

Child Support (Pass On) Acts Amendment Bill

Government Bill

Explanatory note

General policy statement

Overview

This Bill seeks to ensure that beneficiaries receiving a sole parent rate of main benefit are not treated differently than other beneficiaries. The Bill does that by “passing on” (paying) child support payments to beneficiaries receiving a sole parent rate of main benefit on and after **1 July 2023**, and requiring the Ministry of Social Development (**MSD**) to treat these payments as income when determining entitlement to a benefit or other assistance.

Estimated general effect

Approximately 41,550 sole parent families will receive, on average, \$65 per week of child support income, with a median gain of \$24 per week.

Following the abatement of income-tested financial assistance, those families will gain overall by an average of \$47 per week, with a median gain of \$20 per week.

It is estimated that child support pass on will reduce child poverty by around 6,000 (+/-3,000) children on the fixed-line AHC50 measure, and by around 10,000 (+/-4,000) children on the BHC50 measure in the 2023/24 financial year.

Current law

Parents and carers who are receiving a sole parent rate of main benefit or unsupported child’s benefit (**UCB**) are defined as social security beneficiaries in the Child Support Act 1991.

They are currently required to apply to the Inland Revenue Department (**Inland Revenue**) for a formula assessment of child support.

Child support payments are collected by Inland Revenue on their behalf and are retained by the Government to offset the cost of their main benefit or UCB. Once the

full cost of their benefit has been offset, child support payments in excess of that full cost are paid out to them.

Under current law, excess child support payments are generally not treated as income by MSD when determining the sole parent's entitlement to a main benefit. But the excess is taken into account by MSD for determining entitlements to other assistance, such as temporary additional support, special benefit, and childcare assistance.

However, other beneficiaries (such as repartnered beneficiaries) are not required to apply for formula-assessed child support. If they do, child support payments are passed on in full and the payments are treated as income under the Social Security Act 2018 for the purposes of determining entitlement to a benefit or other assistance.

Bill removes different treatment for most sole parent beneficiaries

Current law settings create inequity and inconsistency between how beneficiaries receiving a sole parent rate of main benefit and other beneficiaries are treated in the welfare system.

To correct this inequity and inconsistency, this Bill proposes to—

- remove the obligation for beneficiaries on a sole parent rate of main benefit to apply to have child support assessed and paid through Inland Revenue:
- pass on any child support payments paid through Inland Revenue to beneficiaries receiving a sole parent rate of main benefit:
- treat child support as income when determining entitlement to a benefit or other assistance.

Those proposals will provide consistent treatment of child support payments as income under the Social Security Act 2018 for beneficiaries receiving a sole parent rate of main benefit and other beneficiaries.

Those changes will apply on and after **1 July 2023**.

Those changes will not, however, apply to recipients of the UCB. That exception is due to other work being led by Oranga Tamariki—Ministry for Children to reform the system of financial assistance and support for caregivers.

Child support payments will be income for benefits or other assistance

Those proposals will introduce new income-charging rules that are specific to child support payments relating to periods on or after **1 July 2023** (referred to in the Bill as information share child support payments). Along with the automated charging of child support payments as income, these new rules will enable efficient and effective administration of child support payments in the benefit system.

The general income-charging rules will be applied for some child support payments, for example, child support a person receives for earlier periods or court-ordered lump sums payable under section 109 of the Child Support Act 1991.

If a person receives child support but it is not received as a cash amount (for example, offset child support),¹ that child support will not be treated as income when determining entitlement to a benefit or other assistance under the Social Security Act 2018.

Temporary additional support and special benefit

Related to the proposals outlined above, this Bill also proposes that formula-assessed child support liability will be treated as an allowable cost for temporary additional support.

This proposal will allow for formula-assessed child support to be claimed as an allowable cost when applying for temporary additional support, to help people with the cost of their child support liability.

Any existing clients receiving temporary additional support on **1 July 2023** will be able to have these costs backdated for up to a 13-week period (to either **1 July 2023**, or when they were assessed as being liable to pay child support, whichever is later).

Additional amendments will also be made to the Ministerial Direction in relation to special benefit. Those amendments will be made to give effect to relevant Cabinet decisions, and to create consistency with changes to temporary additional support.

Information sharing and use of automated electronic systems

Child support payment information relating to periods on and after **1 July 2023** will be shared by Inland Revenue with MSD and matched with MSD clients. Using this information, MSD will automate charging of child support payments as income when determining entitlement to any benefit or other assistance payable under the Social Security Act 2018. Information sharing between Inland Revenue and MSD will occur under the Approved Information Sharing Agreement between those agencies.

Those arrangements will remove the need for clients with child support administered by Inland Revenue (excluding recipients of the UCB) to declare as income all the child support payments that they receive, so reducing the compliance burden for clients, and improving the consistency and accuracy of income charging. However, if a beneficiary thinks an error has occurred, they are still required to tell MSD and have this reviewed (under specified grounds for review of whether a person's payment is or was their weekly income).

Other related amendments

The other policies proposed in this Bill support Inland Revenue's administration of child support and enable MSD to treat child support payments as income for a benefit or other assistance.

¹ For example, if Sam owes Alex \$120 of child support and Alex owes Sam \$100 of child support, Sam only has to pay Alex \$20 and Alex pays nothing as \$100 of child support has been offset. Despite having an interest in the \$120 and \$100 respectively, only Alex will have \$20 charged as income for benefit purposes.

The Public and Community Housing Management Act 1992 and regulations made under it are also amended by this Bill to better align what is child support income for income-related rents with what is child support income for benefits or other assistance payable under the Social Security Act 2018.

Omnibus Bill

This Bill is an omnibus Bill that amends the following child support legislation and related legislation:

Child support legislation

- Child Support Act 1991:
- Child Support Rules 1992:
- Family Court Rules 2002:

Related legislation

- Social Security Act 2018:
- Social Security Regulations 2018:
- Public and Community Housing Management Act 1992:
- Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018.

This omnibus Bill to amend more than one Act may be introduced under Standing Order 267(1)(a).

That is because the amendments in this Bill deal with an interrelated topic that can be regarded as implementing a single broad policy.

The interrelated topic is child support that is administered under the Child Support Act 1991, which a liable parent must pay to a receiving carer who is a recipient of a benefit or other assistance.

The single broad policy is to ensure that beneficiaries receiving a sole parent rate of main benefit are not treated differently than other beneficiaries. The Bill does that by—

- removing the obligation for beneficiaries receiving a sole parent rate of main benefit to apply to have child support assessed and paid through Inland Revenue:
- requiring Inland Revenue to “pass on” (pay), to beneficiaries receiving a sole parent rate of main benefit, payments of that child support (instead of, as under current law, Inland Revenue having to make deductions from those child support payments to offset the cost of the main benefit):
- requiring MSD to treat those payments as income for a benefit (for example, a main benefit) or other assistance (for example, income-related rents):
- making related changes to provisions on administration of, income-charging for, income or cash assets exemptions for, deprivation of income or property for, allowable costs for, stand downs for, abatement of, debts that are overpay-

ments of, and reviews of, a benefit (for example, a main benefit) or other assistance (for example, income-related rents).

Departmental disclosure statement

The Inland Revenue Department and the Ministry of Social Development are required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2023&no=241>

Regulatory impact statements

The Inland Revenue Department and the Ministry of Social Development produced regulatory impact statements on 16 March 2022 and 17 November 2022 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

Copies of those regulatory impact statements can be found at—

- www.taxpolicy.ird.govt.nz/publications/2023/2023-ris-cs-pass-on
- <http://www.taxpolicy.ird.govt.nz/publications/2023/2023-ris-cs-pass-on-addendum>
- <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/regulatory-impact-statements/binder1.pdf>
- <https://msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2023/Passing-on-Child-Support-to-Sole-Parent-Beneficiaries-phased-implementation.html>
- <https://treasury.govt.nz/publications/informationreleases/ris>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 relates to commencement. This Bill, if enacted, comes into force on **1 July 2023**.

Part 1

Amendments to child support legislation

Subpart 1—Amendments to Child Support Act 1991

Principal Act

Subpart 1 of Part 1 makes the following amendments to the Child Support Act 1991.

Definitions

In section 2(1), the definition of COVID-19 New Zealanders Stranded Overseas Support Programme is repealed as spent. That programme expired on 31 August 2021. It is also no longer mentioned in *new sections 9 and 142* and section 35A(2)(b) (as those provisions are inserted or amended by this Bill).

Section 2(1) defines a social security beneficiary as a person who is in receipt of a social security benefit.

The current definition of social security benefit covers only specified benefits or assistance, for children or sole parents, under the Social Security Act 2018.

A new definition of social security benefit is inserted in section 2(1). The new definition covers any benefit as defined in Schedule 2 of the Social Security Act 2018.

A UCB beneficiary, in respect of a child, is defined in section 2(1) as a person who is in receipt of an unsupported child's benefit for the child. An unsupported child's benefit is also defined as a benefit under section 46 of the Social Security Act 2018.

Liability to pay child support under formula assessment

Section 9 is replaced so that only UCB beneficiaries (not all social security beneficiaries as currently defined) must apply for a formula assessment of child support.

References to social security beneficiaries and benefits

Other provisions that currently apply to social security beneficiaries as currently defined are amended so that they apply only to UCB beneficiaries.

Some provisions (such as section 131) are adjusted to confirm that they apply to any benefit as defined in Schedule 2 of the Social Security Act 2018.

Payment of financial support

Section 141 requires money received by the Commissioner by way of child support in respect of a qualifying child, if the receiving carer of that child is not a recipient of a social security benefit (as currently defined in section 2(1)), to be paid to the receiving carer in accordance with Part 9 (payment of financial support).

New section 141, in contrast, applies to money received by the Commissioner if—

- the money is by way of child support in respect of a qualifying child; and
- the receiving carer of that child is not a UCB beneficiary for that child.

New section 141 requires that money to be paid to the receiving carer in accordance with Part 9.

Sections 142 and 143 require the Commissioner to pay formula assessment child support and voluntary agreement child support to receiving carers who are social security beneficiaries (as currently defined) after deducting specified amounts (including the net of tax amount of social security benefit, as currently defined, receivable by the receiving carer).

New sections 142 and 143, in contrast, apply only to UCB beneficiaries and refer to deductions equal to the net of tax amount of unsupported child's benefit payable to the receiving carer.

Application, transitional, and savings provisions

Schedule 1 contains application, transitional, and savings provisions.

Schedule 1 is amended to insert a new Part about the amendments made by this Bill.

The new Part contains the following new clauses:

- *new clause 29*, which makes clear the application of amendments:
- *new clause 30*, which is a saving of old section 96Y(2)(a) for proceedings in respect of pre-commencement child support:
- *new clause 31*, which is a saving of old section 122 for a proceeding relating to a pre-commencement period:
- *new clause 32*, which makes it clear that *new clauses 29 to 31* may be added to or displaced by transitional provisions or savings provisions prescribed by regulations made under *new clause 98(1) of Schedule 1* of the Social Security Act 2018.

Subpart 2—Amendments to Child Support Rules 1992

Subpart 2 of Part 1 amends the Child Support Rules 1992.

Rules, words, and prescribed forms related to an urgent maintenance order under section 116 of the Child Support Act 1991 are revoked or amended. The revocations or amendments are necessary or desirable because that section was repealed, on 1 April 2021, by section 39 of the Child Support Amendment Act 2021.

Subpart 3—Amendments to Family Court Rules 2002

Subpart 3 of Part 1 amends the Family Court Rules 2002.

Rules, words, and prescribed forms related to an urgent maintenance order under section 116 of the Child Support Act 1991 are revoked or amended. The revocations or amendments are necessary or desirable because that section was repealed, on 1 April 2021, by section 39 of the Child Support Amendment Act 2021.

Part 2

Amendments to other legislation

Subpart 1—Amendments to Social Security Act 2018

Principal Act

Subpart 1 of Part 2 makes the following amendments to the Social Security Act 2018.

Obligations

In Part 3 (obligations), section 113(1) requires a beneficiary to without delay notify MSD of a change in the beneficiary's circumstances if—

- the change affects the beneficiary's entitlement to receive a benefit; or
- the change affects the rate of a benefit the beneficiary receives.

The Bill amends section 113 to make clear what a beneficiary may do to comply with section 113(1) for a change in the beneficiary's circumstances that is receipt by the beneficiary of an information share child support payment.

An information share child support payment (as defined in Schedule 2 as amended by the Bill), for a person, means money received by the person that is child support that is—

- paid to the person by direct credit to a bank account nominated by the person under section 148 of the Child Support Act 1991; and
- notified to MSD under an approved information sharing agreement (as defined in section 138 of the Privacy Act 2020) between—
 - the Inland Revenue Department (as the department responsible for the administration of the Child Support Act 1991); and
 - the responsible department (as the department responsible for the administration of provisions of the Social Security Act 2018); and
- not a non-information share child support payment (as defined in Schedule 2 as amended by the Bill).

New section 113(4) makes it clear that a beneficiary's obligation under section 113(1) is satisfied for a change in a beneficiary's circumstances that is receipt by the beneficiary of an information share child support payment if—

- MSD is notified of the payment under an approved information sharing agreement; and
- MSD has in some way notified the beneficiary of the income charging of the payment under Schedule 3 (*see* the examples given in *new section 113(5)*); and
- the beneficiary notifies MSD without delay of a change in the beneficiary's circumstances that is or may be all or any of the review grounds specified in *new section 304A(1)(a) to (g)* for the purposes of *new section 304(1A)*.

New section 113(5) gives, for the purposes of *new section 113(4)(b)*, examples of MSD in some way notifying the beneficiary of the income charging of the information share child support payment under Schedule 3. The examples include MSD notifying the beneficiary—

- that information share child support payments are, or will be, charged as income of the beneficiary under Schedule 3; or
- of a change in amounts or timing of information share child support payments; or

- of a change in how information share child support payments are charged as income of the beneficiary under Schedule 3.

