 30 weeks is due to circumstances beyond their control that they could not reasonably have foreseen before departure.
- 2 Clients are encouraged to engage with MSD if they believe they could not reasonably have foreseen the delay to their return before their departure from New Zealand.
- 3 The reasons for the delay, the impact on travel arrangements such as pre-departure booking arrangements, possibility of return flights and whether an earlier return was expected are all considered.
- 4 If a client's absence exceeds 26 weeks and is determined by the Ministry of Social Development to be unforeseeable, the client can apply for a portable payment that is able to be paid overseas.
- 5 Unforeseeable circumstances may include, but are not limited to:
 - aircraft breakdowns;
 - industrial disputes;
 - natural disaster;
 - terror or conflict related incidents;
 - bereavement;
 - illness/injury to the client, their partner, or other relatives; or
 - global pandemic.
- 6 Circumstances are not considered unforeseeable if:
 - the event or condition occurred or began prior to the client's departure;
 - the global pandemic conditions were active and the Government had advised against travel.
- 7 Travel advisories over the last 30 weeks warn against travel because of the COVID-19 pandemic. Closure of the quarantine free travel bubble with Australia, other flight limitations due to COVID-19, and difficulty securing a spot in MIQ were all reasonably foreseeable before departure. Support was provided to clients who departed New Zealand before 26 March 2020 through the New Zealanders Stranded Overseas Ministerial Welfare Programme as the impacts of the COVID-19 pandemic could not reasonably have been foreseen when they departed New Zealand.¹

REP/21/9/1000


s 9(2)(a) OIA

Responsible manager: Lynne Cousins, Policy Manager, Seniors and International Policy

¹ <https://www.stuff.co.nz/travel/news/300256326/jacinda-ardern-warns-kiwi-travellers-could-get-stuck-when-the-transtasman-bubble-opens>



Memo

To: Debbie Power 
From: Lynne Cousins, Manager, International Policy
Lauren Smith, Team Manager, Legal

Date: 8 October 2021

Security level: IN CONFIDENCE

Approval for Change of Approach: Superannuitants in Australia

Action: For Approval 8 October 2021

Purpose of the report

- 1 This memo seeks your approval for MSD to make a factual determination that, for people who travelled to Australia during the Quarantine Free Travel bubble, it could not have been reasonably foreseen that they would be unable to return prior to their temporary absence period expiring.

Recommended actions

It is recommended that you:

- 1 **agree** that, in relation to section 22 of the New Zealand Superannuation and Retirement Income Act 2001, for people who travelled to Australia during the Quarantine Free Travel bubble, an absence beyond 30 weeks was due to circumstances beyond that person's control and they could not reasonably have foreseen this before their departure
- 2 **agree** that, in relation to section 27 of the New Zealand Superannuation and Retirement Income Act 2001, for people who travelled to Australia during the Quarantine Free Travel bubble, an absence beyond 30 weeks was due to circumstances beyond that person's control and they could not reasonably have foreseen this before their departure

 **AGREE / DISAGREE**

 **AGREE / DISAGREE**

- 3 **note** that for people who have travelled to destinations other than Australia it may be more difficult to demonstrate that their delayed return to New Zealand was due to a reasonably unforeseeable circumstance
- 4 **note** that all applications for New Zealand Superannuation and Veteran Pension payments under portability provisions will continue to be considered on a case-by-case basis



Debbie Power
Chief Executive
Ministry of Social Development

8/10/21

Date

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OFFICIAL INFORMATION ACT

The Trans-Tasman bubble opened 19 April 2021 and was paused in July

- 2 The Quarantine Free Travel bubble with Australia opened 19 April 2021.
- 3 The 23 July 2021 pause on the Trans-Tasman bubble has seen a group of MSD clients prevented from returning home due to COVID-19-related border and travel restrictions. Some clients may be at risk of hardship if their absence exceeds the temporary absence period and their usual pension payments end.

