



Total Incomes technical documentation

August 2026

Introduction

The need for a detailed and regular view of beneficiary incomes, including changes over time and for different family types, was highlighted in the 2019 Welfare Expert Advisory Group (WEAG) report. Recommendation 5 of the WEAG report¹ stated that the Ministry of Social Development (MSD) should begin annually reporting on key outcomes for those interacting with the welfare system, including information on after-tax, and abatement earnings.

It noted a range of possible measures, including that MSD should report on:

"...after-tax and abatement earnings for those receiving financial support from Inland Revenue or the Ministry of Social Development by ethnicity, gender, location, health conditions and disabilities, and number and age of dependent children (0–17 years)."

In response to this recommendation, MSD developed a new dataset that outlines the full range of financial support main benefit clients receive. This dataset includes client base benefit payment, supplementary assistance and other ad hoc grants, financial support from Inland Revenue, and any reported earnings. The dataset also accounts for housing costs and other deductions, like debt repayments to MSD.

MSD also began producing an annual report to accompany, and expound on this dataset – the Total Incomes annual Report. The following document provides technical information for the Total Incomes annual Report.

Glossary

Term	Definition
First-tier main benefits	
Jobseeker Support Work-Ready (JS - WR)	A weekly benefit paid while clients look for work, or are in training for work.
Jobseeker Support - Health Condition or Disability (JS - HCD)	A weekly benefit paid to clients who are unable to work due to a health condition, injury or disability.
Sole Parent Support (SPS)	A person is entitled to this benefit if they do not have a partner, and have at least one dependent child aged under 14 years. In the case of shared custody, only the parent with the greater parenting responsibilities can be paid SPS.
Supported Living Payment (SLP)	A weekly payment to support people who have, or are caring for someone with, a health condition, injury or disability that severely restricts their capacity to work in the long term.

¹ WEAG report found here: <http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf>



Youth Payment (YP)	This benefit supports young people (16-17 years) without children, who cannot live with their parents or guardians, and are not supported by them or anyone else.
Young Parent Payment (YPP)	People are entitled to this benefit if they are aged 16-19 years and have dependent children, whether they are single or partnered. People may still be supported by their parents if they are receiving this payment and are under 18; however, there is a parental income test in these cases.
Second-tier supplementary benefits	
Accommodation Supplement (AS)	An income and asset tested weekly payment that assists with a client's accommodation costs. This supplementary payment is available to both people receiving main benefits, and those working on low and middle incomes, to help with costs from the private housing market. It is regulated as a partial contribution to families' housing costs, and calculated according to accommodation costs, income, assets, type of tenancy, family status, and residential region.
Income-Related Rent Subsidy (IRRS)	An income and asset tested subsidy available to people in public housing (which includes properties provided by both Housing New Zealand and community housing providers). The subsidy (paid to housing providers) means that these tenants pay an Income-Related Rent, which limits the amount of rent they pay to, generally, no more than 25 percent of their net (after-tax) income.
Winter Energy Payment (WEP)	A subsidy paid alongside the client's main benefit between the months of May and October, to support eligible clients to meet their household heating costs. The rate paid depends on whether clients have children, are single, married, or in a civil union or de facto relationship.
Temporary Additional Support (TAS)	Additional financial assistance available for a maximum of 13 weeks. Temporary Additional Support (TAS) is paid as a last resort to help clients with regular essential living costs that cannot be met by their chargeable income and / or other resources. A client does not have to be receiving a main benefit to qualify for TAS.
Third-tier hardship benefits	