New section 113(6) makes it clear that, for the purposes of *new section 113(4)(c)*, the review grounds specified in *new section 304A(1)(a) to (g)* for the purposes of *new section 304(1A)* include, without limitation, any 1 or more additional grounds prescribed, for the purposes of *new section 304A(1)(g)*, by regulations made under *new section 418(1)(ja)*.

Administration

In Part 6 (administration), *new section 304(1A)* is inserted so that MSD may review under subpart 3 of Part 6 whether a person's information share child support payment is or was all or any of their weekly income, but only on all or any of the review grounds specified in *new section 304A(1)(a to (g))*.

New section 304(1B) makes it clear that, for the purposes of *new section 304(1A)*, the review grounds specified in *new section 304A(1)(a) to (g)* for the purposes of *new section 304(1A)* include, without limitation, any 1 or more additional grounds prescribed, for the purposes of *new section 304A(1)(g)*, by regulations made under *new section 418(1)(ja)*.

New section 304A(1) specifies, for the purposes of *new section 304(1A)*, grounds for a review under subpart 3 of Part 6 of whether a person's information share child support payment is or was their weekly income. Those grounds include any 1 or more additional grounds prescribed, for the purposes of *new section 304A(1)(g)*, by regulations made under *new section 418(1)(ja)*.

Also in Part 6 (administration), *new section 296(da)* and *new subpart 5A* (which includes *new sections 363A to 363D*) are inserted on the use of automated electronic systems by a specified person to make decisions, exercise powers, comply with obligations, or take related actions under any specified provision.

New section 363A(2) defines the terms specified person and specified provision.

New section 363A(3) requires the specified provision to be about how an information share child support payment is or affects any person's assets, income, or other means of any kind (however described), for the purposes of, or for any purpose related to, a benefit, or any assistance under the Social Security Act 2018.

Transitional, savings, and related provisions

Schedule 1 contains transitional, savings, and related provisions.

Schedule 1 is amended to insert a new Part about the amendments made by this Bill.

The new Part contains the following new clauses:

- *new clause 95*, which makes clear the application of amendments:
- *new clause 96*, which requires MSD to exclude as income specified child support notified to MSD:

- *new clause 97*, which requires MSD to ensure that a beneficiary's allowable costs for temporary additional support or special benefit during a specified period include certain child support liability:
- *new clause 98*, which is a power to make regulations prescribing transitional provisions, savings provisions, or both, related to amendments made by this Bill to the Child Support Act 1991, Social Security Act 2018, or Public and Community Housing Management Act 1992.

New clause 98 of Schedule 1 allows regulations to be made only if the relevant Minister is satisfied that the regulations are reasonably necessary for specified transitional or savings purposes. Provisions prescribed by the regulations may be in addition to or instead of specified clauses inserted in the relevant Act by the Bill. The regulations cannot be made after, and are revoked by *new clause 98* at, the start of **1 July 2026**. *New clause 98* is based on clause 68 of Schedule 1 of the Social Security Act 2018. *New clause 98* is framed in line with relevant principles, stated in reports of the Regulations Review Committee and recognised in guidelines of the Legislation Design Advisory Committee, for transitional regulations that override primary legislation. The amendments this Bill makes are very complex, and they affect thousands of people. *New clause 98* helps to ensure an orderly and workable transition to those amendments being brought into operation.

Dictionary

Schedule 2 is the dictionary that defines terms used in the Act.

Schedule 2 is amended to insert new definitions related to the amendments to Schedule 3.

Income and liabilities

Part 2 of Schedule 3 contains provisions defining income for the purposes of the Act (*see also* the definition of income in Schedule 2).

New clause 7A of Schedule 3 is an overview of how child support may be income for the purposes of the Act.

Clause 8(m) of Schedule 3 currently excludes from income any money received by the Commissioner of Inland Revenue by way of child support which is not required to be paid to the person under the Child Support Act 1991.

Clause 8(n) of Schedule 3 currently excludes from income any money received by the Commissioner of Inland Revenue by way of child support which is paid to the person under section 142 of the Child Support Act 1991.

By contrast,—

- *new clause 8(m)* excludes from income any child support that is an interest acquired (for example, an interest acquired that is an offset child support payment, or an interest acquired by way of any child support debt recovery by reduced further payments of child support):

- *new clause 8(n)* excludes from income a child support deduction for a receiving carer who is a UCB beneficiary (as those terms are defined in Schedule 2 as amended by the Bill):
- *new clause 8(na)* excludes from income a child support excess payment (which includes, without limitation, a mixed child support payment) (as those terms are defined in Schedule 2 as amended by the Bill).

General provisions on calculation of income

Part 3 of Schedule 3 is about calculation of income generally.

Clause 12 is amended to include in a person's annual income for the 52 weeks specified in clause 12(2) any information share child support payment that is charged as weekly income of the person under *new Part 3A of Schedule 3* for all or any of those weeks.

Special provisions on calculation of weekly income that is information share child support payment

New Part 3A of Schedule 3 is inserted, and sets out how a person's information share child support payment is all or any of the person's weekly income—

- for the rate of benefit; or
- as referred to in a specified provision (as defined in *new clause 15B*).

New Part 3A of Schedule 3 contains the following clauses:

- *new clause 15A* sets out the key steps in how a person's information share child support payment is charged as all or any of their weekly income:
- *new clause 15B* contains definitions of terms used in *new Part 3A*:
- *new clause 15C* sets out the meaning, in *new Part 3A*, of the deemed receipt of a person's information share child support payment:
- *new clauses 15E and 15F* set out general rules on when the payment is charged as income (whether the payment is an in-cycle payment or an out-of-cycle payment, as those 2 terms are defined in *new clause 15B*):
- *new clause 15G* contains an exception for a terminal benefit:
- *new clause 15H* contains another exception for a transfer to a new benefit that is paid in different instalments.

Deprivation of income or property

Part 4 of Schedule 3 is about deprivation of income, property, or both by a person.

Clause 16 of Schedule 3 authorises MSD, if satisfied that deprivation of that kind has occurred, to refuse to grant a benefit, cancel or reduce a benefit already granted, or grant a benefit at a reduced rate. Clause 16 of Schedule 3 is subject to rules made under clause 17 of Schedule 3.

Clause 17 of Schedule 3 is a power to make rules on how MSD determines deprivation of income or property.

Amendments are made to exclude, from deprivation of that kind for the purposes of clauses 16 and 17 of Schedule 3, specified conduct by an applicant for a benefit, or by the applicant's spouse or partner. The excluded specified conduct includes not applying for a formula assessment of child support payable in respect of a qualifying child under the Child Support Act 1991.

*Rates of benefits: abatement rates and income limits
for youth payment and young parent payment*

Schedule 4, Part 6, subpart 4 sets out abatement rates and income limits for youth payment and young parent payment.

Clauses 11 to 13 of Part 6 of Schedule 4 are replaced so that—

- *new clauses 11 and 12* confine the existing abatement regime to income other than information share child support payments; and
- *new clauses 11A and 12A* add a new, second-step abatement regime that—
 - applies only if an amount of youth payment or young parent payment is payable after complying with *new clause 11 or 12*; and
 - requires further abatement of that amount based on specified relevant weekly income, or specified relevant combined weekly income, that is information share child support payments, and that is income that exceeds specified thresholds of all weekly income or combined weekly income; and
 - does not state that no amount of youth payment or young parent payment or incentive payment is payable if the specified relevant weekly income, or specified relevant combined weekly income, exceeds a specified amount.

Subpart 2—Amendments to Social Security Regulations 2018

Principal regulations

Subpart 2 of Part 2 makes the following amendments to the Social Security Regulations 2018.

Childcare assistance

Regulation 20(1) is amended so that total income, for childcare assistance, includes income as defined in Part 2 of Schedule 3 of the Social Security Act 2018 (the **Act**). That income includes, without limitation, a payment that is weekly income of the caregiver under clauses 3 and 8 and *new Part 3A of Schedule 3* of the Act because it is an information share child support payment.

Regulation 20(1) is also amended so that total income, for childcare assistance, includes a child support excess payment, which includes, without limitation, a mixed child support payment (*see new clause 8(na) of Schedule 3 of the Act*).

Temporary additional support

New regulation 69(3)(f), and the related revocation of regulation 69(3)(h), ensure that a person's chargeable income, for temporary additional support, includes income as defined in Part 2 of Schedule 3 of the Act. That income includes, without limitation, a payment that is weekly income under clauses 3 and 8 and *new Part 3A of Schedule 3* of the Act because it is an information share child support payment.

New regulation 69(3)(fa), and the related revocation of regulation 69(3)(h), ensure that a person's chargeable income, for temporary additional support, includes a child support excess payment, which includes, without limitation, a mixed child support payment (*see new clause 8(na) of Schedule 3 of the Act*).

New regulation 71(3)(n) ensures that an applicant's allowable costs, for the purposes of temporary additional support, include any child support required to be paid by a person for the week concerned under a formula assessment under the Child Support Act 1991. That child support is included regardless of whether, and, if so, how that support must under that Act be paid to, or otherwise dealt with to improve the position of, a receiving carer.

Benefit stand down

In regulation 182, amendments are made to the definition of income for a stand-down period for a benefit (*see section 316 of the Act*).

One amendment excludes from that income any child support that is an interest acquired by the person (for example, an interest acquired that is an offset child support payment, or an interest acquired by way of any child support debt recovery by reduced further payments of child support).

The other amendment includes in that income any money received by the person that is child support and—

- is not a payment that is ordered by the Family Court under section 109 of the Child Support Act 1991 (orders for provision of child support in form of lump sum) and that MSD determines, under clause 3(b) of Schedule 3 of the Act, is an interest in capital received or acquired by the person; and
- may, but need not, be a child support excess payment (which includes, without limitation, a mixed child support payment) that, under *new clause 8(na) of Schedule 3* of the Act, is not income of the person; and
- may, but need not, be a payment that, under clause 9 of Schedule 3 of the Act and regulation 294 (income exemptions), is not income of the person; and
- is an information share child support payment or a non-information share child support payment.

Recovery of debt

New regulations 207(1)(aa) and 208A ensure that MSD cannot recover under the Act a sum comprising a debt, or that part of a debt, that was caused wholly or partly by a disruption to an automated electronic system.

New regulations 207(1)(ab) and 208B ensure that MSD cannot recover under the Act a sum comprising a debt, or that part of a debt, that was caused wholly or partly by a specified error identified through a review under *new section 304(1A)* of the Act of an information share child support payment.

Transitional, savings, and related provisions

Schedule 1 contains transitional, savings, and related provisions.

Schedule 1 is amended to insert a new Part about the amendments made by this Bill.

The new Part makes clear the application of amendments.

Cash assets and income exemptions: accommodation supplement

Schedule 8 is amended (*see clause 1, new item 23 and new Part 34*) to ensure that a child support payment (as defined in *new clause 59 of Schedule 8*) made to a person is not cash assets (for accommodation supplement) of the person for the weeks that, under *new Part 3A of Schedule 3* of the Act, the payment is charged as all or any of the weekly income of the person.

Schedule 8 is also amended (*see clause 1, new item 24 and new Part 34*) to ensure that a child support payment (as defined in *clause 59 of Schedule 8*) made to a person is not cash assets (for accommodation supplement) of the person for 28 days after those weeks. However, this exemption applies only if the person to whom the payment was made was in exceptional circumstances (as defined in *new clause 59 of Schedule 8*) at all or any times in those weeks.

Cash assets and income exemptions: temporary additional support

Schedule 8 is also amended (*see clause 2, new item 24 and new Part 34*) to ensure that a child support payment (as defined in *new clause 59 of Schedule 8*) made to a person is not cash assets (for temporary additional support) of the person for the weeks that, under *new Part 3A of Schedule 3* of the Act, the payment is charged as all or any of the weekly income of the person.

Schedule 8 is also amended (*see clause 2, new item 25 and new Part 34*) to ensure that a child support payment (as defined in *new clause 59 of Schedule 8*) made to a person is not cash assets (for temporary additional support) of the person for 28 days after those weeks. However, this exemption applies only if the person to whom the payment was made was in exceptional circumstances (as defined in *new clause 59 of Schedule 8*) at all or any times in those weeks.

Cash assets and income exemptions: exemption from income for purposes of Act: information share child support payments if transfer to new benefit paid in different instalments

Schedule 8 is also amended (*see clause 4, new item 29 and new Part 35*) to ensure that an information share child support payment specified in *new clause 61 of Schedule 8* made to a person is not income of the person for the purposes of the Act if—

- the person transfers to a new benefit paid in different instalments (from a benefit paid in instalments of 1 week's benefit to a benefit paid in instalments of 2 weeks' benefit, or vice versa); and
- the payment's deemed receipt is on or after the commencement date of the new benefit; and
- the payment starts to be charged as all or any of the weekly income of the person under *new Part 3A of Schedule 3* of the Act before the commencement date of the new benefit.

Subpart 3—Amendments to Public and Community Housing Management Act 1992

Principal Act

Subpart 3 of Part 2 makes the following amendments to the Public and Community Housing Management Act 1992.

Definitions

Section 2(1) is amended to insert a new definition of calculation mechanism. That term is used in provisions about calculating income-related rents. The new definition makes it clearer that, after the commencement of the regulations first made under section 114, that term—

- means sections 107 to 113 and the regulations for the time being in force under section 114; and therefore
- no longer includes the provisions of Schedule 2, which are spent provisions.

Deprivation of income, property, or both

Section 112 is about deprivation of income, property, or both, by an applicable person. Applicable person, as defined in section 2(1), in relation to any social housing,—

- means every person to whom the housing is or is to be let; and
- includes every person who is the spouse or partner of such a person.

Section 112 applies if the agency is satisfied that—

- an applicable person has directly or indirectly deprived himself or herself of any income or property; and

- as a consequence of the deprivation, an income-related rent of any social housing in respect of which the person is an applicable person is (or but for section 112 would be) lower than it would otherwise be.

If section 112 applies, the agency may treat the person's assessable income as having been increased to the extent the agency thinks necessary to reflect the deprivation, or any lesser extent.