Closure of the Trans-Tasman bubble means some NZS recipients may soon have their payments stopped and a debt established

- 4 Under section 22 of the New Zealand Superannuation and Retirement Income Act 2001 (NZSRIA), a superannuitant is entitled to payment of their normal rate of superannuation in respect of the first 26 weeks of absence from NZ as long as either:
 - they return to NZ within 30 weeks; or
 - their absence exceeds 30 weeks and MSD is satisfied the absence beyond 30 weeks is due to circumstances beyond their control that they could not reasonably have foreseen before departure.
- 5 This means that where an absence beyond 30 weeks is due to circumstance that were reasonably foreseeable before departure, any payment made in the first 26 weeks becomes an overpayment.
- 6 Those who departed New Zealand when the travel bubble with Australia first opened should not be affected yet as the 26 weeks will not be realised until 18 October. The additional 30 weeks from departure would not be until 15 November, so clients in this category would not incur debt until after this date.

MSD's previous stance was that delays in returning to New Zealand were foreseeable

- 7 MSD previously advised there were no legislative provisions under which New Zealand Superannuation and Veteran Pension clients who are unable to return from Australia **solely** because of the quarantine-free travel bubble closing could be paid any financial assistance. MSD held this position as travellers were warned that travel was at their own risk and it was factually reasonable to foresee that there could be issues or delays returning to New Zealand due to COVID-19.
- 8 This factual position meant there were no legislative provisions under which NZS and VP clients who left New Zealand and are now stuck in Australia solely due to closure of the travel bubble could be paid any financial assistance by MSD.
- 9 However, there may be other unforeseeable reasons a person may not be able to return. For example, there may have been a serious medical event that prevented their return.

We recommend MSD's stance changes due to new information

- 10 MSD has continually monitored the situation closely for superannuants in Australia following the closure of the travel bubble. New information is now available about the difficulties securing an MIQ place. Because of this, MSD has reassessed its position on whether the situation our clients are currently in was reasonably foreseeable.
- 11 At the time of departure, these individuals expected to be able to return without the need to plan for MIQ. Although advice was always clear that MIQ could be a possibility in the event the bubble closed, at the time, many people would have expected MIQ places would have been easier to secure. The significant challenges and delays with securing a place in MIQ that is now a requirement for these

individuals have only recently become apparent. The scale of these challenges were not well known leading up to and during the travel bubble.

- 12 It may now be considered that NZS and VP clients who travelled to Australia during the Quarantine Free Travel period could not have reasonably foreseen they would be unable to return for a period greater than six months, even if the bubble closed. Each client's situation will be considered on a case by case basis.

We have worked through the operational processes for this change

- 13 MSD will continue to consider on a case-by-case basis applications for NZ Super and Veteran Pension payments under portability provisions. Those potentially affected by the closure of the travel bubble are encouraged to reach out to MSD International Services to discuss their particular circumstances.

We'll treat new enquiries a little differently to those already given a decision

- 14 We will review decisions already made for people in Australia. They will be contacted to advise that their situation will be given further consideration. Their circumstances may mean it was reasonably unforeseeable that they would be unable to return to New Zealand within the temporary absence period.
- 15 If payments have already stopped, MSD will work with the client to determine ongoing financial assistance.
- 16 For those who have not received a decision for their support, we will continue in our process to assess their circumstances. This includes consideration as to whether it was reasonably unforeseeable that they would be unable to return to New Zealand within the temporary absence period.

The assessment process may take some time

- 17 The assessment process may take some time as we need information from NZ Customs so it is feasible that those who left earlier during the travel bubble may have their payments affected. We will work with NZ Customs to ensure that the information is received promptly.
- 18 We will prioritise our communications to those who left New Zealand earlier in order to mitigate any delays.

Options for those eligible

- 19 The options for continued payment of NZS will be assessed under the provisions for General Portability for people intending to return to New Zealand. For people intending to stay in indefinitely or long term in Australia an assessment will be made under the provisions of the social security agreement between New Zealand and Australia.

Options for those ineligible

- 20 General portability is a proportional payment based on the number of years resident in New Zealand between the ages of 20 and 65. Some people may not have residence in this period to be eligible for payment. Others may receive a proportional payment lower than the full rate of NZS.
- 21 For people who are ineligible for proportional payments they will not receive ongoing payments, however a debt will not be established for the 26 weeks absence.