Special Needs Grant (SNG)	One-off recoverable, or non-recoverable financial assistance paid to clients to meet immediate needs or emergency costs if they are unable to pay for it through other means. A client does not have to be receiving a main benefit to qualify for a SNG. Civil Defence Payments are no longer included as part of this payment for the purposes of the 2025 Total Incomes report.
Other terms	
Family Tax Credit (FTC)	Income-tested tax credits to provide ongoing financial support for families with children, including those receiving main benefits. People receiving main benefits can choose to receive their Family Tax Credit (FTC) through MSD (along with their benefits and any other payments) or from Inland Revenue. Although FTC is paid regardless of income source, the amount a client receives depends on their family situation.
Best Start Tax Credit (BSTC)	A universal payment to support families with children in the first year of children's lives. For the second and third years of children's lives the payment is targeted to low- and middle-income families. Best Start Tax Credit (BSTC) starts after any paid parental leave payments from Inland Revenue (IR). It is also available to carers of children receiving Orphans Benefit, Unsupported Child Benefit or Flexible Childcare Assistance. People receiving main benefits can choose to receive their BSTC through MSD or from IR.
Orphans Benefit and Unsupported Childs Benefit (OB/UCB)	This payment provides income support to the caregiver of a child whose parents cannot support them.
Housing terms	
Emergency Housing	A housing grant of last resort to provide assistance for clients with an immediate emergency housing need.
Residential Support Subsidy	Payment made by the Ministry of Health for people with physical, sensory, intellectual, or psychiatric disabilities, or disabling chronic health conditions who are receiving residential support services.
Public Housing/ Public Housing Register	Public Housing is a subsidised rent scheme for clients with low incomes. Clients pay a proportion of their income towards rent, and the rest is covered by the subsidy. The Public Housing Register is a waitlist for a public housing tenancy.



The dataset

The Total Incomes dataset was built using MSD administrative data, and covers families receiving an income-tested main benefit from 2006 onwards. By necessity, some values are estimated, such as tax credits paid by IRD, and tax. Extract dates are the end of quarter from 2006 to 2017, and end of month from January 2018 onwards.

Please note that because some of the datasets included do not go back as far as 2006, care needs to be taken with analysis over time. For example, the earliest date in the public housing data is in August 2015, and for emergency housing the earliest date is 2016. Additionally, numbers may be retroactively adjusted if there are changes in methodology. All changes made for the purposes of the 2025 report are outlined as part of this documentation.

The data includes families² where at least one person is receiving an income-tested main benefit. For post-welfare reform these benefits include:

- Jobseeker Support (JS)
- Sole Parent Support (SPS)
- Supporting Living Payment (SLP)
- Youth Payment (YP)
- Young Parent Payment (YPP)
- Emergency Benefit (EB)
- Other³

Clients not receiving a main benefit or New Zealand Superannuation / Veteran's Pension could be included in the data if they are the partner of a client receiving main benefit.

Each record on the dataset corresponds to an individual. A family that includes two people known to MSD will have two records on the dataset regardless of their apportionment indicator⁴. By including both members of the couple, we ensure that analysis by ethnicity, gender, and other characteristics is not biased towards the primary client. People have a client weight of 1, as they represent themselves as a single person. Each person also has a family weight, where they represent a part of the family. The family weight will sum to 1 across all members.

Family composition

A family is comprised of the client, their partner and any dependent children. A family will also include orphans and unsupported children for the client or the partner where the service status for OB/UCB is current. As the total incomes dataset is based on the number of families supported by a main benefit rather than the number of individual clients, these figures will differ from official statistics.

² Families are defined in this document as: couples with two or more children, sole parents with two or more children, couples with one child, sole parents with one child, couples (no children), and single clients (no children).

³ The 'other' category includes Supported Living Payment Overseas, Widows Benefit Overseas, Sole Parent Support Overseas, Emergency Maintenance Allowance, and Jobseeker Support Student Hardship.

⁴ Term used by MSD to identify how a client's main benefit is split with their partner; benefit could either be paid to the client or split equally with their partner.



Furthermore, the Total Incomes dataset is based on MSD's administrative definition of families, which considers a main client, their partner, and any dependent children. There may be multiple families included within one household – for example multi-generational households with more than one main benefit recipient. This reporting approach also differs from the child poverty measurement⁵, which is based on households rather than families.

Equivalence scale

Since larger families will tend to have higher income, we need to scale their income so that it can be compared against the income of smaller families. To achieve this, income should be divided by the appropriate value from an equivalence scale to get equivalised income.

There are many equivalence scales available. For this dataset and report we have used the OECD modified scale for equivalising income before housing costs between different sized families. Note that the scale would normally apply to households and not families. The scale is calculated as follows:

- 1.0 for first adult
- 0.5 for subsequent family members aged 14 and over
- 0.3 for every child aged under 14.

This report uses the single person family as the reference family, i.e., a single person unit has an equivalence scale value of 1.0. The choice of reference affects the numerical value of equivalised income but makes no difference to any of the distributional, inequality and low-income analyses conducted.

For example, a single person on JS might get \$443.50 in main benefit and AS, while a couple with one child aged 4 on JS might get \$899.34 in main benefit, FTC and AS. Since the equivalence scale value for the couple and their child is 1.8, their equivalised income is calculated as $\$899.34 / 1.8 = \499.64 .