Amendments are made to exclude, from deprivation of that kind, specified conduct. The excluded specified conduct includes not applying for a formula assessment of child support payable in respect of a qualifying child under the Child Support Act 1991.

Calculation mechanism: repeal of spent provisions

Schedule 2 is repealed because its provisions are spent.

Transitional, savings, and related provisions

Schedule 4 contains transitional, savings, and related provisions.

Schedule 4 is amended to insert a new Part about the amendments made by this Bill.

The new Part contains the following new clauses:

- *new clause 22*, which makes clear the application of amendments:
- *new clause 23*, which makes it clear that *new clause 22* may be added to or displaced by transitional provisions or savings provisions prescribed by regulations made under *new clause 98(1) of Schedule 1* of the Social Security Act 2018.

Subpart 4—Amendments to Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018

Principal regulations

Subpart 4 of Part 2 makes the following amendments to the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018.

Exclusions from weekly income for calculation mechanism for income-related rents

Regulation 14 excludes specified amounts or payments from a person's weekly income for the purpose of the calculation mechanism for income-related rents.

New regulation 14(a)(iii) makes it clear that a person's weekly income for that purpose does not include an amount or a payment excluded from a person's income by any of clause 8(b) to (j) and (m) to (p) of Schedule 3 of the Social Security Act 2018.

New regulation 14(a)(iii) also gives the following child-support-related examples of those excluded amounts or payments:

- in that *new clause 8(m)*, an amount of child support that is an interest acquired by the person (for example, an interest acquired that is an offset child support payment or an interest acquired by way of any child support debt recovery by reduced further payments of child support):
- in that *new clause 8(n)*, a child support deduction for a receiving carer who is a UCB beneficiary:
- in that *new clause 8(na)*, a child support excess payment (which includes, without limitation, a mixed child support payment).

Transitional, savings, and related provisions

The Schedule contains transitional, savings, and related provisions.

The Schedule is amended to insert a new Part about the amendments made by this Bill.

The new Part makes clear the application of amendments.

Hon Carmel Sepuloni

Child Support (Pass On) Acts Amendment Bill

Government Bill

Contents

		Page
1	Title	6
2	Commencement	6
Part 1		
Amendments to child support legislation		
Subpart 1—Amendments to Child Support Act 1991		
<i>Principal Act</i>		
3	Principal Act	6
<i>Definitions</i>		
4	Section 2 amended (Interpretation)	7
<i>Liability to pay child support under formula assessment</i>		
5	Section 9 replaced	7
9	UCB beneficiaries must apply for formula assessment	7
6	Section 12 amended (Deemed application by beneficiary)	9
7	Section 27 amended (Election by receiving carer to end formula assessment)	9
<i>Amount of child support payable under formula assessment made by Commissioner</i>		
8	Section 35A amended (Living allowance)	9
<i>Voluntary agreements</i>		
9	Section 50 amended (Exception where payee is social security beneficiary)	9

Child Support (Pass On) Acts Amendment Bill

<i>Exemptions</i>		
10	Section 89B amended (Definitions for this Part)	10
	<i>Departure from formula assessment of child support initiated by Commissioner</i>	
11	Section 96Y amended (Election by receiving carer or by liable parent to become party or discontinue proceedings)	10
	<i>Jurisdiction of courts in relation to child support and domestic maintenance</i>	
12	Section 122 replaced (Social security beneficiary to be compellable witness against liable parent)	10
122	UCB beneficiary is compellable witness against liable parent	10
<i>Collection of financial support</i>		
13	Section 131 amended (Social security beneficiaries to pay financial support by automatic deduction)	10
<i>Payment of financial support</i>		
14	Sections 141 to 143 replaced	11
141	Payment to receiving carers who are not UCB beneficiaries	11
142	Payment of formula assessment child support to receiving carers who are UCB beneficiaries	11
143	Payment of voluntary agreement child support to receiving carers who are UCB beneficiaries	12
15	Section 152B amended (Offsetting child support payments)	13
<i>Enforcement provisions</i>		
16	Section 179A amended (Waiver of right to payment)	13
17	Section 180 amended (Payee may uplift financial support debt)	13
18	Section 180A amended (Commissioner may write off benefit component of child support debt if receiving carer was social security beneficiary and recovery would cause serious hardship or be inefficient use of Commissioner's resources)	14
<i>Application, transitional, and savings provisions</i>		
19	Schedule 1 amended	14
	Subpart 2—Amendments to Child Support Rules 1992	
20	Principal rules	14
21	Rule 13 amended (Affidavit to accompany certain applications)	14
22	Rule 19 revoked (Declaration of financial means)	14
23	Schedule 1 amended	14
	Subpart 3—Amendments to Family Court Rules 2002	
24	Principal rules	14

Child Support (Pass On) Acts Amendment Bill

25	Rule 21 amended (Special rules relating to affidavits)	15
26	Rule 258 amended (Affidavits in support to be filed to make certain applications on notice)	15
27	Rule 260 revoked (Affidavit of financial means and their sources to be filed to make application under section 116 of Act)	15
28	Schedule 3 amended	15

Part 2

Amendments to other legislation

Subpart 1—Amendments to Social Security Act 2018

Principal Act

29	Principal Act	15
----	---------------	----

Obligations

30	Section 113 amended (Beneficiary must notify change of circumstances)	15
----	---	----

Administration

31	Section 296 amended (What this Part does)	16
32	Section 304 amended (Review of entitlement and rate payable)	16
33	New section 304A inserted (Grounds for review of whether person's information share child support payment is or was their weekly income)	17

304A	Grounds for review of whether person's information share child support payment is or was their weekly income	17
------	--	----

34	New subpart 5A of Part 6 inserted	18
----	-----------------------------------	----

Subpart 5A—Use of automated electronic systems in respect of information share child support payments

363A	Use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions	18
363B	Publication of details of arrangements for use of automated electronic systems	20
363C	Variation and substitution of decisions made by automated electronic systems	20
363D	Appeals and reviews unaffected	20

Other provisions

35	Section 418 amended (Regulations: general)	21
----	--	----

Transitional, savings, and related provisions

36	Schedule 1 amended	21
----	--------------------	----

Dictionary

37	Schedule 2 amended	21
----	--------------------	----

Child Support (Pass On) Acts Amendment Bill

Income and liabilities

38	Schedule 3, clause 1 amended (What this schedule does)	24
39	Schedule 3, new clause 7A inserted (Overview of how child support may be income)	25
7A	Overview of how child support may be income	25
40	Schedule 3, clause 8 amended (Income excludes specified benefits, etc)	26
41	Schedule 3, Part 3 heading amended	26

General provisions on calculation of income

42	Schedule 3, clause 11 amended (Interpretation)	27
43	Schedule 3, clause 12 amended (How annual income calculated)	27
44	Schedule 3, clause 13 amended (How weekly income calculated)	27
45	Schedule 3, clause 15 amended (Rules on how MSD determines income of people engaged in business or trade)	27

Special provisions on calculation of weekly income that is information share child support payment

46	New Part 3A of Schedule 3 inserted	27
----	------------------------------------	----

Part 3A		
Special provisions on calculation of weekly income that is information share child support payment		
<i>How payment is charged as weekly income</i>		
15A	How payment is charged as weekly income	28
<i>Definitions</i>		
15B	Interpretation	28
<i>Receipt</i>		
15C	Deemed receipt: general rule	29
15D	Deemed receipt: exception	30
<i>Payment charged as income: general rules</i>		
15E	When income charging starts: general rule	30
15F	When income charging ends: general rule	30
<i>Exceptions</i>		
15G	Terminal benefit	31
15H	Transfer to new benefit paid in different instalments	31

Deprivation of income or property

47	Schedule 3, clause 16 amended (Effect of deprivation of income or property)	32
48	Schedule 3, clause 17 amended (Rules on how MSD determines deprivation of income or property)	33

Child Support (Pass On) Acts Amendment Bill

	<i>Rates of benefits: abatement rates and income limits for youth payment and young parent payment</i>	
49	Schedule 4, Part 6 amended	33
	Subpart 2—Amendments to Social Security Regulations 2018	
	<i>Principal regulations</i>	
50	Principal regulations	34
	<i>Childcare assistance</i>	
51	Regulation 20 amended (Interpretation)	34
	<i>Temporary additional support</i>	
52	Regulation 69 amended (Chargeable income)	35
53	Regulation 71 amended (Allowable costs)	35
	<i>Benefit stand down</i>	
54	Regulation 182 amended (Period of benefit stand down: interpretation)	35
	<i>Recovery of debt</i>	
55	Regulation 207 amended (Exceptions to duty to recover debts)	36
56	New regulations 208A and 208B inserted	36
	208A Debts caused by disruption to automated electronic system	36
	208B Debts caused by specified errors identified through information share child support payment reviews	36
	<i>Transitional, savings, and related provisions</i>	
57	Schedule 1 amended	37
	<i>Cash assets and income exemptions</i>	
58	Schedule 8, clause 1 amended (Cash assets exemptions (for accommodation supplement))	37
59	Schedule 8, clause 2 amended (Cash assets exemptions (for temporary additional support))	37
60	Schedule 8, clause 4 amended (Income exemptions (for purposes of Act))	38
61	New Parts 34 and 35 of Schedule 8 inserted	38
	Subpart 3—Amendments to Public and Community Housing Management Act 1992	
	<i>Principal Act</i>	
62	Principal Act	41
	<i>Definitions</i>	
63	Section 2 amended (Interpretation)	41

	<i>Deprivation of income, property, or both</i>	
64	Section 112 amended (Assessable income may be adjusted in certain cases)	41
	<i>Calculation mechanism: repeal of spent provisions</i>	
65	Schedule 2 repealed	42
	<i>Transitional, savings, and related provisions</i>	
66	Schedule 4 amended	42
	Subpart 4—Amendments to Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018	
	<i>Principal regulations</i>	
67	Principal regulations	42
	<i>Exclusions from weekly income for calculation mechanism for income-related rents</i>	
68	Regulation 14 amended (Certain payments not to be income)	42
	<i>Transitional, savings, and related provisions</i>	
69	Schedule amended	43
	Schedule	44
	Transitional, savings, and related provisions	

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Child Support (Pass On) Acts Amendment Act **2023**.

2 Commencement

This Act comes into force on **1 July 2023**.

5

Part 1

Amendments to child support legislation

Subpart 1—Amendments to Child Support Act 1991

Principal Act

3 Principal Act

This Part amends the Child Support Act 1991.

10

*Definitions***4 Section 2 amended (Interpretation)**

(1) In section 2(1), repeal the definition of **COVID-19 New Zealanders Stranded Overseas Support Programme**.

(2) In section 2(1), replace the definition of **social security benefit** with: 5

social security benefit means any benefit as defined in Schedule 2 of the Social Security Act 2018

(3) In section 2(1), insert in their appropriate alphabetical order:

UCB beneficiary, in respect of a child, means a person who is in receipt of an unsupported child's benefit for the child 10

unsupported child's benefit means unsupported child's benefit under section 46 of the Social Security Act 2018

*Liability to pay child support under formula assessment***5 Section 9 replaced**

Replace section 9 with: 15

9 UCB beneficiaries must apply for formula assessment*Person to whom section applies*

(1) This section applies to a person who is a carer of a qualifying child (other than a child to whom section 8(2) applies) and—

(a) is a UCB beneficiary; and 20

(b) provides, or considers that the person provides, at least 35% of ongoing daily care to the child; and

(c) is not already a receiving carer in respect of the child (but *see subsection (4)*).

Person must apply for formula assessment 25

(2) A person to whom this section applies must apply for a formula assessment of child support in relation to every parent of the child unless **subsection (5)** applies.

When UCB beneficiary must make application for formula assessment

(3) A UCB beneficiary who is required under **subsection (2)** to apply for a formula assessment of child support in relation to a parent of the child must make the application— 30

(a) at the same time as an application for unsupported child's benefit is made:

- (b) at a time other than when an application for unsupported child's benefit is made, when notified by the Commissioner that an application for a formula assessment is required in relation to the qualifying child.
- If UCB beneficiary receives child support pursuant to order under Part 4 that relates to overseas order* 5
- (4) If a person who is or becomes a UCB beneficiary receives child support pursuant to an order under Part 4 that relates to an overseas order (as referred to in section 67(b)),—
- (a) the person is deemed not to be a receiving carer for the purpose of this section; and 10
- (b) the person is deemed to have made, on the date on which the person becomes a UCB beneficiary, an election under section 70 that the order be one to which Part 4 does not apply; and
- (c) if the person ceases to be a UCB beneficiary, or ceases to provide at least 35% of ongoing daily care to the child,— 15
- (i) any formula assessment applying at that time ceases to apply; and
- (ii) the election under section 70 is deemed to be revoked (despite section 70(4)) on the following day.
- When UCB beneficiary not required to apply for formula assessment*
- (5) A UCB beneficiary is not required to apply for a formula assessment in relation to a parent of the child if either the Commissioner or the chief executive of the department for the time being responsible for the administration of the Social Security Act 2018 is satisfied that all or any of the following applies: 20
- (a) there is insufficient evidence available to establish who in law that parent is: 25
- (b) there would be a risk of violence to a specified person if the UCB beneficiary were to do 1 or both of the following:
- (i) make an application for a formula assessment of child support in relation to that parent:
- (ii) take steps to make an application for a formula assessment of child support in relation to that parent: 30
- (c) that parent died before the application for unsupported child's benefit was made:
- (d) the child was conceived as a result of incest or sexual violation:
- (e) the UCB beneficiary cannot make an application for a formula assessment of child support in relation to that parent because of a compelling circumstance, other than a circumstance mentioned elsewhere in this subsection. 35

Meanings in subsection (5)(b) of specified person and violence

- (6) In **subsection (5)(b)**,—
- specified person**, for a UCB beneficiary, means any of the following:
- (a) the UCB beneficiary:
 - (b) the UCB beneficiary’s spouse or partner: 5
 - (c) the UCB beneficiary’s children:
 - (d) the qualifying child:
 - (e) a parent of the qualifying child:
 - (f) a sibling of the qualifying child
- violence** has the same meaning as in section 9 of the Family Violence Act 2018. 10

6 Section 12 amended (Deemed application by beneficiary)

- (1) In the heading to section 12, replace “**beneficiary**” with “**UCB beneficiary**”.
- (2) In section 12(1), replace “social security beneficiary” with “UCB beneficiary”.
- (3) In section 12(2), replace “beneficiary” with “UCB beneficiary”. 15

7 Section 27 amended (Election by receiving carer to end formula assessment)

- (1) Replace section 27(4) with:
- (4) However, the election does not qualify for acceptance if a recognised carer of child C is, or is expected to be, on the day referred to in section 25(5)(a) or (b), a UCB beneficiary in respect of child C. 20
- (2) In section 27(9), replace “social security beneficiary of the kind referred to in subsection (4)(a) or (b)” with “UCB beneficiary in respect of child C”.