Considering impacts this has on other cohorts overseas

- 22 People who were receiving a working age benefit (this includes people receiving supplementary assistance, e.g. Accommodation Supplement, only) whilst they were overseas may also come forward when information about this change becomes public. Clients on main benefits are generally only able to travel overseas for a maximum of 28 days, so the consideration for these clients is slightly different. These clients will also be assessed based on their individual situation circumstances to determine if their return to New Zealand was prevented by circumstances that

were unforeseeable when they left, and the difficulty with MIQ will be factored into any decision, if appropriate.

- 23 New Zealand superannuitants who have travelled to other destinations, including the Pacific, will be treated on a case by case basis. People who left knowing they would require a place in MIQ upon their return may find it more difficult to demonstrate that their delayed return to New Zealand was due to a reasonably unforeseeable circumstance.

Next steps

- 24 The Minister's office has been informed of our intended change of approach. Holding lines have been provided to the Minister for prior to and following any MSD announcement regarding the change.
- 25 Following your agreement International Services has prepared to implement our changed approach.

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Seniors

Status Report

Issue #15

Out of Scope

Out of Scope

Thursday 14 September 2021

REP/21/10/1095



Seen by Hon Dr Ayesha Verrall
Minister for Seniors

Date: 17 / 10 / 21

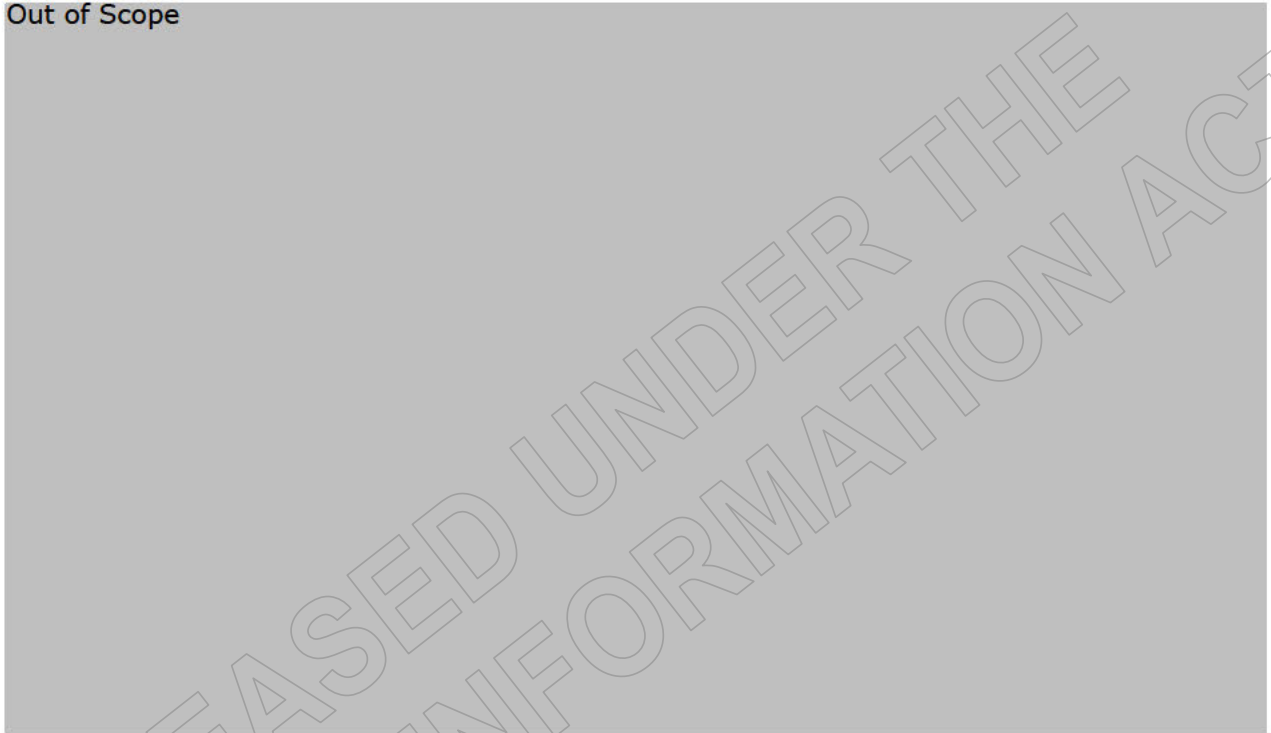
In Confidence

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Out of Scope



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1. Update on New Zealand Superannuitants unable to return from Australia due to closure of the travel bubble

Action: For noting

New Zealand Super and Veteran's Pension clients who travelled to Australia during the quarantine-free travel period and are now unable to return home can apply for their payments to continue while overseas.

