



27 June 2024

Tēnā koe

Official Information Act request

Thank you for your email of 30 May 2024, with a series of requests about how the Ministry of Social Development (the Ministry) calculates the net rate of income for the Temporary Accommodation Support (TAS).

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 your queries in the order you raised them.

- 1. Please supply the information on how MSD calculates the net rate of income for Temporary Additional Support when a client is in receipt of UK private pensions, ACC Weekly Compensation, Supported Living payment and Family Tax Credit paid by IRD at the end of the financial year as a lump sum.*

Chargeable income for TAS is any income or earnings (after tax or ACC levies) the client or partner are getting, before any deductions or attachment orders for debt, liability, sanction, penalty, child support payments or student loan repayments. You can view more information about what is chargeable income on the Ministry's website, here: www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/chargeable-income-01.html.

United Kingdom private pensions

Private overseas pensions are treated as chargeable income for benefit purposes – albeit income that needs to be converted into New Zealand dollars. United Kingdom private pensions are not taxed in the United Kingdom. Clients pay tax on these pensions to Inland Revenue by submitting an Individual income tax return - IR3 at the end of each financial year as they are a New Zealand tax resident. The amount of private overseas pension the client received during the year, converted into New Zealand Dollars, is chargeable income for TAS.

ACC weekly compensation

ACC weekly compensation is administered by ACC. The net rate of ACC weekly compensation is chargeable income for TAS. More information about these payments is available on the ACC website:

www.acc.co.nz/im-injured/financial-support/weekly-compensation/receiving-weekly-compensation.

Supported Living Payment

Supported Living Payment (SLP) is paid at a net rate after tax at the 'M' rate and this rate is chargeable income for TAS. The current SLP rates, as at 1 April 2024, can be viewed here: www.workandincome.govt.nz/map/deskfile/main-benefits-rates/supported-living-payment-current.html.

Family Tax Credit

Family Tax credits paid at the end of the financial year are assessed and paid by Inland Revenue based on the client's actual income. More information about Family Tax Credits is on Inland Revenue's website at the following links:

www.ird.govt.nz/-/media/project/ir/home/documents/forms-and-guides/ir200---ir299/ir271/ir271-2025.pdf?modified=20240418033346&modified=20240418033346.

www.ird.govt.nz/income-tax/income-tax-for-individuals/tax-codes-and-tax-rates-for-individuals/tax-rates-for-individuals.

When a client gets Family Tax Credits paid as a lump sum at the end of the tax year, an estimate of the amount they would get if it were paid on a weekly basis will need to be included as chargeable income for TAS.

You can view the Ministry's guidance on estimating a client's weekly Working for Families Tax Credits at the following links:

www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/year-end-working-for-families-tax-credits-01.html.

www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/estimating-weekly-working-for-families-tax-credits-01.html.

- 2. Please supply the information on how Work and Income would do a review once the client has provided that they received less than the rate of \$139.04 per week for Family Tax Credit with one dependent child.*

If the actual amount of Family Tax Credits differs from an estimate given, the rate of TAS should be reviewed. More information about when a client has a change in income can be found here:

www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/changes-and-reviews-temporary-additional-support/change-in-income-01.html.

Information about how the Ministry calculates the rate of payment for TAS is available on our website here: www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/calculating-the-rate-of-payment-01.html.

- 3. Please supply the information on how the Work and Income computer determines the tax rate in line with NZ's progressive tax rates.*

The Ministry determines the tax rate in line with New Zealand's progressive tax rates and is guided by advice on Inland Revenue's website, which is available here: www.ird.govt.nz/income-tax/income-tax-for-individuals/tax-codes-and-tax-rates-for-individuals/tax-rates-for-individuals.

- 4. Please supply the information on whether Work and Income produces a letter each time a client's income changes and the ministries obligation to inform a client when they make a change to payments.*

A letter is generated by SWIFTT when the income is added, and the benefit is reassessed.

- 5. Please supply the information on whether a letter is generated in myMSD when income changes.*

MyMSD does not generate any letters however a client can view a digital copy of the letter generated by SWIFTT. If the client has noted their preferred contact as 'Online Services' a physical letter is not sent however if they have chosen to receive a physical letter, a digital copy is also available in MyMSD.

- 6. Please also supply the information, detailing once a client's GP has supplied a medical review for SLP and the new date has been entered on the system, what way Work and Income would inform a client that their SLP has been approved for a further 2 years before another medical is required.*

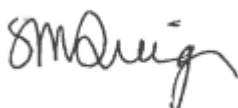
A letter is not issued for a medical extension unless SLP was not current at the time the Ministry received the medical review.

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.

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 or 0800 802 602.

Ngā mihi nui

pp. 

Magnus O'Neill
General Manager
Ministerial and Executive Services