Amount of child support payable under formula assessment made by Commissioner 25

8 Section 35A amended (Living allowance)

In section 35A(2)(b), delete “special assistance under the COVID-19 New Zealanders Stranded Overseas Support Programme that corresponds to such a payment, or both,”.

Voluntary agreements 30

9 Section 50 amended (Exception where payee is social security beneficiary)

- (1) In the heading to section 50, replace “**social security beneficiary**” with “**UCB beneficiary**”.
- (2) In section 50(b), replace “a social security benefit” with “an unsupported child’s benefit for the qualifying child”. 35

*Exemptions***10 Section 89B amended (Definitions for this Part)**

In section 89B, repeal the definition of **social security benefit**.

*Departure from formula assessment of child support initiated by Commissioner***11 Section 96Y amended (Election by receiving carer or by liable parent to become party or discontinue proceedings) 5**

In section 96Y(2)(a) and (b), replace “social security beneficiary” with “UCB beneficiary”.

*Jurisdiction of courts in relation to child support and domestic maintenance***12 Section 122 replaced (Social security beneficiary to be compellable witness against liable parent) 10**

Replace section 122 with:

122 UCB beneficiary is compellable witness against liable parent

- (1) This section applies, in a proceeding under this Act, to a person (**person A**) who is— 15
- (a) a carer of a qualifying child; and
 - (b) in receipt of an unsupported child’s benefit at any time during a period to which the proceeding relates.
- (2) Person A is a compellable witness—
- (a) for the Commissioner against a person who, in relation to person A, is a liable parent; and 20
 - (b) for a liable parent against the Commissioner.
- (3) This section applies despite any rule of law to the contrary.

*Collection of financial support***13 Section 131 amended (Social security beneficiaries to pay financial support by automatic deduction) 25**

- (1) In section 131, replace “benefit under the Social Security Act 2018, or Part 6 of the Veterans’ Support Act 2014, or the New Zealand Superannuation and Retirement Income Act 2001” with “social security benefit”.
- (2) In section 131(b), replace “benefit to which the person is or may become entitled under that Act” with “social security benefit to which the person is or may become entitled”. 30

*Payment of financial support***14 Sections 141 to 143 replaced**

Replace sections 141 to 143 with:

141 Payment to receiving carers who are not UCB beneficiaries

- (1) This section applies to money received by the Commissioner if— 5
- (a) the money is by way of child support in respect of a qualifying child; and
 - (b) the receiving carer of that child is not a UCB beneficiary for that child.
- (2) The money must be paid to the receiving carer in accordance with this Part.

142 Payment of formula assessment child support to receiving carers who are UCB beneficiaries 10

When section applies

- (1) This section applies only if—
- (a) a person is the receiving carer of 1 or more children (the **child support child or children**); and 15
 - (b) the person is also a UCB beneficiary in respect of 1 or more children (the **UCB child or children**); and
 - (c) the child support child or children is or are either the same as, or different from, the UCB child or children; and
 - (d) the Commissioner receives money by way of child support in respect of the UCB child or children; and 20
 - (e) that money is paid by a liable parent or parents under 1 or more formula assessments; and
 - (f) the Commissioner does not receive money in respect of the UCB child or children from any person under a voluntary agreement. 25

Duty in respect of each child for whom an unsupported child's benefit is payable

- (2) If this section applies, the Commissioner must, in respect of each child for whom an unsupported child's benefit is payable,—
- (a) pay to the receiving carer the amount of child support paid by a liable parent that is payable to the receiving carer by that liable parent in respect of the child for periods when the receiving carer is not a recipient of an unsupported child's benefit in respect of the child; and 30
 - (b) aggregate all remaining payments of child support payable to the receiving carer in respect of each such child; and 35
 - (c) deduct an amount equal to whichever is the lesser of the following amounts:

<ul style="list-style-type: none"> (i) the net of tax amount of the unsupported child's benefit; or (ii) the aggregate of all payments of child support received by the Commissioner that are payable to the receiving carer in respect of that child (except for any amount the Commissioner is required to pay under paragraph (a)); and 	5
<ul style="list-style-type: none"> (d) pay any remaining child support in respect of that child to the receiving carer. <p><i>Interaction with section 137 (order in which payments to be applied by Commissioner)</i></p>	
<ul style="list-style-type: none"> (3) This section does not limit the application of section 137 to the liable parent. 	10
<p>143 Payment of voluntary agreement child support to receiving carers who are UCB beneficiaries</p> <p><i>When section applies</i></p>	
<ul style="list-style-type: none"> (1) This section applies only if— <ul style="list-style-type: none"> (a) a person is the receiving carer of 1 or more children (the child support child or children); and (b) the person is also a UCB beneficiary in respect of 1 or more children (the UCB child or children); and (c) the child support child or children is or are either the same as, or different from, the UCB child or children; and (d) the Commissioner receives money by way of child support in respect of the UCB child or children; and (e) any of that money is paid by a liable parent or parents under 1 or more voluntary agreements. <p><i>Duty in respect of each child for whom money is paid under a voluntary agreement</i></p>	15
<ul style="list-style-type: none"> (2) If this section applies, the Commissioner must, in respect of each child for whom money is paid under a voluntary agreement, pay to the receiving carer— <ul style="list-style-type: none"> (a) the amount of child support paid by a liable parent that is payable to the receiving carer by that liable parent in respect of the child for periods when the receiving carer is not a recipient of an unsupported child's benefit in respect of the child; and (b) the amount by which the money paid under the voluntary agreement in respect of the child (except for any amount that the Commissioner is required to pay under paragraph (a)) exceeds the payment that would have been made under a formula assessment of child support. 	20 25 30 35

Duty in respect of each child for whom an unsupported child’s benefit is payable

- (3) If this section applies, the Commissioner must also, in respect of each child for whom an unsupported child’s benefit is payable,—
 - (a) pay to the receiving carer the amount of child support paid by a liable parent that is payable to the receiving carer by that liable parent in respect of the child for periods when the receiving carer is not a recipient of an unsupported child’s benefit in respect of the child (except for any amount the Commissioner is required to pay under **subsection (2)**); and
 - (b) aggregate all remaining payments of child support payable to the receiving carer in respect of each such child; and
 - (c) deduct an amount equal to whichever is the lesser of the following amounts:
 - (i) the net of tax amount of the unsupported child’s benefit; or
 - (ii) the aggregate of all payments of child support received by the Commissioner that are payable to the receiving carer in respect of that child (except for any amount the Commissioner is required to pay under **subsection (2)** or under **paragraph (a)** of this subsection); and
 - (d) pay any remaining child support in respect of that child to the receiving carer.

Interaction with section 137 (order in which payments to be applied by Commissioner)

- (4) This section does not limit the application of section 137 to the liable parent.

15 Section 152B amended (Offsetting child support payments)

In section 152B(2), replace “social security beneficiary (as defined in section 2(1))” with “UCB beneficiary”.

Enforcement provisions

16 Section 179A amended (Waiver of right to payment)

- (1) In section 179A(1), delete “, or in receipt of any other social security benefit”.
- (2) In section 179A(5), delete “, or begins to receive any other social security benefit”.

17 Section 180 amended (Payee may uplift financial support debt)

- (1) In section 180(2)(a), replace “social security beneficiary (as defined in section 2(1))” with “UCB beneficiary”.

- (2) In section 180(2)(b) and (c), replace “social security beneficiary (as so defined)” with “UCB beneficiary”.

18 Section 180A amended (Commissioner may write off benefit component of child support debt if receiving carer was social security beneficiary and recovery would cause serious hardship or be inefficient use of Commissioner’s resources) 5

- (1) In the heading to section 180A, replace “social security beneficiary” with “UCB beneficiary”.

- (2) In section 180A(1)(a), replace “social security beneficiary (as defined in section 2(1))” with “UCB beneficiary”. 10

- (3) In section 180A(2), delete “social security benefit or”.

Application, transitional, and savings provisions

19 Schedule 1 amended

In Schedule 1,—

- (a) insert the Part set out in **Part 1 of the Schedule** of this Act as the last Part; and 15
- (b) make all necessary consequential amendments.

Subpart 2—Amendments to Child Support Rules 1992

20 Principal rules

This subpart amends the Child Support Rules 1992. 20

21 Rule 13 amended (Affidavit to accompany certain applications)

In rule 13(1), delete “(except an application for an urgent maintenance order under section 116 of the Act)”.

22 Rule 19 revoked (Declaration of financial means)

Revoke rule 19. 25

23 Schedule 1 amended

- (1) In Schedule 1, revoke forms CS 21 and CS 22.
- (2) In Schedule 1, form CS 37, replace “rr 19(1), 38(2)(a)” with “r 38(2)(a)”.

Subpart 3—Amendments to Family Court Rules 2002

24 Principal rules 30

This subpart amends the Family Court Rules 2002.

- 25 Rule 21 amended (Special rules relating to affidavits)**
Revoke rule 21(c).
- 26 Rule 258 amended (Affidavits in support to be filed to make certain applications on notice)**
In rule 258, delete “(except an application for an urgent maintenance order under section 116 of the Act)”.
- 27 Rule 260 revoked (Affidavit of financial means and their sources to be filed to make application under section 116 of Act)**
Revoke rule 260.
- 28 Schedule 3 amended** 10
- (1) In Schedule 3, revoke forms CS 21 and CS 22.
- (2) In Schedule 3, form CS 28, replace “r 260” with “rr 139(3)(c), 266(1)(a)”.

Part 2

Amendments to other legislation

Subpart 1—Amendments to Social Security Act 2018 15

Principal Act

- 29 Principal Act**
This subpart amends the Social Security Act 2018.

Obligations

- 30 Section 113 amended (Beneficiary must notify change of circumstances)** 20
- (1) Before section 113(1), insert:
Obligation to notify without delay change of circumstances
- (2) Before section 113(2), insert:
Examples of change of circumstances
- (3) Before section 113(3), insert: 25
Meaning of change in beneficiary’s relationship status
- (4) After section 113(3), insert:
Satisfying obligation for change that is receipt by beneficiary of information share child support payment
- (4) Subsection (1) is satisfied for a change in a beneficiary’s circumstances that is receipt by the beneficiary of an information share child support payment if— 30

- (a) MSD is notified of the payment under an approved information sharing agreement (as defined in section 138 of the Privacy Act 2020) between—
- (i) the Inland Revenue Department (as the department responsible for the administration of the Child Support Act 1991); and 5
 - (ii) the responsible department (as the department responsible for the administration of provisions of this Act); and
- (b) MSD has in some way notified the beneficiary of the income charging of the payment under Schedule 3 (*see* the examples given in **subsection (5)**); and 10
- (c) the beneficiary notifies MSD without delay of a change in the beneficiary's circumstances that is or may be all or any of the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of **section 304(1A)**. 15
- Examples of MSD notifying beneficiary of income charging of payment*
- (5) For the purposes of **subsection (4)(b)**, examples of MSD in some way notifying the beneficiary of the income charging under Schedule 3 of the payment include MSD notifying the beneficiary—
- (a) that information share child support payments are, or will be, charged as income of the beneficiary under Schedule 3; or 20
 - (b) of a change in amounts or timing of information share child support payments; or
 - (c) of a change in how information share child support payments are charged as income of the beneficiary under Schedule 3. 25
- Review grounds include any additional grounds prescribed by regulations*
- (6) For the purposes of **subsection (4)(c)**, the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of **section 304(1A)** include, without limitation, any 1 or more additional grounds prescribed, for the purposes of **section 304A(1)(g)**, by regulations made under **section 418(1)(ja)**. 30

Administration

31 Section 296 amended (What this Part does)

After section 296(d), insert:

- (da) the use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions:

32 Section 304 amended (Review of entitlement and rate payable)

- (1) Before section 304(1), insert:

Review under subpart

- (2) Before section 304(2), insert:

Subpart applies to special assistance

(3) After section 304(1), insert:

Review under subpart of information share child support payments

(1A) MSD may review under this subpart whether a person’s information share child support payment is or was all or any of their weekly income under **Part 3A of Schedule 3**, but only on all or any of the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of this subsection. 5

Review grounds include any additional grounds prescribed by regulations

(1B) For the purposes of **subsection (1A)**, the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of **subsection (1A)** include, without limitation, any 1 or more additional grounds prescribed, for the purposes of **section 304A(1)(g)**, by regulations made under **section 418(1)(ja)**. 10

(4) Before section 304(3), insert:

Review of, or appeal against, decision on review under subpart

33 New section 304A inserted (Grounds for review of whether person’s information share child support payment is or was their weekly income) 15

After section 304, insert:

304A Grounds for review of whether person’s information share child support payment is or was their weekly income

(1) For the purposes of **section 304(1A)**, the specified grounds are that MSD is satisfied of all or any of the following: 20

(a) the person did not receive all or any of the payment before or on the deemed receipt (as defined in **clause 15C of Schedule 3**):

(b) the person is or was unable to access all or any of the payment for reasons that are or include exceptional circumstances: 25