The 23 July 2021 pause on the travel bubble has seen a group of MSD clients prevented from returning home due to pandemic-related border and travel restrictions. Some clients may be at risk of hardship if their absence exceeds the temporary absence period and their usual pension payments end. For people who travelled on the first day of the travel bubble opening on 19 April 2021, payments should continue until 18 October 2021. Those who travelled in the last days of the bubble should not be affected if they return to New Zealand before mid-February 2022.

MSD has continually monitored the situation closely for superannuitants in Australia affected by the sudden closure of the travel bubble.

MSD has carefully looked at the legislation to assess whether there is a way that we can provide stranded superannuitants with assistance. There are two legislative provisions that we can consider to potentially help clients stranded in Australia.

Under section 22 of the New Zealand Superannuation and Retirement Income Act 2001 (NZSRIA), a superannuitant is entitled to payment of their normal rate of NZS in respect of the first 26 weeks of absence from NZ as long as either:

- they return to NZ within 30 weeks; or
- their absence exceeds 30 weeks and MSD is satisfied the absence beyond 30 weeks is due to circumstances beyond their control that they could not reasonably have foreseen before departure.

Under section 27 of the NZSRIA, if a person did not apply for portable payments prior to departure because they expected to be away for less than 26 weeks, we may accept an application for payment if the absence is or was due to circumstances beyond the applicant's control that they could not reasonably have foreseen before departure.

MSD's previous view was that New Zealand Superannuation and Veteran Pension clients who are unable to return from Australia **solely** because of the travel bubble closing could not be paid financial assistance under these legislative provisions, given New Zealanders were warned this could happen and the known challenges travelling during the pandemic.

Following the recent changes to the MIQ booking system, the significant challenges securing places in MIQ became more apparent. The second MIQ release confirmed that the scale of demand seen during the first release was not a one off and that this would be an ongoing challenge for superannuitants and veterans who had travelled to Australia whilst the Quarantine Free Travel bubble was open. Those individuals will not have booked an MIQ space in advance of departure as they were expecting to be able to return without needing to quarantine. We also accept that most people intended to return to New Zealand within the 26 weeks for which NZS payments continue and before a debt is established at 30 weeks.

MSD now considers NZS and VP clients who travelled to Australia during the Quarantine Free Travel period could not have reasonably foreseen they would be unable to return for a period greater than six months, even if the bubble closed.

Each client's situation will be considered on a case by case basis as required by the legislation.

At a practical level, this means that for superannuitants who travelled to Australia between 19 April 2021 and 24 July 2021 and who have been unable to return home within the 26 week temporary absence period it may now be considered that the absence is or was due to circumstances beyond the applicant's control that they could not reasonably have foreseen before departure. This means that a debt would not be established for the period of absence.

Superannuitants may also apply for portable payments under section 27 of the NZSRIA. Clients will need to provide up-to-date information regarding their travel circumstances, what their original plans were, and their attempts to secure flights and an MIQ place. It should be noted that even if a person's prolonged absence is considered to be out of their control and was reasonably unforeseeable, payment of standard NZS past 26 weeks is not possible under section 22 of the NZSRIA and portable payments will instead need to be made under section 27.

In order to ensure people are aware of this reconsideration, MSD is proactively reaching out to people who have already sought advice on their situation to let them know about the decision relating to people who went to Australia during the travel bubble. For those who have not received advice on their situation, the usual MSD processes will be used to assess their circumstances. Individuals will continue to be considered on a case-by-case basis. MSD issued a media release outlining this view and is updating websites to ensure the public is aware of this change. The Office for Seniors has also advised people who contacted them of the change.

