



3 July 2024

Tēnā koe

### **Official Information Act request**

Thank you for your email of 31 May 2024, requesting the following information on the Ministry of Social Development (the Ministry)'s current policies and guidance on supporting clients with third party debts.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below. For the sake of clarity, I will respond to each of your requests in turn.

- 1. **Third party debts:** please provide a copy of all current policies and guidance on supporting clients with third party debts. Specifically, we are interested in how MSD can support clients who have a high interest debt when they are unable to keep up with the repayments. Can they get an advance to pay this off?*

There is no financial assistance available to settle a third-party debt in full.

Special Needs Grants and Advance Payments of Benefit are available to eligible people who have an emergency or immediate need for an essential item or service. However, an existing debt would not meet this criterion, as the item or service has already been acquired.

Temporary Additional Support is available to eligible people who cannot meet certain essential costs from their income or any other source. This includes regular repayments for an essential household item such as a dryer, or vehicle that was acquired through a consumer credit contract, revolving credit contract, or other agreed period payment agreement. Temporary Additional Support is paid weekly for a maximum of 13 weeks; it cannot be paid in a lump sum.

Further information about Temporary Additional Support can be found at the following links:

[www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/qualifications.html](http://www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/qualifications.html)

[www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/allowable-costs-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/allowable-costs-01.html)

In situations where this Ministry may be compelled to deduct payments to recover external debt to other agencies, the Ministry of Justice (MOJ) has the authority to impose a civil attachment order on a main benefit, to meet outstanding court fines or to pay a creditor. An attachment order requires an employer or Work and Income (i.e. when such an order is made against a main benefit recipient) to deduct a specified amount or percentage from a judgement debtor's salary, wages, or benefit. MOJ is responsible for making decisions regarding the granting of a civil debt recovery order. But either party – i.e., the debtor or creditor – can apply to MOJ to vary, suspend, or cancel that order.

More information about attachment orders can be found on MOJ's website, here: [www.justice.govt.nz/fines/about-civil-debt/collect-civil-debt/attachment-orders/](http://www.justice.govt.nz/fines/about-civil-debt/collect-civil-debt/attachment-orders/).

While responsibility for the imposition, variation, or cancellation of an attachment order lies with MOJ, the Ministry has protocols for benefit redirections made in accordance with such an order. These protocols relate to a prescribed rate of protected earnings and determining the priority of various types of benefit redirection.

Case managers must not make deductions of more than 40 percent of the client's net income, and child support payments take precedence over all other reasons for a benefit deduction, including a civil attachment order. This is because clients have 60 percent of their net income protected by law, and certain types of redirections (such as child support) take priority when a benefit recipient is subject to multiple orders and redirections.

The priority of redirection types is as follows:

- Child Support deductions made under the Child Support Act 1991.
- Inland Revenue tax deductions.
- Work and Income debt repayments including Liable Parent Contributions, child maintenance debts and Major Repairs Advances.
- Attachment orders made under the Family Proceedings Act 1980.
- Court attachment orders made under the Summary Proceedings Act 1957 – Court Fines.
- Court attachment orders issued under the District Courts Act 2016 – Civil Attachment Orders.
- Student Loan repayments.

Where a benefit recipient has more than one order on their record, it is sometimes necessary to determine the priority of those deductions. If the amount of the deductions needs to be reduced, in accordance with the protected earnings rule, then adjustments are made to the lowest priority deduction type first.

The Ministry does not have the authority to consider a challenge to a court attachment order, but our staff are responsible for advising MOJ if, for any reason, we are unable to load a deduction onto a client's file or a discrepancy or error has

been identified. Furthermore, staff are instructed to advise clients suffering undue hardship because of the amount of an attachment order that they should contact the Registrar of the District Court for a reassessment of the payment rate or cancellation of the order. Out of concern for the client's right to privacy, however, Ministry staff would not usually contact MOJ about such a client directly, but rather encourage that client to contact MOJ themselves.

More information about the Ministry's protocols regarding attachment orders can be found here: [www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/changes-and-reviews-accommodation-supplement/court-attachment-orders-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/changes-and-reviews-accommodation-supplement/court-attachment-orders-01.html).

**2. Identification documents and Minimum Processing Standards:**  
*please outline the legal authority MSD relies on when determining the minimum identity documentation requirements.*

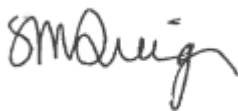
The Ministry is required to ensure that it has verified the identity of a person approved to receive a benefit, so we aren't paying a benefit to the wrong person. Therefore, our minimum identification requirements are set to ensure the Ministry can verify a client's identity to the appropriate standard. The standard might be different between clients depending on the situation, for example, a new or low trust client might require a higher standard, but this is determined by the Ministry internally at an operational level, rather than set by any legislation.

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  
**General Manager**  
**Ministerial and Executive Services**