(c) MSD has charged under **Part 3A of Schedule 3** an amount of weekly income that is not the correct amount for reasons that are or include all or any of the following:

(i) the information share is incorrect due to an error by the Commissioner or an officer of the Department (as those terms are defined in the Tax Administration Act 1994): 30

(ii) the information share is correct but read incorrectly by an automated electronic system:

(iii) the information share is correct but due to a person’s error is inputted incorrectly into a system used by MSD: 35

(d) a person has been incorrectly identified, or not identified, as the proper recipient of the payment (whether that mis- or non-identification was by an automated electronic system or a person):

- (e) for reasons that are or include a disruption to an automated electronic system, information about the payment is not shared with MSD on the transaction date (as defined in **clause 15B of Schedule 3**), with the result that the payment is charged as weekly income under **Part 3A of Schedule 3** after an affected benefit payment, or other assistance payment, has been made: 5
- (f) the person to whom the payment was made has died, and their benefit—
- (i) is specified in section 326(1)(a) to (h); and
- (ii) will end, or has ended, under section 326(2) or (3):
- (g) any 1 or more additional grounds prescribed, for the purposes of this paragraph, by regulations made under **section 418(1)(ja)**. 10
- (2) In this section,—
- automated electronic system** means an automated electronic system used under **subpart 5A**
- disruption**, to an automated electronic system, includes, without limitation, a disruption to disclosure to MSD of all or any information used in or by the system. 15

34 New subpart 5A of Part 6 inserted

After subpart 5 of Part 6, insert:

- Subpart 5A—Use of automated electronic systems in respect of information share child support payments 20
- 363A Use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions**
- MSD may approve use*
- (1) MSD may approve the use of an automated electronic system by a specified person to make any decision, exercise any power, comply with any obligation, or take any other related action under any specified provision. 25
- Meanings of specified person and specified provision*
- (2) in this subpart,—
- specified person**, means any of the following performing or exercising a duty, function, or power under a specified provision: 30
- (a) the chief executive of the responsible department:
- (b) a public service employee, or other person, acting under a delegation (direct or indirect) from that chief executive
- specified provision** has the same meaning as in clause 11 of Schedule 3. 35

Specified provision must be about effect of child support income

- (3) The specified provision must be about how an information share child support payment is or affects any person's assets, income, or other means of any kind (however described), for the purposes of, or for any purpose related to,—
- (a) a benefit; or 5
 - (b) any assistance under this Act.

Requirements for approval

- (4) MSD may approve the use of an automated electronic system only if—
- (a) the system is under the responsible department's control; and
 - (b) MSD is satisfied that the system has the capacity to make the decision, exercise the power, comply with the obligation, or take the related action with reasonable reliability; and 10
 - (c) MSD is satisfied that the use of the system is consistent with the approved standard for MSD's use of automated electronic systems (*see subsections (5) and (6)*); and 15
 - (d) 1 or more persons are always available, as an alternative, to make the decision, exercise the power, comply with the obligation, or take the related action.

Approved standard for MSD's use of automated electronic systems

- (5) MSD must ensure that there is in force at all times after the commencement of this section an approved standard for MSD's use of automated electronic systems. 20
- (6) The standard, and any amendment, revocation, or replacement of the standard, must be—
- (a) approved by MSD, in consultation with the Privacy Commissioner appointed under the Privacy Act 2020; and 25
 - (b) reviewed at least once every 3 years; and
 - (c) published in the *Gazette*; and
 - (d) published on an Internet site that—
 - (i) is maintained by, or on behalf of, the responsible department; and 30
 - (ii) is publicly available free of charge.

Effect of use of approved system

- (7) A decision that is made, a power that is exercised, an obligation that is complied with, or a related action that is taken using an automated electronic system under this section must be treated for all purposes as if it were made, exercised, complied with, or taken (as the case may be) by a specified person authorised or required by the specified provision to make the decision, exercise the power, comply with the obligation, or take the related action. 35

Compare: 2018 No 4 ss 295, 296

363B	Publication of details of arrangements for use of automated electronic systems	
(1)	MSD must ensure that details of any arrangements to use an automated electronic system, and any variation or revocation of the arrangements, are published as soon as practicable—	5
	(a) in the <i>Gazette</i> ; and	
	(b) on an Internet site that—	
	(i) is maintained by, or on behalf of, the responsible department; and	
	(ii) is publicly available free of charge.	
(2)	Those details must identify—	10
	(a) the relevant decision, power, obligation, or related action to be made, exercised, complied with, or taken under the specified provision; and	
	(b) the automated electronic system that is to make, exercise, comply with, or take that decision, power, obligation, or related action.	
(3)	The use of an automated electronic system is not made invalid by reason only of a failure to publish details of it or any variation to it as soon as practicable in accordance with subsection (1) .	15
	Compare: 2018 No 4 s 297	
363C	Variation and substitution of decisions made by automated electronic systems	20
(1)	This section applies to a decision made by an automated electronic system (the relevant decision).	
(2)	A specified person may—	
	(a) vary, or add to, the terms or conditions of the relevant decision; or	
	(b) substitute a decision for the relevant decision if the specified person is satisfied that the new decision—	25
	(i) could have been made under the same specified provision as the relevant decision; and	
	(ii) is more favourable to the affected person.	
(3)	A specified person is not obliged to exercise any power in subsection (2) in respect of the relevant decision.	30
	Compare: 2018 No 4 s 298	
363D	Appeals and reviews unaffected	
	<i>General rule</i>	
(1)	A person has the same rights of appeal or right to apply for administrative or judicial review (if any) in relation to a decision made, power exercised, obligation complied with, or other action taken by an automated electronic system as	35

the person would have had if the decision, power, obligation, or other action had been made, exercised, complied with, or taken by a specified person.

Review under subpart 3 of Part 6 of information share child support payments

- (2) However, this section is subject to **sections 304(1A) and 304A** (under which MSD may review under subpart 3 of Part 6 whether a person's information share child support payment is or was all or any of their weekly income under **Part 3A of Schedule 3**, but only on all or any of the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of **section 304(1A)**).

Review grounds include any additional grounds prescribed by regulations

- (3) For the purposes of **subsection (2)**, the review grounds specified in **section 304A(1)(a) to (g)** for the purposes of **subsection (2)** include, without limitation, any 1 or more additional grounds prescribed, for the purposes of **section 304A(1)(g)**, by regulations made under **section 418(1)(ja)**.

Compare: 2018 No 4 s 299

Other provisions

35 Section 418 amended (Regulations: general)

- (1) After the heading above section 418(1)(k), insert:
- (ja) **section 304A(1)(g)** (additional grounds for review of whether person's information share child support payment is or was all or any of their weekly income):
- (2) After the heading above section 418(1)(o), insert:
- (na) **paragraph (f)** of the definition of non-information share child support payment in Schedule 2 (additional kinds of payments that are non-information share child support payments):

Transitional, savings, and related provisions

36 Schedule 1 amended

In Schedule 1,—

- (a) insert the Part set out in **Part 2 the Schedule** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

Dictionary

37 Schedule 2 amended

- (1) In Schedule 2, insert in their appropriate alphabetical order:

automated electronic system is defined in **section 304A** for the purposes of that section

child support has the meaning given to it in section 2(1) of the Child Support Act 1991

child support debt recovery by reduced further payments of child support, for a person who owes an amount of child support as a debt due to the Crown, means any recovery of the amount of the debt due to the Crown—

- (a) under the Child Support Act 1991; and
- (b) by reduced further payments of child support that the person is entitled to receive (for example, under section 151(3) or 151AA(8) of that Act)

child support deduction, for a receiving carer who is a UCB beneficiary, means any money received by the Commissioner of Inland Revenue by way of child support that is not required to be paid to the receiving carer under the Child Support Act 1991 because that money is a deduction made under **section 142(2)(c) or 143(3)(c)** of that Act

child support excess payment, for a receiving carer who is a UCB beneficiary, means a payment to that receiving carer that is—

- (a) money received by the Commissioner of Inland Revenue by way of child support and that is required to be paid to the receiving carer under **section 142(2)(d) or 143(3)(d)** of the Child Support Act 1991; or
- (b) a mixed child support payment

child support year has the same meaning as in section 2(1) of the Child Support Act 1991

Commissioner of Inland Revenue means the Commissioner of Inland Revenue as defined in section 3(1) of the Tax Administration Act 1994

deemed receipt, of an information share child support payment, has the meaning given to it in **clause 15C of Schedule 3**

disruption, to an automated electronic system, is defined in **section 304A** for the purposes of that section

foreign child support payment, for a person, and in relation to a country or territory outside New Zealand, means a payment that is—

- (a) made to the person; and
- (b) required under the laws of the country or territory; and
- (c) of the same nature as child support; and
- (d) the subject of an agreement (as defined in section 214 of the Child Support Act 1991) made between the government of the country or territory and the Government of New Zealand

information share child support payment, for a person, means money received by the person that is child support that is—

- (a) paid to the person by direct credit to a bank account nominated by the person under section 148 of the Child Support Act 1991; and

- (b) notified to MSD under an approved information sharing agreement (as defined in section 138 of the Privacy Act 2020) between—
- (i) the Inland Revenue Department (as the department responsible for the administration of the Child Support Act 1991); and
 - (ii) the responsible department (as the department responsible for the administration of provisions of this Act); and
- (c) not a non-information share child support payment
- liable parent** has the same meaning as in section 2(1) of the Child Support Act 1991
- mixed child support payment**, made to a receiving carer who is a UCB beneficiary, means money received by the receiving carer that is child support if—
- (a) the receiving carer is—
 - (i) a UCB beneficiary for a child or children (the **UCB child or children**); and
 - (ii) caring for 1 or more children for each of whom an unsupported child's benefit is not payable (the **non-UCB child or children**); and
 - (b) the same liable parent is liable to pay the receiving carer child support for both of the following:
 - (i) the UCB child or children;
 - (ii) the non-UCB child or children; and
 - (c) the child support is from that liable parent, and may be child support for 1 or both of the following:
 - (i) the UCB child or children;
 - (ii) the non-UCB child or children
- non-information share child support payment**, for a person, means money received by the person that is child support that is—
- (a) a child support excess payment (which includes, without limitation, a mixed child support payment); or
 - (b) a payment made under an order made by the Family Court under section 109 of the Child Support Act 1991 (orders for provision of child support in form of lump sum); or
 - (c) a foreign child support payment; or
 - (d) a payment made to a receiving carer who is a person being paid, while that person is absent from New Zealand, a benefit that is any of the following:
 - (i) New Zealand superannuation being paid overseas under section 26 of the New Zealand Superannuation and Retirement Income Act 2001 (*see* section 29(4A) of that Act):

(ii)	New Zealand superannuation payable to a person resident in a specified Pacific country under section 31 of the New Zealand Superannuation and Retirement Income Act 2001 (<i>see</i> section 35(2) of that Act):	
(iii)	a veteran’s pension being paid overseas under section 182 of the Veterans’ Support Act 2014 (<i>see</i> section 189(3) of that Act):	5
(iv)	a veteran’s pension payable to a person resident in a specified Pacific country under section 191 of the Veterans’ Support Act 2014 (<i>see</i> section 195(2) of that Act):	
(v)	a benefit payable under any reciprocity agreement with another country adopted by an order made under section 380; or	10
(e)	a payment after 30 June 2023 of child support in respect of a period (whether all, or any part, of a child support year) before 1 July 2023 ; or	
(f)	a child support payment of any other kind that is specified for the purposes of this paragraph by regulations made under section 418(1)(na)	
	offset child support payment , for a person, means an amount of child support that another person is liable to pay to the person, but that is not paid, or required to be paid, to the person because—	15
(a)	the amount is offset under section 152B of the Child Support Act 1991; and	
(b)	the offsetting of the amount has not been reversed	
	receiving carer has the same meaning as in section 2(1) of the Child Support Act 1991	20
	UCB beneficiary has the same meaning as in section 2(1) of the Child Support Act 1991	
(2)	In Schedule 2, definition of specified provision , replace paragraph (b) with:	
(b)	in relation to use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions, is defined in section 363A(2) for the purposes of subpart 5A of Part 6 ; and	25
(c)	in relation to a reference to income for a period,—	
(i)	is defined in clause 11 of Schedule 3 for the purposes of clauses 12 to 14 of Schedule 3; and	30
(ii)	is defined in clause 15B of Schedule 3 for the purposes of Part 3A of Schedule 3	

Income and liabilities

38	Schedule 3, clause 1 amended (What this schedule does)	
	In Schedule 3, replace clause 1(b) and (c) with:	35
(b)	what, for the purposes of this Act, is income (including an overview of how child support may be income for the purposes of this Act):	
(c)	general provisions on how income is calculated:	

(ca) special provisions on how weekly income is calculated if that income is information share child support payments:

39 Schedule 3, new clause 7A inserted (Overview of how child support may be income)

In Schedule 3, after clause 7, insert:

5

7A Overview of how child support may be income

Interests acquired

(1) Under **clause 8(m)**, child support that is an interest acquired by a person (rather than money received by (a payment made to) a person) is not income of the person. Examples are—

10

- (a) an interest acquired that is an offset child support payment; or
- (b) an interest acquired by way of any child support debt recovery by reduced further payments of child support.

Deductions

(2) Under **clause 8(n)**, child support that is a child support deduction for a receiving carer who is a UCB beneficiary is not income of that person.

15

Money received (payments)

(3) Child support that is money received by a person is income of the person for the purposes of this Act unless it is—

Court-ordered lump sums MSD determines are capital are not income

20

(a) a payment that is ordered by the Family Court under section 109 of the Child Support Act 1991 (orders for provision of child support in form of lump sum) and that MSD determines, under clause 3(b) of this schedule, is an interest in capital received or acquired by the person; or

Child support excess payments are not income

25

(b) a child support excess payment (which includes, without limitation, a mixed child support payment) that, under **clause 8(na)**, is not income of the person; or

Payments covered by income exemption regulations are not income

(c) a payment that, under clause 9 and income exemption regulations made under section 422, is not income of the person.

