



17 December 2024

Tēnā koe

Thank you for your email of 25 November 2024, requesting information about asset testing for main benefit applications.

I have considered your request under the Official Information Act 1982 (the Act).

Main benefits are income tested and generally not asset tested. It is important to note that for certain main benefits applied for under hardship grounds, there is also an asset test, for example for the Emergency Benefit, or for Jobseeker Support on Hardship grounds. You can read about the cash asset test for these two forms of main benefit at the following links:

[www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/client-in-hardship-01.html](http://www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/client-in-hardship-01.html)

[www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/hardship-criteria-01.html](http://www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/hardship-criteria-01.html).

However, as part of the income test, even for forms of assistance that do not require an asset test, the Ministry of Social Development (the Ministry) may request information about a client's assets under the Social Security Act 2018 to assess whether an applicant for a benefit has deprived themselves of income, property, or both, either directly or indirectly:

[www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784837.html](http://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784837.html)

Deprivation means someone has changed their financial arrangements to put themselves at a financial disadvantage, which has led to them qualifying for assistance or assistance at a higher rate. There are several key points:

- Applying deprivation is discretionary, not mandatory in every case.
- Applying deprivation allows a benefit to be declined, reduced, or cancelled.
- Deprivation can apply where a person has rearranged their financial position to qualify for a benefit or increased rate of benefit, regardless of whether this was intentional or not.
- The act of deprivation must result in the person qualifying for any income or asset tested assistance payable under the Social Security Act 2018 or an increased rate of payment.

To know whether someone has deprived themselves of income, we need to know whether someone has:

- Had the potential to have assets in and/or income from a Trust

- Formed a trust before applying for a benefit using funds they could have supported themselves with

The Trust does not need to be the person's own Trust.

To read further about income from assets, please see the following map link: [www.workandincome.govt.nz/map/income-support/core-policy/income/definition-of-income/income-from-assets.html](http://www.workandincome.govt.nz/map/income-support/core-policy/income/definition-of-income/income-from-assets.html).

This is why the application form for a main benefit includes a question that checks whether a person has a Trust, or the potential to have assets in and/or income from a Trust.

In regard to question three of your request, the Ministry does not intend to review or amend the WINZ R03 June 2024 form.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with my decision on your request, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

pp.



Magnus O'Neill  
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