We use an alternative scale⁶ for comparing income After Housing Costs (AHC). This is because, for each additional person being added to a family, the costs of housing an additional person is not expected to be as large as group expenditure on things such as food or utilities. The scale we employed is used in the United Kingdom's Households Below Average Income reports, and reflects the more limited scope for economies of scale for adults in non-accommodation costs. The scale is calculated as follows:

- 1.0 for first adult
- 0.72 for subsequent family members aged 14 and over
- 0.34 for every child aged under 14.

⁵ Find information on the child poverty measure here: <https://www.stats.govt.nz/infographics/how-we-measure-child-poverty/>

⁶ Find the alternative scale here: <https://www.stats.govt.nz/methods/measuring-child-poverty-equivalence-scale>



For the above example, if the family had rent of \$300 per week, then their AHC income would be \$599.34, and their equivalence scale value is 2.06. As such, their equivalised income AHC is calculated as $\$599.34 / 2.06 = \290.94 .

Reliability

Administrative data on client details is subject to a level of error, as it can be reliant on self-reported information. A data validation exercise of the Total Incomes dataset within the Stats NZ Integrated Data Infrastructure confirmed most outputs can be similarly reproduced, with the exception of client's reported income, and partnership status, both of which may be undercounted in our data.



Income

Results presented in this paper are based on data up to the end of April 2025, and show a snapshot of weekly income.⁷

Before and after housing costs income

Income before housing costs is the sum of:

- Reported Client Earnings (after tax and ACC earners levy)
- MSD Income (main benefit and supplementary assistance)
- IRD Income (tax credits)

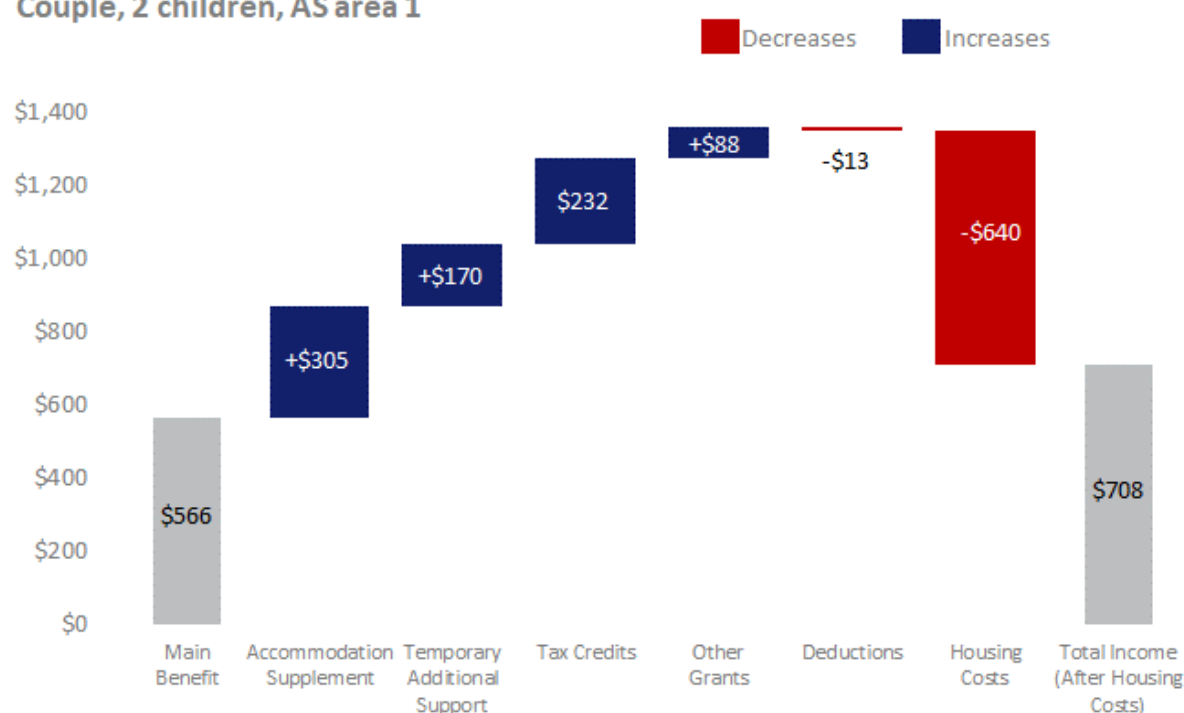
Less:

- Child support payments
- MSD debt recovery
- MSD collections
- Payments to residential care provider

Figure 1: Example of an AHC total income calculation for a family of four

Jobseeker Support

Couple, 2 children, AS area 1



⁷ Except for Special Needs Grants (SNGs), Recoverable Assistance Payments, and Advance Payment of Benefit, for which we use the average of the prior 12 weeks to account for the more ad hoc nature of these payments. In some cases, this could result in total incomes being higher than what they would be across a different time-period, if the number of SNGs received within that 12-week period was particularly high. We include recoverable payments, because we also include offsets to income in the form of debt repayments to MSD.



The total income is representative of the entire family's income. Income after housing costs is equal to income before housing costs but with housing costs deducted. If housing costs are unknown, then we use the Accommodation Supplement entry threshold as a proxy, which may result in a potential underestimation of housing costs for these clients.

The Emergency Housing contribution is counted as a housing cost although, in practice, the client does not pay this in the same way as income related rent for public housing. Specifically, a recoverable grant is raised by MSD for the contribution, then a payment is deducted from the client's benefit to pay off the debt.

Income from MSD also includes recoverable and non-recoverable grants. To smooth out the data, we have used the average weekly amount for the last 12 weeks prior to extraction. Note that we have excluded Emergency Housing grants since repayment occurs as a deduction from benefit soon after the grant is raised.

Income is included for the partner, regardless of their benefit type, and whether they are current, suspended or expired. Personal incomes of children are not included in this data.

The public housing data includes details of some board payments, but this is not counted as income for the family. This is done to achieve consistency with AS clients, where we do not know about any board they might receive. The Income Related Rent could be offset by board payments, but again this would not be consistent with AS.

Parent estate income has been excluded since is not counted towards income.

Income tax and ACC earners' levy

Subtracted from client income are estimates for income tax and ACC earners' levy. Income tax is calculated on all sources of client income, but ACC earners' levy is only calculated on earnings.

Income tax and ACC earners' levy are calculated individually for each client. If a client is on benefit, we calculate tax at the secondary rate.

MSD assistance

MSD payments for main benefits and supplementary assistance are all given on a weekly basis⁸. Note that the rule only includes payments for current clients, and when the payment is effective. The dataset includes payments made to the client and their partner.

MSD supplementary assistance includes:

- Accommodation Supplement
- Temporary Additional Support
- Special Benefit

⁸ Except for New Zealand Superannuation (NZS) payments and Veteran Payments (VP), which are paid fortnightly.



- Winter Energy Payment
- Hardship grants:
 - Recoverable grants
 - Non-recoverable grants
- Other Assistance⁹:
 - Away From Home Allowance
 - Miscellaneous Subsidy¹⁰
 - Training Incentive Allowance
 - Orphans and Unsupported Childs Benefit
 - Special Disability Allowance
 - Special Transfer Allowance
 - Blind Subsidy
 - Work Bonus
 - Training Incentive Allowance Pre-enrolment Fee
 - Clothing Allowance
 - Special Transfer Allowance

Also included are Orphans and Unsupported Childs Benefits, as well as supplementary assistance on behalf of those children. Hardship grants are added up for the previous 12 weeks based on the date of the grant, then the average for those 12 weeks is calculated and used in the dataset. This includes grants made to the client and their partner.

Some forms of MSD supplementary assistance are not included in total incomes. These are:

- Child Disability Allowance
- Disability Allowance
- Childcare Assistance

This is because these payments are provided for a specific purpose on an ongoing basis, but we do not account for associated costs in our definition of total incomes. Therefore, including them could artificially inflate total incomes for recipients.

Tax credits

The following tax credits are included as income:

- Family Tax Credit (FTC) - Where MSD pays FTC to clients, we have used the rate recorded. Otherwise, if the client has children but is not receiving FTC from MSD, then we have estimated the amount based on the ages of the children. Note that this estimate does not account for share care, and thus over-estimates FTC for some families. For non-beneficiaries, FTC could be subject to abatement if their income is high enough; again, the abatement is estimated. Note that we have not estimated FTC for OB/UCB children. If a client is paid FTC by MSD for OB/UCB children, then it will be included in our data. Otherwise, it will not.

⁹ Some of these payments may be historical.

¹⁰ Note that miscellaneous subsidy includes many different payments, including Covid Income Relief Payment and Early Learning Payment. We have not attempted to distinguish these payments from one another.



