

Social Security (COVID-19 Income Relief Payment to be Income) Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill ensures that a payment received by a person under the COVID-19 Income Relief Payment Programme (the **Programme**) is treated as the person's income for the purposes of the Social Security Act 2018 (the **Act**).

The Programme will be approved and established under the Act. Payments under the Programme will provide temporary income relief to people who have lost their jobs as a result of the impact of COVID-19. The intention is to ease the income shock individuals and whānau may experience from unemployment.

A payment under the Programme will be paid to eligible people for up to 12 weeks, at a rate of \$490 per week if they were previously in full-time employment (30 hours or more a week), or \$250 per week if they were previously in part-time employment (15 to 29 hours a week).

The Programme will come into force on 8 June 2020 and will be available for eligible people who have lost their jobs on or after 1 March 2020 and no later than 30 October 2020. People will be able to apply until 13 November 2020.

People cannot receive a payment under the Programme at the same time as an income-tested main benefit, but people will (if otherwise eligible) be able to receive at the same time supplementary assistance and hardship assistance under the Act.

The change made through these amendments will ensure that access to income-tested support provided for under the Act, or approved and established under the Act, takes into account the actual financial resources a person has received or is receiving. To achieve this outcome, the definition of income in Schedule 3 of the Act must be amended to include a payment under the Programme. The payment would otherwise be excluded as income by clause 8(a) of Schedule 3.

Departmental disclosure statement

The Ministry of Social Development is 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=2020&no=267>

Regulatory impact assessment

The Treasury has determined that this Bill is a direct COVID-19 response and has suspended the RIA requirements (in accordance with CAB-20-MIN-0138).

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 ensures that the Bill, if enacted, comes into force on **8 June 2020**.

Clause 3 provides that the Bill amends the Social Security Act 2018 (the **Act**).

Part 1

Substantive amendments

Clause 4 amends Schedule 2 (dictionary) to insert definitions of these 2 terms:

- COVID-19 income relief payment:
- COVID-19 Income Relief Payment Programme.

Clause 5 amends Schedule 3 (income and liabilities), which defines what is income for the purposes of the Act. (Schedule 3 defines what is income, for example, for income-tested supplementary assistance, income-tested hardship assistance, and income-tested special assistance under welfare programmes.)

Clause 5(1) amends the exclusion in clause 8(a) of Schedule 3 for “any benefit, grant, allowance, or concession received by the person under [the] Act”. The amendment helps make clear that this exclusion is subject to the exception in *new clause 8A*.

Clause 5(2) inserts *new clause 8A*.

New clause 8A(1) ensures that a person’s income includes a COVID-19 income relief payment received by the person.

New clause 8A(2) ensures, however, that a payment of that kind is not income of the person for the purposes of the COVID-19 Income Relief Payment Programme.

Part 2

Transitional, savings, and related provisions

Clause 6 amends Schedule 1 (transitional, savings, and related provisions) by inserting the *new Part 4* set out in the *Schedule* of the Bill. *New Part 4*—

- repeals or amends, when the COVID-19 Income Relief Payment Programme is revoked and not replaced, provisions ensuring a COVID-19 income relief payment is income; and
- makes clear that the repeal or amendment of those provisions does not affect their previous operation.

Hon Carmel Sepuloni

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Part 2

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Schedule

New Part 4 of Schedule 1 of Social Security Act 2018

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Social Security (COVID-19 Income Relief Payment to be Income) Amendment Act **2020**.

2 Commencement

This Act comes into force on **8 June 2020**.

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3 Principal Act

This Act amends the Social Security Act 2018.

Part 1
Substantive amendments

4 Schedule 2 amended 5

In Schedule 2, insert in their appropriate alphabetical order:

COVID-19 income relief payment means all or a portion of a payment under the COVID-19 Income Relief Payment Programme

COVID-19 Income Relief Payment Programme means—

- (a) that programme as approved and established under section 101; or 10
- (b) if that programme is revoked, a programme—
 - (i) also approved and established under section 101; and
 - (ii) that, with or without modification, replaces, or that corresponds to, that programme

5 Schedule 3 amended 15

- (1) In Schedule 3, clause 8(a), after “any benefit, grant, allowance, or concession received by the person under this Act”, insert “(but *see* **clause 8A**)”.

- (2) In Schedule 3, after clause 8, insert:

8A Exception to exclusion in clause 8(a): income includes COVID-19 income relief payment 20

- (1) Despite clause 8(a), a person’s income includes a COVID-19 income relief payment received by the person.
- (2) However, a payment of that kind is not income of the person for the purposes of the COVID-19 Income Relief Payment Programme.

Part 2 25
Transitional, savings, and related provisions

6 Schedule 1 amended

In Schedule 1, after Part 3, insert the **Part 4** set out in the **Schedule** of this Act.

Schedule
New Part 4 of Schedule 1 of Social Security Act 2018

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Part 4
**Provisions relating to Social Security (COVID-19 Income Relief
Payment to be Income) Amendment Act 2020**

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80 Repeals and amendment

(1) This clause takes effect when the COVID-19 Income Relief Payment Programme is revoked and not replaced.

(2) In Schedule 2, repeal the definitions of **COVID-19 income relief payment** and **COVID-19 Income Relief Payment Programme**.

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(3) In Schedule 3, clause 8(a), delete “(but see **clause 8A**)”.

(4) In Schedule 3, repeal **clause 8A**.

(5) In this clause, **COVID-19 Income Relief Payment Programme** has the meaning in **section 4** of the Social Security (COVID-19 Income Relief Payment to be Income) Amendment Act **2020**.

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81 Effect of repeal or amendment of provisions ensuring COVID-19 income relief payment is income

The repeal or amendment, by **clause 80**, of any provisions does not affect their previous operation—

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(a) on or after **8 June 2020**; and

(b) before they are repealed or amended by **clause 80**.