



24 February 2025

Tēnā koe

### **Official Information Act request**

Thank you for your email of 25 January 2025, requesting data regarding the number of Sole Parent Support recipients whose benefit rate was reduced due to employment.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

To answer your request, please find the attached **Appendix: Number of Sole Parent Support recipients with earnings declared as at the end of December 2024**, containing the following tables:

- **Table One:** Number of current working age Sole Parent Support clients with employment earnings declared as at end of December 2024.
- **Table Two:** Number of cancellations of working age Sole Parent Support clients due to Obtained Work during 1 January to 31 December 2024, by quarter.

It may be helpful if I include some general information about the Ministry of Social Development's (the Ministry's) policy settings on Sole Parent Support (SPS).

There is a range of financial assistance available, from both the Ministry and Inland Revenue, to assist families on low incomes, including sole parents who are employed. Financial assistance for sole parents does not automatically stop when their hours of employment increase.

A client who has income charged weekly can receive up to \$160 per week before their income will affect their benefit. Clients who receive over \$160 per week:

- Income between \$160 and \$250 per week – their benefit is reduced by 30 cents for each \$1.00 of income.
- Income over \$250 per week – their benefit is reduced by 70 cents for every \$1.00 of income.

As shown above, abatement thresholds for SPS are graduated, meaning that financial assistance decreases at a lower rate for earnings between \$160 and \$250 gross per week. The reason for this is to incentivise sole parents to work part-time

while recognising that full-time work may not be possible when you are the sole carer of a child.

A person on SPS faces the highest abatement rate (70 percent) when they earn over \$250 gross per week. The reason for the higher abatement rate for earnings over \$250 is to incentivise a person to eventually come off the benefit. This policy setting works alongside other financial support that becomes available for eligible people on low incomes once SPS assistance has fully abated.

Once a person stops receiving a main benefit, such as SPS, they may be eligible for the Minimum Family Tax Credit (MFTC) and the In-Work Tax Credit (IWTC), which are both paid by Inland Revenue. The MFTC is an income and work-tested payment for families who have children, do not receive a main benefit and who work a minimum number of hours a week. For sole parents, the minimum amount of work per week is 20 hours at the minimum wage. The payment works to 'top up' the income of low-income families to ensure they are better off in work than receiving a benefit.

In addition, the IWTC is an income tested payment for parents with dependent children, to encourage parents into work by providing a boost to their earned income. You can find more information about assistance available for people who are working and raising a family here: [www.workandincome.govt.nz/products/a-z-benefits/working-for-families.html](http://www.workandincome.govt.nz/products/a-z-benefits/working-for-families.html).

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.



Anna Graham  
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