



4 September 2025

Tēnā koe

Official Information Act request

Thank you for your email of 10 August 2025, requesting information about policy on Chinese Social Insurance pension deductions from Superannuation.

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

- *Can I request the details of information of your policy which how to deduct the Chinese Social Insurance Pension from SNZ according to Official Information Act?*

Any payment that meets the criteria of an 'overseas pension' under section 187 of the Social Security Act 2018 (the Act) must reduce the rate of payment of a New Zealand benefit. In practice, this means that for every one dollar a person receives from an overseas pension that meets section 187 of the Act, their New Zealand payment is reduced by one dollar. This process is known as "direct deduction." The direct deduction policy has been part of New Zealand law since 1938.

Section 187 of the Act states that a payment that meets the following criteria is considered an overseas pension:

- forms part of an overseas programme that provides pensions, benefits, and periodical allowances for any of the circumstances for which New Zealand benefits and pensions would be paid (including old age, invalidity, death of a spouse); and
- is administered by or on behalf of the Government of the country from which the pension, benefit or periodical allowance originates; and
- excludes an overseas pension or any part of it that has been gained from voluntary contributions made by the person.

In 2022, the Ministry made a thorough assessment of the Chinese pension system drawing primarily on information from the Organisation for Economic Cooperation and Development (OECD) and the International Social Security Association (ISSA). Our conclusion from that assessment was that 1997 was when China started to have a pension that meets the criteria of 'overseas pension' outlined in sections 187 – 191 of the Act. The Ministry has monitored this development, with an assessment being made that only the Urban Employees' Pension meets the

required criteria for the direct deduction policy. This pension has been subject to the direct deduction policy from 1 July 2022.

Only main New Zealand benefits granted after 1 July 2022 would be subject to direct deduction, as this is the earliest date from which individuals would simultaneously be:

- eligible for payments under the Chinese Urban Employees' Pension, which started in 1997 and has a 15-year minimum contribution period for entitlement; and
- could be entitled to New Zealand Superannuation, which at the time of decision required 10 years residence in New Zealand.

Assessments of other pensions from China are ongoing.

A similar request for official information was published on the Ministry's website last year, which you can find here: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2024/december/19122024-information-about-direct-deductions-to-chinese-pensions-from-new-zealand-superannuation.pdf.

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

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Anna Graham
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