Officials understand that 3,364 NZS/VP clients departed New Zealand between 19 April (the start of the Trans-Tasman bubble) and 14 September 2021. This is based on a data match of clients from information held by Customs. We do not know how many of these clients are currently in Australia.

There are major caveats to this data. It is unclear if these clients departed for migratory or visitor purposes and we cannot identify which countries clients departed for. It is possible a number of these clients may have returned to New Zealand, but that their return was missed in the data match process. It is also not clear from this data how many clients are located in Australia and are experiencing hardship due to being unable to return to New Zealand.

As superannuitants are not required to advise MSD of absences overseas of up to 26 weeks information held by MSD is largely ad-hoc. There are no centralised records of absence information, any information would be stored on individual client records.

Contact: Lynne Cousins, Manager International Policy

Out of Scope

Out of Scope

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Data Request- Payment of New Zealand Superannuation to Superannuitants Overseas

Key Information

- The Retirement Commissioner requested further information on the data MSD holds around superannuitants that have gone overseas during the COVID-19 pandemic.
- MSD's International Policy team have met with the Retirement Commissioner's advisors, and discussed that much of the requested information is unfeasible to collect.
- The table below contains a breakdown of the information available to MSD, with appropriate caveats outlined where this has occurred.
- This information, where possible, has been broken down month-by-month. In some cases, the data has been provided for the total time period in order to protect clients' privacy where the figure is small enough to identify them.
- MSD will provide information relating to the Retirement Commissioner's secondary data request (i.e. for the time period of 1 January 2022-1 March 2022) in due course.

Request	Available Information <i>For the two year period of 1 January 2020 – 31 December, broken down by month where possible.</i>
1. <i>Apart from reconsidering the trans-Tasman bubble closure, as advised in your letter of 8 October 2021, has there been any policy change to acknowledge the effect of the long term border closure on the income of stranded superannuitants (or beneficiaries)? If so, what is the change?</i>	1. MSD has continuously monitored the evolving circumstances for superannuitants stranded overseas due to COVID-19, and has supported clients within the legislative framework available to MSD. It is important to note that the 8 October announcement was an operational matter, and did not involve a policy change.
2. <i>How many superannuitants had their pensions stopped at 26 weeks or more while overseas</i> a. <i>What countries were they in?</i> b. <i>What was the main reason for the pension suspension?</i>	2. 6,735 pension were stopped as the client had "left New Zealand" (Appendix One). a: We are unable to determine which country they were in, as this information is held on individual client records and would require manual review of each clients' records. b: Of these, 882 were cancelled and 5,850 were suspended at any one point during the two year period. It is understood that many of the suspensions would have been continued at a later stage. MSD is unable to provide you with data of clients who have been unable to return to New Zealand due to border restrictions. MSD records when Superannuation payments are cancelled or suspended due to a client leaving New Zealand, but the reasons why clients may leave New Zealand or be unable to return are recorded on individual client files. As such, the Ministry has provided you with data that covers all NZS recipients who had their payments cancelled or suspended due to leaving New Zealand, but is unable to break this down further to show what they were specifically affected by, such as MIQ restrictions or permanent migration.
3. <i>How many superannuitants overseas had their pensions extended past 26 weeks?</i> a. <i>What countries were they in?</i> b. <i>How long on average were pensions extended? (or why were they ultimately ceased?)</i> c. <i>What was the main reason for the pension extension?</i> d. <i>Were they all then classified as receiving portable pensions? If not, what were the different categories?</i>	3. 10,872 applications for portable payments were granted for superannuitants who applied under s27 of the NZSRIA 2001. a) Appendix Two provides a breakdown of the available data. b) We are unable to determine how long clients were on portable payment, as this information is held on individual client records and would require manual review of each clients' records. Some clients may also still be receiving portable payments. c) We are unable to provide the main reason for the 10,872 individual grants portable payment, as this information is held on individual client records and would require manual review of each clients' records. d) This data only reflects clients who were granted portable payments, and does not include other methods of payment or payment under a Social Security Agreement.
4. <i>How many superannuitants had repayment demands issued after 30 weeks away?</i> a. <i>What countries were they in?</i> b. <i>What was the main reason for the demand for repayment?</i> c. <i>Is this higher than in previous periods? By how much?</i> d. <i>What percentage, or how many, have repaid?</i>	4. We are unable to provide you with this data, as this information is held on individual client records and would require manual review of each clients' records.
5. <i>How many appeals about these pension suspensions or repayment demands were reconsidered through internal review?</i> a. <i>How many were successful/unsuccessful?</i>	5. 174 requests for review have been received in regard to the temporary absence provisions. In order to protect the privacy of natural persons, we are unable to provide certain data as the figure is small and may disclose the identity of a client and their circumstances.