- Best Start Tax Credit (BSTC) - Where MSD pays BSTC to clients, we have used the rate recorded. However, if the client has children but is not receiving BSTC from MSD, then we have estimated the amount based on the ages of the children. Note that this estimate does not account for share care, and thus over-estimates BSTC for some families. It also does not account for some children born prior to 1st July 2018, though they are eligible because of their due date.

Income in real terms

To enable us to compare income over time, we need to account for either inflation, or earnings growth. This dataset re-weights income to real terms using the Consumer price index (CPI) excluding housing, with a base of March 2025. Information on CPI is made publicly available on the Stats NZ website¹¹, under Non-Standard All Groups Less/Plus Selected Groupings, named "All groups less housing".

We have used this approach, rather than indexing to the Stats NZ Household Living-costs Price Index (HLPI) Beneficiary index, as this is consistent with the Household Income Report¹² and because the HLPI Beneficiary index is not available before 2008.

Outgoings

Outgoings that are included in the data are:

- Sanctions
- Housing costs
- MSD debt recovery
- MSD collections
- Child support payments (multiple payments for the same period are combined and will include payments made by the client and their partner)
- Payments to service providers for the cost of care.

Outgoings that are not included are:

- Ministry of Justice fines
- Private debt recovery
- Arrears / damages payments to Kāinga Ora
- Student loan payments
- Inland Revenue payments
- Utility payments.

Child support deductions are treated as a reduced income support payment because they are like statutory reductions in benefit payments. Other direct deductions, such as Ministry of Justice fines, are not counted because they are more like other expenses that people might pay out of their income. Some people might go into overdraft and pay off a fine or debt, rather than having it direct deducted.

¹¹ CPI information can be found on the Stats NZ website here: <https://infoshare.stats.govt.nz/>

¹² Find household income reports here: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html>



Debt offset

Debt to MSD can be recovered by offsetting against main benefit payments and Accommodation Supplement. With client permission, debt can also be recovered against Disability Allowance, Special Benefit, Temporary Assistance and the Winter Energy Payment.

The rates of main benefit and supplementary assistance paid to the client used here are calculated from MSD data. These rates are before any offset of debt, so we must identify any debt offset separately. Within a family, it will include MSD debt collection for the primary client and their partner.

Note that while the recommended maximum recovery rate for clients currently receiving income support is set at no more than \$40.00 a week, the client can volunteer to pay more.

Housing

Sources of housing data

A housing type indicator and housing costs are needed for each family. To get these we have used data from multiple administrative sources to minimise the number of families where housing is unknown.

Sources of housing data include:

- Accommodation Supplement
- Emergency Housing
- Public Housing
- Residential Support Subsidy
- Hospital Rate and Living at Home
- Living Overseas.

We do not have access to data on transitional housing at this stage. Families and individuals stay in transitional housing for an average of 12 weeks or more while they are being assisted in finding more permanent housing.

More than one housing type

A consequence of using multiple sources of housing data is that some families appear to be in multiple different housing types. The main reasons for this include:

- Family violence causing the client to seek emergency housing whilst in Public Housing, or in receipt of Accommodation Supplement.
- Independent data sources leading to some inconsistencies.
- Timing issues. For example, a client may receive an emergency housing grant for 21 days, but then are granted public housing 7 days into their tenancy.

To overcome this, we have developed a set of rules that prioritise some housing types over others. Note that this could cause some valid reasons for certain housing types to

be ignored. Housing type is first identified on an individual basis, then this dataset combines type on a family basis. When someone is in more than one household, their role in the household prioritises the household type they are assigned, with priority given to signatory statuses.

Priority rules on individual basis

Since some sources are more robust than others, these are the ones that are prioritised. Where there is more than one possible housing type for a person, we keep the housing type with the highest priority.

Table 1. Housing prioritisation list

Priority	Housing
1 (Highest)	Accommodation Supplement (Current)
2	Public Housing Signatory
3	Emergency Housing Non-Contracted
4	Residential Care
5	Public Housing Boarder
6	Public Housing Other
7	Living Overseas
8	Emergency Housing Contracted (identified via Public Housing Register)
9	Accommodation Supplement (Suspended)
10	Accommodation Supplement (Expired)
11	Hospital Rate
12	Living at Home
13	Public Housing Register
14 (Lowest)	Accommodation Supplement (Declined)

What happens when couples have a mixture of housing?

