

# House of Representatives

## Amendment Paper

### Social Security (Benefits Adjustment) and Income Tax (Minimum Family Tax Credit) Amendment Bill

#### *Proposed amendments*

Ricardo Menéndez March, in Committee, to move the following amendments:

#### *Clause 5*

In *clause 5*, after *subclause (1)* (page 2, after line 13), insert:

(1A) Replace section 453(1) with:

- (1) The rates of benefits set out in the provisions to which this subsection applies must be adjusted, by Order in Council, as at 1 April each year so that in each case the new rate is the rate at that date adjusted by the larger of the following:
- (a) any percentage movement upwards in the CPI between—
    - (i) the CPI for the quarter ended with 31 December 1 year before the immediately preceding 31 December; and
    - (ii) the CPI for the quarter ended with the immediately preceding 31 December; or
  - (b) any percentage movement upwards in average ordinary time weekly earnings between—
    - (i) average ordinary time weekly earnings, expressed on a base quarter, last published before 1 March in that year; and
    - (ii) average ordinary time weekly earnings expressed on the same base quarter of the year immediately preceding the year of the base quarter referred to in **subparagraph (i)**.

In *clause 5*, after *subclause (2)* (page 2, after line 36), insert:

(3) Replace section 453(6) with:

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(6) In this section,—

**average ordinary time weekly earnings** means average ordinary time weekly earnings (per full-time equivalent) as determined by the QES (after the deduction of standard tax, and the earner levies, payable as at 1 April of the following year, on those earnings)

**CPI** means the Consumers Price Index (all groups) published by Statistics New Zealand or, if that index ceases to be published, any measure certified by the Government Statistician as being equivalent to that index

**earner levies** means the levies payable under section 219(1) of the Accident Compensation Act 2001

**QES** means the Quarterly Employment Survey of wages published (as original, or revised, statistics) by Statistics New Zealand or, if that survey ceases to be published, any measure certified by the Government Statistician as being equivalent to that survey

**standard tax** means the amount of tax reckoned on a weekly basis that would be deductible in accordance with the tax code “M” stated in schedule 5, part A, clause 4, table row 1 of the Tax Administration Act 1994.

### **Explanatory note**

This Amendment Paper amends the Social Security (Benefits Adjustment) and Income Tax (Minimum Family Tax Credit) Amendment Bill.