	<p>a) 131 cases upheld, either partially or in full, the initial decision.</p> <p>b) 26 cases overturned the initial decision.</p> <p>c) The remaining cases were either:</p> <ul style="list-style-type: none"> - Withdrawn prior to completion of the internal review; or - Are currently in the internal review process;
<p>6. How many appeals on these pension suspensions or repayment demands were made to the Benefits Review Committee?</p> <p>a. How many were successful/unsuccessful?</p>	<p>6. Of the 131 cases that were either upheld or partially upheld at the internal review:</p> <p>a) 79 cases are currently in the BRC process</p> <p>b) 21 cases were withdrawn prior to a BRC decision</p> <p>c) 27 cases were upheld by a BRC</p> <p>d) The remaining cases either:</p> <ul style="list-style-type: none"> - Had the Committee decline to hear the case out of time; - Were overturned by the Committee; or - Were partially upheld by the Committee.
<p>7. How many appeals on these pension suspensions or repayment demands were made to the Social Security Review Authority?</p>	<p>7. In order to protect the privacy of natural persons, we are unable to provide this data as the figure is small and may disclose the identity of a client and their circumstances.</p>

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Appendix One

Table 1: The number of NZ Superannuation and Veteran's Pension cancellations and suspensions for reason 'Left New Zealand' in the calendar year 2020 to 2021

Month	Cancellations	Suspensions	Total
January 2020	33	219	252
February 2020	30	216	246
March 2020	21	168	189
April 2020	30	177	201
May 2020	33	168	201
June 2020	24	108	135
July 2020	36	192	228
August 2020	36	165	207
September 2020	33	108	141
October 2020	33	174	207
November 2020	33	60	93
December 2020	33	123	156
January 2021	30	93	120
February 2021	39	102	138
March 2021	48	120	168
April 2021	27	264	291
May 2021	72	633	705
June 2021	51	264	315
July 2021	39	252	291
August 2021	24	222	246
September 2021	51	318	372
October 2021	39	414	450
November 2021	42	510	552
December 2021	51	777	828
Total	882	5,850	6,735

Appendix Two

Table 2: Portability grants of NZ Superannuation and Veterans Pension for 2020 to 2021

Country	Totals
Australia	9,594
Canada	96
China, Peoples Republic of	24
Cook Islands	249
Fiji	21
India	27
Ireland	21
Niue	33
Philippines	27
Samoa, Western	45
Sri Lanka	12
Taiwan	33
Thailand	54
United States of America	45
the Netherlands	126

The following countries are locations where a client was granted portable payment. In order to protect clients' privacy, we cannot provide figures as the data is small and may disclose the clients' identity and circumstances:

Albania, Argentina, Barbados, Brazil, Bulgaria, Cambodia, Chile, Colombia, Croatia, Denmark, France, Gambia, Germany, Ghana, Greece, Guernsey, Hong Kong, Hungary, Indonesia, Italy, Japan, Kenya, Republic of Korea, The Former Yugoslav Republic of Macedonia, Malaysia, Mauritius, Mexico, New Caledonia, Nigeria, Norway, Papua New Guinea, Peru, Pitcairn, Poland, Portugal, Russian Federation, Serbia, Singapore, Slovenia, Republic of South Africa, Spain, Switzerland, Tahiti, Tokelau, Tonga, Turkey, Ukraine, United Arab Emirates, United Kingdom, Vanuatu, Vietnam, Zimbabwe.