For couples, we first identify housing type for both people:

- If housing is known for only one person in the couple, then we assume that it applies for the couple.
- If housing is the same for both people in the couple, then we add up the housing costs for both.
- If housing is different, then a set of rules denote which applies, and what housing costs should be used.

When there are different housing types



1. If one person is a Public Housing Signatory, and the other is in Public Housing, then classify as Public Housing Signatory and sum both of their housing costs.
2. If one person is a current AS client and the other is not, then classify as current AS client, and only include the housing costs of the AS client.
3. If one person is a Public Housing Boarder, and the other is a Public Housing non-signatory tenants, then classify as Public Housing boarder, and only include the housing costs of the boarder (note the other tenant should not have any housing costs recorded).
4. Classify family as in mixed housing and sum their costs.

When housing is unknown

If a family is not receiving any form of housing assistance it could be for many reasons. For example:

- The family may be ineligible (due to, for example, cash assets).
- The family may be homeless.
- The family may be unaware that they are eligible.
- The family's housing costs are too low.

For this analysis, in cases where costs are unknown (around 16 percent of clients of beneficiary families as at the end of April 2025), Accommodation Supplement entry thresholds are used as a proxy for their potential housing costs. This approach reflects our best estimate of housing costs, but will not be accurate in all cases, and may understate actual costs. This is because at the AS entry threshold, the client would not be eligible for the accommodation supplement.

Accommodation cost

Accommodation costs may include rent, board or home ownership costs. Home ownership costs generally include mortgage repayments (interest and principal), body corporate fees, water rates, local authority rates, house insurances; as well as other costs that can be claimed for.

Housing costs can vary substantially depending on people's living situation.

- Low-income people living in private rentals can access AS which provides a partial contribution to housing costs based on factors such as where they live, and how much their rental costs are.
- People living in Public Housing are supported by the Income-Related Rent Subsidy (IRRS), which generally limits the amount of rent they pay to no more than 25 percent of their income¹³.
- Similarly, from 2020, people living in Emergency / Transitional Housing have generally been required to pay a contribution of 25 percent of their income.

Accommodation costs are adjusted for boarders who are our clients.

¹³ Some IRRS clients with high incomes (above NZ Superannuation) pay 50 percent per dollar after that point.



The Income Related Rent Subsidy (IRRS) is available at the household level. However, this work is based on families and individuals, rather than households; so, it is necessary to split across the signatories. Tenants in a public housing property are grouped into household units. The rent is divided amongst the signatories equally, everyone else (excluding boarders) are assumed to pay no rent. If a tenant is a boarder in the household, then we can use the recorded amount paid for that individual. The data does not adjust for the number of signatories in households to account for records removed when someone is in more than one household.

Clients in hospital are assumed to have no accommodation costs, except in the circumstance where they are known through AS, Public Housing signatory, or Public Housing board payments.

Client details

Additional client details are available for analysis such as: family type, benefit, ethnicity, gender, age, location, housing type, and age of youngest child.

Ethnicity

For this report, we have used the total response¹⁴ ethnicity methodology. This means that when a person identifies with more than one ethnicity, they are counted within each ethnicity group (e.g., a person may be counted as both European and Māori). As some people have multiple recorded ethnicities, this will result in the sum of ethnicities being greater than the total number of people within each cohort.

Location

Information on client location is provided at the regional council level. Location information can be converted to different location measures, as areas have been grouped from the meshblock level. Not all clients have data on their location, so additional processing was done to add meshblock data based on available information. There are still some clients who do not have any information available for their location.

Changes since the previous report

This year, Hardship Grants have been restricted to Special Need Grants, Recoverable Assistance payments and Benefit Advances.

Civil Defence, Work Start, Funeral, Transition to Work and Course participation Assistance grants are no longer included as part of clients' total incomes.

Additionally, there were changes in the data collection methodology, improving the accuracy with client housing costs, geographic information, debt balances and Working for Families Tax credit estimation.

¹⁴ Find information on MSD's total response ethnicity approach here: <https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-report-ethnicity.html>



General information

Random rounding

All counts provided in the additional fact sheets have been randomly rounded to base 3, in alignment with MSD guidelines¹⁵. Information has been rounded independently, which may result in small differences in numbers between total incomes reports. Procedures such as this allow additional protection of client information, while making more data available.

¹⁵ Find and explanation of MSD's rounding practices here: <https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-keep-data-private.html>