30

(4) A child support payment is 1 of the following (as defined in Schedule 2)—

- (a) an information share child support payment; or
- (b) a non-information share child support payment.

How information share child support payments are charged as income

35

(5) An information share child support payment that is income is subject to—

- (a) general annual income provisions in Part 3 of this schedule (*see* clauses 12 and 14 (how annual income is calculated)); and
- (b) special weekly income provisions in **Part 3A** of this schedule.
- How non-information share child support payments are charged as income*
- (6) A non-information share child support payment that is income is subject to— 5
- (a) general annual income provisions in Part 3 of this schedule (*see* clauses 12 and 14 (how annual income is calculated)); and
- (b) general weekly income provisions in Part 3 of this schedule (*see* clauses 13 and 14 (how weekly income is calculated)).
- Special provisions about cash assets or income for particular purposes* 10
- (7) This overview is about income for the purposes of the Act, and so does not affect special provisions about cash assets or income for particular purposes, for example,—
- (a) accommodation supplement (*see* regulations made under section 423):
- (b) childcare assistance (*see* regulations made under section 424): 15
- (c) temporary additional support (*see* regulations made under section 428):
- (d) a benefit’s stand-down period (*see* regulations made under section 440).
- 40 Schedule 3, clause 8 amended (Income excludes specified benefits, etc)**
- (1) In Schedule 3, replace the heading to clause 8 with “**Income excludes specified benefits, payments, interests acquired, etc**”. 20
- (2) In Schedule 3, clause 8, before “payments:” insert “amounts or”.
- (3) In Schedule 3, replace clause 8(m) and (n) with:
- (m) child support that is an interest acquired by the person, for example,—
- (i) an interest acquired that is an offset child support payment; or
- (ii) an interest acquired by way of child support debt recovery by reduced further payments of child support: 25
- (n) a child support deduction for a receiving carer who is a UCB beneficiary:
- (na) a child support excess payment (which includes, without limitation, a mixed child support payment): 30
- 41 Schedule 3, Part 3 heading amended**
- In Schedule 3, in the Part 3 heading, replace “**Calculation**” with “**General provisions on calculation**”.

General provisions on calculation of income

- 42 Schedule 3, clause 11 amended (Interpretation)**
- In Schedule 3, clause 11, definition of **specified provision**, after “all or a portion of”, insert “legislation in or made under”.
- 43 Schedule 3, clause 12 amended (How annual income calculated)** 5
- (1) In Schedule 3, replace the heading to clause 12 with “**How annual income is calculated**”.
- (2) In Schedule 3, after clause 12(2), insert:
- (3) The income received by the person for the 52 weeks specified in subclause (2) is or includes any information share child support payment that is charged as weekly income of the person under **Part 3A** of this schedule for all or any of those weeks. 10
- 44 Schedule 3, clause 13 amended (How weekly income calculated)**
- (1) In Schedule 3, replace the heading to clause 13 with “**How weekly income is calculated: general**”. 15
- (2) In Schedule 3, after clause 13(3), insert:
- (4) Nothing in this clause applies to any information share child support payment (*see Part 3A* of this schedule).
- 45 Schedule 3, clause 15 amended (Rules on how MSD determines income of people engaged in business or trade)** 20
- In Schedule 3, after clause 15(1), insert:
- (1A) However, neither subclause (1), nor rules made under subclause (1), apply to any information share child support payment (*see Part 3A* of this schedule).
- Special provisions on calculation of weekly income that is information share child support payment* 25
- 46 New Part 3A of Schedule 3 inserted**
- In Schedule 3, after clause 15, insert:

Part 3A

Special provisions on calculation of weekly income that is information share child support payment

How payment is charged as weekly income

- 15A How payment is charged as weekly income** 5
- What this Part does*
- (1) This Part sets out how a person's information share child support payment is all or any of their weekly income—
- (a) for the rate of benefit; or
 - (b) for a specified provision (as defined in **clause 15B**). 10
- Key steps in charging payment as weekly income*
- (2) The key steps in charging the payment as weekly income are as follows:
- (a) the payment is taken to be received at deemed receipt;
 - (b) deemed receipt is used to identify when income charging starts and ends;
 - (c) the payment amount is divided by the number of weeks the payment is charged to produce equal amounts of weekly income for each of those weeks. 15
- Exceptions*
- (3) Under the exception in **clause 15G** (terminal benefit), which applies when the person has died, and their benefit will end, or has ended, under section 326(2) or (3), the payment is not charged as the person's weekly income. 20
- (4) Under the exception in **clause 15H** (transfer to new benefit paid in different instalments), MSD may charge the payment amount—
- (a) as income for other weeks; and
 - (b) as equal or unequal amounts of weekly income for each of those other weeks. 25

Definitions

15B Interpretation

In this Part,—

- business day**, for an information share child support payment, means a day of the week other than— 30
- (a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Te Rā Aro ki a Matariki/Matariki Observance Day, and Labour Day; and
 - (b) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and 35

- (c) Christmas Day, Boxing Day, New Year’s Day, and 2 January; and
- (d) if Christmas Day or 1 January falls on a Friday, the following Monday; and
- (e) if Christmas Day or 1 January falls on a Saturday or a Sunday, the following Monday and Tuesday

5

expected date of the next in-cycle payment, for an in-cycle payment made on the second business day after the 19th day of a month, means the third business day after the 19th day of the next month

in-cycle payment means an information share child support payment that is made—

10

- (a) by the Commissioner of Inland Revenue to the receiving carer; and
- (b) on the second business day after the 19th day of a month

out-of-cycle payment means an information share child support payment that is not an in-cycle payment

specified provision has the same meaning as in clause 11 of this schedule

15

standard income-charging period means,—

- (a) if the relevant benefit or other assistance is paid in instalments of 1 week’s benefit or other assistance, a period that—
 - (i) starts on a Monday; and
 - (ii) ends at the close of the first Sunday after that Monday; and
- (b) if the relevant benefit or other assistance is paid in instalments of 2 weeks’ benefit or other assistance, a period that—
 - (i) starts on a Wednesday; and
 - (ii) ends at the close of the second Tuesday after that Wednesday

20

transaction date, for an information share child support payment to a person, means the date of the business day on which a bank is to make the payment to the person by direct credit to a bank account nominated by the person under section 148 of the Child Support Act 1991, as the date of that business day is—

25

- (a) stated in the Commissioner of Inland Revenue’s instructions to the bank; and
- (b) notified to MSD under the approved information sharing agreement.

30

Receipt

15C Deemed receipt: general rule

In this Part, the **deemed receipt** of a person’s information share child support payment is,—

35

- (a) at the start of the first business day after the transaction date, if MSD makes no determination under **clause 15D**; or

- (b) if MSD makes a determination under **clause 15D**, at the start of the date determined under that clause.

15D Deemed receipt: exception

- (1) MSD may determine that a person's information share child support payment is, for the purposes of this Part, taken to be received— 5
- (a) not at the start of the first business day after the transaction date (under the general rule in **clause 15C(a)**); but instead
- (b) at the start of a later date.
- (2) MSD must consider the day on which the person actually received the payment, and any advantage to the person of the general rule in **clause 15C(a)** 10 not applying to the person, if, and when, MSD decides—
- (a) whether to make a determination under this clause; and
- (b) the terms of a determination made under this clause.

Payment charged as income: general rules

15E When income charging starts: general rule 15

In-cycle payment or out-of-cycle payment

For a person's in-cycle payment or out-of-cycle payment, income charging starts as set out in item 1 or 2 of the following table:

Item	If the relevant benefit or other assistance is paid ...	income charging starts ...
1	in instalments of 1 week's benefit or other assistance	at the start of a standard income-charging period, if deemed receipt falls in that period
2	in instalments of 2 weeks' benefit or other assistance	at the start of a standard income-charging period, if deemed receipt falls in week 1 of that period <i>or</i> at the start of the next standard income-charging period, if deemed receipt falls in week 2 of a standard income-charging period

15F When income charging ends: general rule

In-cycle payment

- (1) For a person's in-cycle payment, income charging ends as set out in item 1 or 2 of the following table: 20

Item	If the relevant benefit or other assistance is paid ...	income charging ends ...
1	in instalments of 1 week's benefit or other assistance	at the end of the standard income-charging period immediately before the expected date of the next in-cycle payment

Item	If the relevant benefit or other assistance is paid ...	income charging ends ...
2	in instalments of 2 weeks' benefit or other assistance	at the end of the 4 weeks that start on the day on which the payment starts to be charged as the person's income
<i>Out-of-cycle payment</i>		
(2)	For a person's out-of-cycle payment, income charging ends as set out in item 1 or 2 of the following table:	
Item	If the relevant benefit or other assistance is paid ...	income charging ends ...
1	in instalments of 1 week's benefit or other assistance	at the end of the first Sunday before the day that— (a) is in the month after the month of deemed receipt; and (b) corresponds to the day of deemed receipt <i>or</i> at the end of the 1st day of the second month after the month of deemed receipt, if the month after the month of deemed receipt contains no day that corresponds to the day of deemed receipt
2	in instalments of 2 weeks' benefit or other assistance	at the end of the 4 weeks that start on the day on which the payment starts to be charged as the person's income
<i>Exceptions</i>		
15G	Terminal benefit	5
<i>When clause applies to payment</i>		
(1)	This clause applies to the person's information share child support payment (whether an in-cycle payment or an out-of-cycle payment) if—	
(a)	the person has died, and their benefit—	
(i)	is specified in any of paragraphs (a) to (h) of section 326(1); and	10
(ii)	will end, or has ended, under section 326(2) or (3); and	
(b)	the payment's deemed receipt is after the person's death.	
<i>Payment is not charged as weekly income</i>		
(2)	The payment is not charged as the person's weekly income.	
<i>Relationship with clauses 15E and 15F</i>		
(3)	This clause overrides clauses 15E and 15F .	
15H	Transfer to new benefit paid in different instalments	
<i>Transfer from weekly-instalment benefit to fortnightly-instalment benefit</i>		
(1)	This clause applies to a person who transfers—	

- (a) from a benefit or other assistance that is payable in instalments of 1 week's benefit or other assistance; and
- (b) to a benefit or other assistance that is payable in instalments of 2 weeks' benefit or other assistance.
- Transfer from fortnightly-instalment benefit to weekly-instalment benefit* 5
- (2) This clause also applies to a person who transfers—
- (a) from a benefit or other assistance that is payable in instalments of 2 weeks' benefit or other assistance; and
- (b) to a benefit or other assistance that is payable in instalments of 1 week's benefit or other assistance. 10
- MSD may determine that payment is charged as income for other weeks*
- (3) MSD may determine that the person's information share child support payment is charged as the person's weekly income for a period that—
- (a) MSD identifies; and
- (b) is after the deemed receipt; and 15
- (c) is 3 or more weeks, but not more than 6 weeks; and
- (d) does not start or end as required by **clauses 15E and 15F**.
- (4) In making a determination under this clause, MSD may charge the payment amount as equal or unequal amounts of weekly income.
- Mandatory relevant consideration* 20
- (5) MSD must consider how MSD can best charge the payment as weekly income reasonably and conveniently if, and when, MSD decides—
- (a) whether to make a determination under this clause; and
- (b) the terms of a determination made under this clause.
- Relationship with **clauses 15E and 15F*** 25
- (6) This clause overrides **clauses 15E and 15F**.

Deprivation of income or property

47 Schedule 3, clause 16 amended (Effect of deprivation of income or property)

In Schedule 3, after clause 16(1), insert: 30

- (1A) For the purposes of this clause and of rules under clause 17, deprivation of income, property, or both, by a person who is an applicant for a benefit, or the spouse or partner of that applicant, excludes that person doing all or any of—
- (a) not applying for a formula assessment of child support payable in respect of a qualifying child under the Child Support Act 1991: 35
- (b) electing to end a formula assessment of child support payable in respect of a qualifying child under that Act:

- (c) choosing not to enter into a voluntary agreement for child support in respect of a qualifying child under that Act (whether or not that voluntary agreement—
 - (i) is a voluntary agreement that, under section 48 of that Act, qualifies for acceptance by the Commissioner of Inland Revenue; and so
 - (ii) is a qualifying voluntary agreement (as defined in section 2(1) of that Act));
- (d) making under that Act an election to terminate liability under a qualifying voluntary agreement that, under section 48 of that Act, has been accepted by the Commissioner of Inland Revenue:
- (e) not making, or making, any other arrangement (for example, one in respect of a qualifying child and that is not a qualifying voluntary agreement (as those terms are defined in section 2(1) of that Act)) that does or may affect whether or what child support is payable in respect of a qualifying child under that Act.

48 Schedule 3, clause 17 amended (Rules on how MSD determines deprivation of income or property)

In Schedule 3, after clause 17(1), insert:

- (1A) Rules under this clause are subject to **clause 16(1A)** (under which deprivation of income, property, or both, excludes specified conduct by a person who is an applicant for a benefit, or the spouse or partner of that applicant).

Rates of benefits: abatement rates and income limits for youth payment and young parent payment

49 Schedule 4, Part 6 amended 25

- (1) In Schedule 4, Part 6, clauses 1, 2, and 3, replace “clause 11” with “clauses 11 and **11A**”.
- (2) In Schedule 4, Part 6, clauses 4 and 5(a) and (b), replace “clause 12” with “clauses 12 and **12A**”.
- (3) In Schedule 4, Part 6, replace clauses 11 to 13 with: 30

11 The applicable rate of youth payment or young parent payment in clause 1, 2, or 3 must be reduced by \$1 for every \$1 of the young person’s weekly income (excluding any 1 or more information share child support payments) that exceeds \$258.08, but no amount of youth payment or young parent payment or incentive payment is payable if the young person’s weekly income (excluding any 1 or more information share child support payments) exceeds \$308.08.

11A If, after complying with **clause 11**, an amount of youth payment or young parent payment or incentive payment is payable, the applicable rate of youth payment or young parent payment in clause 1, 2, or 3 must also be reduced by \$1 for every \$1 of any of the young person’s relevant weekly income (as defined in clause 11B).

11B In **clause 11A**, the **young person’s relevant weekly income** means their weekly income—

	<ul style="list-style-type: none"> • that is 1 or more information share child support payments; and • that exceeds \$258.08 of their weekly income that is 1 or both of— <ul style="list-style-type: none"> • any weekly income (excluding any 1 or more information share child support payments): • any 1 or more information share child support payments.
12	The applicable rate of youth payment or young parent payment in clause 4 or 5 must be reduced by 50 cents for every \$1 of the combined weekly income of the young person and the young person's spouse or partner (excluding any 1 or more information share child support payments) that exceeds \$258.08, but no amount of youth payment or young parent payment or incentive payment is payable if that combined weekly income (excluding any 1 or more information share child support payments) exceeds \$358.08.
12A	If, after complying with clause 12 , an amount of youth payment or young parent payment or incentive payment is payable, the applicable rate of youth payment or young parent payment in clause 4 or 5 must also be reduced— <ul style="list-style-type: none"> • by 50 cents for every \$1 of the relevant combined weekly income of the young person and the young person's spouse or partner (as defined in clause 12B) that exceeds \$258.08 but does not exceed \$358.08; and • by \$1 for every \$1 of the relevant combined weekly income of the young person and the young person's spouse or partner (as defined in clause 12B) that exceeds \$358.08.
12B	In clause 12A , the relevant combined weekly income of the young person and the young person's spouse or partner means their combined weekly income— <ul style="list-style-type: none"> • that is 1 or more information share child support payments; and • that exceeds \$258.08 of their combined weekly income that is 1 or both of— <ul style="list-style-type: none"> • any weekly income (excluding any 1 or more information share child support payments): • any 1 or more information share child support payments.
13	For the purposes of clause 11, 11A, 12, or 12A and a rate of young parent payment, MSD may disregard up to \$20 a week of the personal earnings of the young person (excluding any that are the young person's weekly income that is 1 or more information share child support payments) used to meet the costs of child care for any of the person's dependent children (<i>see clause 6</i>).

Subpart 2—Amendments to Social Security Regulations 2018

Principal regulations

50 Principal regulations

This subpart amends the Social Security Regulations 2018.

Childcare assistance

5

51 Regulation 20 amended (Interpretation)

(1) In regulation 20(1), definition of **total income**, replace paragraph (a) with:

(a) the caregiver's income as defined in Part 2 of Schedule 3 of the Act (including, without limitation, a payment that is weekly income of the caregiver under clauses 3 and 8 and **Part 3A of Schedule 3** of the Act because it is an information share child support payment); and

10

- (aa) a child support excess payment, which includes, without limitation, a mixed child support payment (*see clause 8(na) of Schedule 3 of the Act*); and
- (2) In regulation 20(1), definition of **total income**, paragraph (b)(ii), replace “; and” with “; but”.
- (3) In regulation 20(1), definition of **total income**, revoke paragraph (c).

5

Temporary additional support

52 Regulation 69 amended (Chargeable income)

- (1) Replace regulation 69(3)(f) with:
- (f) income as defined in Part 2 of Schedule 3 of the Act (including, without limitation, a payment that is weekly income under clauses 3 and 8 and **Part 3A of Schedule 3** of the Act because it is an information share child support payment):
- (fa) a child support excess payment, which includes, without limitation, a mixed child support payment (*see clause 8(na) of Schedule 3 of the Act*):
- (2) Revoke regulation 69(3)(h).

10

15

53 Regulation 71 amended (Allowable costs)

After regulation 71(3)(m), insert:

- (n) any child support required to be paid by a person for the week concerned under a formula assessment under the Child Support Act 1991 (regardless of whether, and, if so, how that support must under that Act be paid to, or otherwise dealt with to improve the position of, a receiving carer).

20

Benefit stand down

54 Regulation 182 amended (Period of benefit stand down: interpretation)

25

- (1) In regulation 182, definition of **income**, before “includes—”, insert “excludes any child support that is an interest acquired by the person (for example, an interest acquired that is an offset child support payment, or an interest acquired by way of any child support debt recovery by reduced further payments of child support), but”

30

- (2) In regulation 182, definition of **income**, before paragraph (a), insert:

- (aa) any money received by the person that is child support and—
- (i) is not a payment that is ordered by the Family Court under section 109 of the Child Support Act 1991 (orders for provision of child support in form of lump sum) and that MSD determines, under clause 3(b) of Schedule 3 of the Act, is an interest in capital received or acquired by the person; and

35

- (ii) may, but need not, be a child support excess payment (which includes, without limitation, a mixed child support payment) that, under **clause 8(na) of Schedule 3** of the Act, is not income of the person; and
- (iii) may, but need not, be a payment that, under clause 9 of Schedule 3 of the Act and regulation 294 (income exemptions), is not income of the person; and
- (iv) is an information share child support payment or a non-information share child support payment:

Recovery of debt

55 Regulation 207 amended (Exceptions to duty to recover debts)

After regulation 207(1)(a), insert:

- (aa) **regulation 208A** (debts caused by disruption to automated electronic system):
- (ab) **regulation 208B** (debts caused by specified errors identified through information share child support payment reviews):

56 New regulations 208A and 208B inserted

After regulation 208, insert:

208A Debts caused by disruption to automated electronic system

- (1) MSD cannot recover under the Act a sum comprising a debt, or that part of a debt, that was caused wholly or partly by a disruption to an automated electronic system.
- (2) In this regulation,—
 - automated electronic system** means an automated electronic system used under **subpart 5A of Part 6** of the Act
 - disruption**, to an automated electronic system, includes, without limitation, a disruption to disclosure to MSD of all or any information used in or by the system.

208B Debts caused by specified errors identified through information share child support payment reviews

- (1) MSD cannot recover under the Act a sum comprising a debt, or that part of a debt, that was caused wholly or partly by a specified error identified through an information share child support payment review.
- (2) In this regulation,—
 - information share child support payment review** means a review under **section 304(1A)** of the Act of whether a person's information share child support payment is or was all or any of their weekly income

specified error means 1 or both of the following:

- (a) MSD has charged an amount of income that is not the correct amount (see **section 304A(1)(c)** of the Act):
- (b) a person has been incorrectly not identified as the proper recipient of the payment (whether that non-identification was by an automated electronic system or a person) (see **section 304A(1)(d)** of the Act).

5

Transitional, savings, and related provisions

57 Schedule 1 amended

In Schedule 1,—

- (a) insert the Part set out in **Part 3 of the Schedule** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

10

Cash assets and income exemptions

58 Schedule 8, clause 1 amended (Cash assets exemptions (for accommodation supplement))

15

In Schedule 8, clause 1, after item 22, insert:

23	A child support payment to which clause 60 applies	Not cash assets of the person to whom the payment was made	Only for the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income
24	A child support payment to which clause 60 applies if the person to whom the payment was made was in exceptional circumstances (as defined in clause 59) at all or any times in the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income	Not cash assets of the person to whom the payment was made	Only for 28 days after the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income

59 Schedule 8, clause 2 amended (Cash assets exemptions (for temporary additional support))

In Schedule 8, clause 2, after item 23, insert:

24	A child support payment to which clause 60 applies	Not cash assets of the person to whom the payment was made	Only for the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income
----	---	--	---

25	A child support payment to which clause 60 applies if the person to whom it was made was in exceptional circumstances (as defined in clause 59) at all or any times in the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income	Not cash assets of the person to whom the payment was made	Only for 28 days after the weeks that, under Part 3A of Schedule 3 of the Act, the payment is charged as all or any of their weekly income
----	--	--	---

60 Schedule 8, clause 4 amended (Income exemptions (for purposes of Act))

In Schedule 8, clause 4, after item 28, insert:

29	An information share child support payment to which clause 61 applies	Not income for the person to whom the payment was made
----	--	--

61 New Parts 34 and 35 of Schedule 8 inserted

In Schedule 8, after Part 33, insert:

Part 34		5
Child support payments: cash assets exemptions (accommodation supplement and temporary additional support)		
59 Interpretation		
	<i>Definition of child support payment</i>	
(1)	In this Part, child support payment means money received by a person by way of child support (as defined in section 2(1) of the Child Support Act 1991) that is—	10
	(a) an information share child support payment; and	
	(b) charged as all or any of the weekly income of the person under Part 3A of Schedule 3 of the Act.	15
	<i>Definition of exceptional circumstances</i>	
(2)	For the purposes of item 24 of clause 1 and of item 25 of clause 2 , a person is in exceptional circumstances if all or any of the following apply or applies to the person:	
	<i>Bereavement</i>	20
	(a) a member of the person's immediate family has died:	
	<i>Serious illness, serious injury, or serious sickness</i>	
	(b) the person, or a member of the person's immediate family, is suffering from a serious illness, a serious injury, or a serious sickness:	
	<i>Patient in hospital care</i>	25
	(c) the person, or a member of the person's immediate family, is a patient in hospital care:	

	<i>Victim of crime</i>	
(d)	the person is a victim:	
	<i>Area affected by emergency, disease, or other exceptional adverse event</i>	
(e)	the person resides in, or is present in and cannot reasonably leave, an area in respect of which a state of local emergency or state of national emergency is in force under Part 4 of the Civil Defence Emergency Management Act 2002:	5
(f)	the person resides in, or is present in and cannot reasonably leave, an area that is or may be affected by an outbreak of a quarantinable disease in respect of which an epidemic notice has been given, and is in force, under section 5(1) of the Epidemic Preparedness Act 2006:	10
(g)	the beneficiary resides in, or is present in and cannot reasonably leave, an area that is or may be affected by any exceptional adverse event other than those prescribed by paragraphs (e) and (f) .	
(3)	In this Part, unless the context otherwise requires,—	15
	crime means an offence for which the offender—	
(a)	is liable on conviction to imprisonment for life or to imprisonment for more than 3 months; or	
(b)	would have been liable on conviction to imprisonment for life or to imprisonment for more than 3 months but for circumstances (for example, the offender has died)	20
	hospital care means hospital care within the meaning of section 4(1) of the Health and Disability Services (Safety) Act 2001	
	immediate family , in relation to a person,—	
(a)	means a member of the person’s family, whānau, or other culturally recognised family group, who is in a close relationship with the person at the time of the death; and	25
(b)	to avoid doubt, includes—	
(i)	a spouse, civil union partner, or de facto partner:	
(ii)	a child or stepchild:	30
(iii)	a brother, sister, stepbrother, or stepsister:	
(iv)	a parent or step-parent:	
(v)	a grandparent	
	victim means—	
(a)	a person against whom a crime has been committed by another person; and	35

(b)	a person who, through (or by means of) a crime committed by another person, has suffered physical or emotional harm, or loss of, or damage to, property; and	
(c)	a parent or legal guardian of a child, or of a young person, who falls within paragraph (a) or (b) , unless that parent or guardian is charged with the commission of, is convicted or found guilty of, or pleads guilty to the crime concerned; and	5
(d)	a member of the immediate family of a person who, as a result of a crime committed by another person, has died, unless that member is charged with the commission of, is convicted or found guilty of, or pleads guilty to the crime concerned.	10
60	Payments	
	This clause applies to a child support payment made to a person.	
Part 35		
	Information share child support payments if transfer to new benefit paid in different instalments: income exemptions (for purposes of Act)	15
61	Information share child support payment if transfer to new benefit paid in different instalments and payment income before date new benefit commences	20
	<i>Transfer from weekly-instalment benefit to fortnightly-instalment benefit</i>	
(1)	This clause applies to an information share child support payment made to a person if—	
(a)	the person transfers—	
(i)	from a benefit paid in instalments of 1 week's benefit (the former benefit); and	25
(ii)	to a benefit paid in instalments of 2 weeks' benefit (the new benefit); and	
(b)	the payment's deemed receipt is on or after the commencement date of the new benefit; and	30
(c)	the payment starts to be charged as all or any of the weekly income of the person under Part 3A of Schedule 3 of the Act before the commencement date of the new benefit.	
	<i>Transfer from fortnightly-instalment benefit to weekly-instalment benefit</i>	
(2)	This clause also applies to an information share child support payment made to a person if—	35
(a)	the person transfers—	

- (i) from a benefit paid in instalments of 2 weeks' benefit (the **former benefit**); and
- (ii) to a benefit paid in instalments of 1 week's benefit (the **new benefit**); and
- (b) the payment's deemed receipt is on or after the commencement date of the new benefit; and
- (c) the payment starts to be charged as all or any of the weekly income of the person under **Part 3A of Schedule 3** of the Act before the commencement date of the new benefit.

Subpart 3—Amendments to Public and Community Housing Management Act 1992 10

Principal Act

62 Principal Act

This subpart amends the Public and Community Housing Management Act 1992. 15

Definitions

63 Section 2 amended (Interpretation)

In section 2(1), replace the definition of **calculation mechanism** with:

calculation mechanism means—

- (a) sections 107 to 113; and 20
- (b) the regulations for the time being in force under section 114

Deprivation of income, property, or both

64 Section 112 amended (Assessable income may be adjusted in certain cases)

After section 112(1), insert:

- (1A) For the purposes of this section, deprivation of income, property, or both, by an applicable person excludes that applicable person doing all or any of— 25
 - (a) not applying for a formula assessment of child support payable in respect of a qualifying child under the Child Support Act 1991;
 - (b) electing to end a formula assessment of child support payable in respect of a qualifying child under that Act: 30
 - (c) choosing not to enter into a voluntary agreement for child support in respect of a qualifying child under that Act (whether or not that voluntary agreement—

(i)	is a voluntary agreement that, under section 48 of that Act, qualifies for acceptance by the Commissioner of Inland Revenue; and so	
(ii)	is a qualifying voluntary agreement (as defined in section 2(1) of that Act):	5
(d)	making under that Act an election to terminate liability under a qualifying voluntary agreement that, under section 48 of that Act, has been accepted by the Commissioner of Inland Revenue:	
(e)	not making, or making, any other arrangement (for example, one in respect of a qualifying child and that is not a qualifying voluntary agreement (as those terms are defined in section 2(1) of that Act)) that does or may affect whether or what child support is payable in respect of a qualifying child under that Act.	10

Calculation mechanism: repeal of spent provisions

65	Schedule 2 repealed Repeal Schedule 2.	15
-----------	--	----

Transitional, savings, and related provisions

66	Schedule 4 amended In Schedule 4,—	
(a)	insert the Part set out in Part 4 of the Schedule of this Act as the last Part; and	20
(b)	make all necessary consequential amendments.	

Subpart 4—Amendments to Public and Community Housing
Management (Prescribed Elements of Calculation Mechanism)
Regulations 2018

25

Principal regulations

67	Principal regulations This subpart amends the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018.	
-----------	--	--

	<i>Exclusions from weekly income for calculation mechanism for income-related rents</i>	30
--	---	----

68	Regulation 14 amended (Certain payments not to be income)	
(1)	In the heading to regulation 14, before “payments” insert “amounts or”.	
(2)	Replace regulation 14(a)(iii) with:	

- (iii) of a kind stated in any of clause 8(b) to (j) and **(m)** to (p) of Schedule 3 of the Social Security Act 2018 (for example,—
 - (A) in that **clause 8(m)**, an amount of child support that is an interest acquired by the person (for example, an interest acquired that is an offset child support payment or an interest acquired by way of any child support debt recovery by reduced further payments of child support): 5
 - (B) in that **clause 8(n)**, a child support deduction for a receiving carer who is a UCB beneficiary: 10
 - (C) in that **clause 8(na)**, a child support excess payment, which includes, without limitation, a mixed child support payment); or

Transitional, savings, and related provisions

69 Schedule amended

- In the Schedule,— 15
 - (a) insert the Part set out in **Part 5 of the Schedule** of this Act as the last Part; and
 - (b) make all necessary consequential amendments.

Schedule
Transitional, savings, and related provisions

ss 19, 36, 57, 66, and 69

Part 1

New Part 7 inserted into Schedule 1 of Child Support Act 1991 5

Part 7

Provisions relating to Child Support (Pass On) Acts Amendment Act 2023

- 29 Application of amendments** 10
- (1) In this clause, **amendments** means the amendments made to this Act by **sub-part 1 of Part 1** of the Child Support (Pass On) Acts Amendment Act **2023**.
- (2) The amendments apply only to child support in respect of a period (whether all, or any part, of a child support year) that starts on or after **1 July 2023**.
- (3) That child support includes, but is not limited to, child support under a formula assessment or a voluntary agreement or an order of the court made or entered into before **1 July 2023**. 15
- (4) Child support in respect of a period (whether all, or any part, of a child support year) that starts before **1 July 2023** is subject to this Act as in force at the relevant time before **1 July 2023**.
- 30 Election by receiving carer to discontinue proceedings** 20
- (1) Old section 96Y(2)(a) continues to apply on and after **1 July 2023** to proceedings in respect of child support that was payable—
- (a) in respect of a particular period before that date; and
- (b) to a receiving carer who was a social security beneficiary (as defined in old section 2(1)) during that particular period. 25
- (2) **Subclause (1)** applies whether the proceedings were or are commenced before, on, or after **1 July 2023**.
- (3) In this clause, a reference to an **old** provision is a reference to that provision as in force immediately before **1 July 2023**.
- (4) This clause does not limit the generality of **clause 29(4)**. 30
- 31 Social security beneficiary to be compellable witness against liable parent**
- (1) Old section 122 continues to apply on and after **1 July 2023** to any proceeding under this Act to the extent that the proceeding relates to any period before that date.

- (2) **Subclause (1)** applies whether the proceeding was or is commenced before, on, or after **1 July 2023**.
- (3) In this clause, a reference to an **old** provision is a reference to that provision as in force immediately before **1 July 2023**.
- (4) This clause does not limit the generality of **clause 29(4)**. 5
- 32 Regulations for transitional and savings purposes**
- Clauses 29 to 31** may be added to or displaced by transitional provisions or savings provisions prescribed by regulations made under **clause 98(1) of Schedule 1** of the Social Security Act 2018.

Part 2

10

New Part 9 inserted into Schedule 1 of Social Security Act 2018

Part 9

Provisions relating to Child Support (Pass On) Acts Amendment Act 2023

- 95 Application of amendments** 15
- (1) In this clause,—
- amendments** means the amendments made to this Act by **subpart 1 of Part 2** of the Child Support (Pass On) Acts Amendment Act **2023**
- formula assessment** has the meaning in section 2(1) of the Child Support Act 1991. 20
- (2) The amendments apply only to—
- (a) use on or after **1 July 2023** of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions; and
- (b) income based on child support in respect of a period (whether all, or any part, of a child support year) that starts on or after **1 July 2023**; and 25
- (c) abatement on or after **1 July 2023** of youth payment or young parent payment.
- (3) The child support referred to in **subclause (2)(b)** includes, but is not limited to, child support under a formula assessment or a voluntary agreement or an order of a court made or entered into before **1 July 2023**. 30
- (4) Child support in respect of a period (whether all, or any part, of a child support year) that starts before **1 July 2023** is subject to this Act as in force at the relevant time before **1 July 2023**.

- 96 MSD must exclude as income specified child support notified to MSD**
- (1) In this clause,—
- changeover**, for a person, means,—
- (a) the start of **31 July 2023**, if the person is in receipt of a benefit or other assistance payable in instalments of 1 week’s benefit or other assistance; 5
or
- (b) the start of **2 August 2023**, if the person is in receipt of a benefit or other assistance payable in instalments of 2 weeks’ benefit or other assistance
- income**, of a person, means income of the person for the purposes of this Act. 10
- (2) This clause applies to child support that is money received by a person if—
- (a) MSD is notified of the person’s receipt of the child support (for example, as a change of circumstances notified under section 113) before **1 July 2023**; and
- (b) the child support is income of the person for a period or periods before **1 July 2023**; and 15
- (c) MSD expects the child support to continue to be received by the person for a period or periods on or after **1 July 2023**; and
- (d) MSD would, if this clause had not been enacted, also treat the child support as income of the person for a period or periods on or after the changeover. 20
- (3) MSD must, after the changeover, treat the child support as if it were not the person’s income after the changeover.
- (4) MSD must remove, from MSD records of the person’s income, child support treated by MSD under this clause as if it were not the person’s income after the changeover. 25
- 97 MSD must ensure beneficiary’s allowable costs for temporary additional support or special benefit during specified period include certain child support liability**
- (1) This clause applies if, on or after **1 July 2023** and before or on **29 September 2023**, MSD becomes aware in any way, from information available to MSD, that— 30
- (a) a beneficiary was receiving, for all or any of that period, a benefit that is—
- (i) temporary additional support; or 35
- (ii) a special benefit continued under section 23 of the Social Security (Working for Families) Amendment Act 2004 (as that section is saved by clause 19 of this schedule); and

- (b) the beneficiary's allowable costs for that benefit did not include, but should have included, at all or any times during that period, child support required to be paid by them for the week or weeks concerned under a formula assessment under the Child Support Act 1991.
- (2) MSD must review under section 304 whether, for the reason specified in **subclause (1)(b)**, the beneficiary was not entitled to receive that benefit, or the rate of that benefit, that was paid to the beneficiary for all or any of that period. 5
- (3) If satisfied because of the review that the beneficiary's allowable costs for that benefit did not include, but should have included, at all or any times during that period, child support of the kind referred to in **subclause (1)(b)**, MSD must— 10
- (a) ensure that the beneficiary's relevant allowable costs for that benefit include that support from the later of **1 July 2023** or when that support started; and
- (b) suspend, cancel, or vary the rate of that benefit accordingly from a date that is within that period and that MSD reasonably determines. 15
- 98 Regulations for transitional and savings purposes**
- Power to make regulations on recommendation of relevant Minister*
- (1) The Governor-General may, by Order in Council made on the recommendation of the relevant Minister, make regulations prescribing transitional provisions, savings provisions, or both, related to amendments made by the Child Support (Pass On) Acts Amendment Act **2023** to the Child Support Act 1991, this Act, or the Public and Community Housing Management Act 1992. 20
- Regulations must be for specified transitional or savings purposes*
- (2) The regulations must be for either or both of the following purposes: 25
- (a) facilitating, or ensuring the orderliness of, the transition to those amendments being brought into operation:
- (b) ensuring that existing rights or obligations continue as part of, or despite, that transition.
- Requirements for recommendation of relevant Minister* 30
- (3) The relevant Minister who may recommend the making of regulations made under **subclause (1)** is—
- (a) the Minister (as defined in Schedule 2 for provisions of this Act), to the extent that the regulations relate to amendments made to provisions of this Act: 35
- (b) the Minister of Revenue, to the extent that the regulations relate to amendments made to the Child Support Act 1991:

- (c) the Minister of Housing, to the extent that the regulations relate to amendments made to the Public and Community Housing Management Act 1992.
- (4) The relevant Minister must not recommend the making of regulations made under **subclause (1)** unless satisfied that those regulations— 5
- (a) are reasonably necessary for either or both of the purposes in **subclause (2)(a) and (b)**; and
- (b) are consistent with the purposes of those amendments.
- Provisions prescribed may be in addition to or instead of specified clauses*
- (5) The transitional provisions or savings provisions prescribed by regulations made under **subclause (1)** may be provisions in addition to or instead of all or any of the following clauses: 10
- (a) **clauses 29 to 31 of Schedule 1** of the Child Support Act 1991 as inserted by the Child Support (Pass On) Acts Amendment Act **2023**;
- (b) **clauses 95 to 97** of this Part of this schedule of this Act as inserted by the Child Support (Pass On) Acts Amendment Act **2023**: 15
- (c) **clause 22 of Schedule 4** of the Public and Community Housing Management Act 1992 as inserted by the Child Support (Pass On) Acts Amendment Act **2023**.
- What prescribed transitional provisions or savings provisions may do* 20
- (6) The transitional provisions or savings provisions prescribed by regulations made under **subclause (1)** may do all or any of the following:
- (a) provide that, for a transitional period, in any circumstances, or subject to any conditions, specified in the regulations, 1 or more provisions (including definitions) of the relevant Act amended do not apply, or apply with modifications or additions: 25
- (b) provide that, for a transitional period, in any circumstances, or subject to any conditions, specified in the regulations, 1 or more provisions repealed, amended, or revoked by those amendments are to continue to apply, or apply with modifications or additions, as if they had not been repealed, amended, or revoked: 30
- (c) provide for any other matter necessary for either or both of the purposes in **subclause (2)(a) and (b)**.
- Secondary legislation*
- (7) Regulations under this clause are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 35
- Power ends at, and any regulations made are revoked at, start of 1 July 2026*
- (8) Regulations made under this clause cannot be made after, and are revoked by this clause at, the start of **1 July 2026**.

Part 3
New Part 9 inserted into Schedule 1 of Social Security
Regulations 2018

Part 9
Provisions relating to Child Support (Pass On) Acts Amendment
Act 2023

15 Application of amendments

(1) In this clause,—

amendments means the amendments made to these regulations by **subpart 2 of Part 2** of the Child Support (Pass On) Acts Amendment Act **2023**

formula assessment has the meaning in section 2(1) of the Child Support Act 1991.

(2) The amendments apply only to child support payments based on child support in respect of a period (whether all, or any part, of a child support year) that starts on or after **1 July 2023**.

(3) The child support referred to in **subclause (2)** includes, but is not limited to, child support under a formula assessment or a voluntary agreement or an order of a court made or entered into before **1 July 2023**.

(4) Child support in respect of a period (whether all, or any part, of a child support year) that starts before **1 July 2023** is subject to these regulations as in force at the relevant time before **1 July 2023**.

Part 4
New Part 5 inserted into Schedule 4 of Public and Community
Housing Management Act 1992

Part 5
Provisions relating to Child Support (Pass On) Acts Amendment
Act 2023

22 Application of amendments

(1) In this clause,—

amendments means the amendments made to this Act by **subpart 3 of Part 2** of the Child Support (Pass On) Acts Amendment Act **2023**

child support, **child support year**, and **formula assessment** have the meanings in section 2(1) of the Child Support Act 1991.

- (2) The amendments apply only to income based on child support in respect of a period (whether all, or any part, of a child support year) that starts on or after **1 July 2023**.
- (3) The child support referred to in **subclause (2)** includes, but is not limited to, child support under a formula assessment or a voluntary agreement or an order of a court made or entered into before **1 July 2023**. 5
- (4) Child support in respect of a period (whether all, or any part, of a child support year) that starts before **1 July 2023** is subject to this Act as in force at the relevant time before **1 July 2023**.
- 23 Regulations for transitional and savings purposes** 10
- Clause 22** may be added to or displaced by transitional provisions or savings provisions prescribed by regulations made under **clause 98(1) of Schedule 1** of the Social Security Act 2018.

Part 5

- New Part 3 inserted into Schedule of Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018** 15

Part 3

- Provisions relating to Child Support (Pass On) Acts Amendment Act 2023** 20

- 4 Application of amendments**
- (1) In this clause,—
- amendments** means the amendments made to these regulations by **subpart 4 of Part 2** of the Child Support (Pass On) Acts Amendment Act **2023**
- child support, child support year, and formula assessment** have the meanings in section 2(1) of the Child Support Act 1991. 25
- (2) The amendments apply only to child support payments based on child support in respect of a period (whether all, or any part, of a child support year) that starts on or after **1 July 2023**.
- (3) The child support referred to in **subclause (2)** includes, but is not limited to, child support under a formula assessment or a voluntary agreement or an order of the court made or entered into before **1 July 2023**. 30
- (4) Child support in respect of a period (whether all, or any part, of a child support year) that starts before **1 July 2023** is subject to these regulations as in force at the relevant time before **1 July 2023**. 35

Child Support (Pass On) Acts Amendment Bill

Wellington, New Zealand:

Published under the authority of the New Zealand Government—2023