

SOCIAL SECURITY AMENDMENT BILL (NO. 2)

EXPLANATORY NOTE

THIS Bill amends the Social Security Act 1964.

The Bill provides for the recovery of part of the costs of domestic purposes benefits payable to solo parents by requiring the other parent to make a contribution towards that cost, assessed in accordance with the proposed Twentieth Schedule to the principal Act (set out in the Schedule to the Bill).

Certain principal features of the scheme should be noted. First, the scheme does not apply in respect of domestic purposes benefits granted before the introduction of the scheme. Secondly, the scheme does not apply to benefits payable to beneficiaries who are not caring for dependent children. Thirdly, liability of the other parent to contribute depends on his (or her) liability in law to maintain one or more dependent children in the care of the beneficiary. It does not depend on his (or her) liability to maintain the beneficiary herself (or himself). However, the assessed contribution is off-set against the total cost of the benefit, whether or not a child supplement is being paid.

The new procedure will operate as follows. When a domestic purposes benefit is granted, the Commission will notify the other parent (termed in the Bill the liable parent) of the grant, and require him (or her) to advise the Commission of his (or her) assessable income. The Commission will then assess the amount of the contribution that the parent must pay, and notify the parent accordingly. Liability runs from the date on which notice of assessment is given. The liable parent has the right to object to the assessment on certain specified grounds, and provision is made for any such objection to be heard and determined by a District (Magistrate's) Court.

While a domestic purposes benefit is being paid to any beneficiary, any maintenance order or agreement providing for the beneficiary or her (or his) dependent is suspended, and an applicant for such a benefit will no longer be required to apply for a maintenance order or enter into a satisfactory maintenance agreement as a condition precedent to the grant of a benefit.

Clause 1 relates to the Short Title and commencement.

Clause 2 provides that the Bill does not apply to domestic purposes benefits being paid to solo parents before the commencement of the Bill.

Clause 3 amends section 12 (2) of the principal Act to give the Department authority to investigate the financial circumstances of the other (liable) parent to contribute towards the cost of the benefit.

Clause 4 amends section 12j (1) of the principal Act to preclude a right of appeal to the Social Security Appeal Authority against a decision that a person is liable to contribute to the cost of a domestic purposes benefit under the new scheme. Instead, the person will have a right to appeal to a District Court against the Commission's assessment.

Clause 5 repeals the provision in section 27B (2) of the principal Act under which a solo parent applicant for a domestic purposes benefit is required to obtain a maintenance order or enter into a registered maintenance agreement that makes reasonable provision for the maintenance of the applicant and her (or his) children. This provision is replaced by a requirement that the paternity (or maternity as the case may be) of the children of the applicant be established in law.

Clause 6 amends section 27F of the principal Act, which sets out the procedures to be followed with regard to the maintenance rights of persons receiving a domestic purposes benefit (or related emergency benefit) as a solo parent or as a "woman alone". Under *clause 7* (the proposed section 27j), the maintenance rights of persons granted the benefit as a solo parent will be suspended and unenforceable during the currency of the benefit. This means that the provisions of section 27F will no longer be relevant for solo parent beneficiaries. *Clause 6* makes the necessary amendments to section 27F to provide for this.

Clause 7 inserts into the principal Act sections 27i to 27u, which together make provision for the new scheme.

Contribution Towards Cost of Domestic Purposes Benefits for Solo Parents

Section 27i defines certain terms used in the succeeding provisions. The most important terms are "dependent child" and "liable parent".

The "dependent child" may or may not be the natural (or adopted) child of the beneficiary. The test is whether or not the child is being cared for by the beneficiary.

The "liable parent" is every person who is liable in law to maintain the child. Thus, not only natural (or adopted) children are included: in certain circumstances step-children could be included as well. Further, there may be 2 liable parents in respect of the same child. For example, if the child of the marriage is placed in the care of the wife's sister who is in receipt of a domestic purposes benefit, the sister is the beneficiary and both parents are liable parents.

Subclause (2) needs to be read in conjunction with the global basis on which an assessment is made in accordance with the proposed Twentieth Schedule to the principal Act set out in the Schedule to the Bill. Under the provisions of that Schedule, the maximum contribution that a liable parent can be required to make is one third of net income, or the amount of the benefit.

Subject to that, the contribution that the parent must make is irrespective of the number of dependent children for which he is liable if he is also liable to maintain the beneficiary. However, if the parent is not also liable to maintain the beneficiary, the maximum liability cannot exceed \$17.50 per dependent child.

Take 2 examples:

1. Suppose the liable parent's maximum contribution under the Schedule is \$50, and liability covers 2 dependent children and the beneficiary. The effect of the subclause is to attribute \$17.50 of the contribution to each child, leaving a balance of \$15 attributable to the beneficiary.

[On the same basis where liability does not extend to the beneficiary, the maximum liability would be reduced to \$35.00 under the Schedule.]

2. On the same basis but assuming only 1 dependent child, \$17.50 would be attributable to that child, leaving the balance of \$32.50 attributable to the beneficiary.

The point is important under the proposed *sections 27P and 27s* relating to objections to assessments.

Section 27J provides that while a benefit is being paid, any maintenance order or agreement in favour of the beneficiary or the dependent children is suspended.

Section 27K sets out the basic rule that a liable parent is required to contribute towards the cost of the benefit paid to the beneficiary.

Section 27L provides that the Commission shall notify the liable parent that a benefit has been granted, and require the parent to notify the Commission of the parent's assessable income.

Section 27M requires the parent to inform the Commission of his assessable income, and empowers the Commission to determine the income itself if the parent fails to provide it or cannot be found.

Section 27N provides that the Commission, having been informed of or determined the liable parent's assessable income, shall assess the parent's contribution in accordance with the Schedule. Having done so, the Commission must give notice of the assessment to the liable parent.

Section 27O provides that if the liable parent wishes to object, he must give notice of his objection within 14 days after the notice of assessment is given to him.

Section 27P sets out the grounds on which such an objection may be made.

Paragraph (a) provides for the case where the liable parent contends that he (or she) is not liable to maintain any of the beneficiary's dependent children, and that no assessment should have been made.

Paragraph (b) provides for intermediate cases where the parent accepts liability for the children but not the beneficiary, or accepts liability for some of the children but not all of them. It also allows an objection on the ground that the assessment has been incorrectly computed.

Paragraph (c) provides for cases where the parent admits liability in accordance with the terms of the notice of assessment, but contends that, because of certain circumstances referred to in the paragraph, it would be unjust to require the full contribution.

Paragraph (d) provides for cases where the parent contends that, because of commitments to other dependants (e.g. a second family), it would be unjust to require the full contribution.

Section 27Q prescribes the procedure to be followed where an objection is made. Where the objection is made on the ground that the assessment has been wrongly calculated, the Commission must reconsider the assessment. Then, if it rejects the objection in whole or in part, it must file the objection in the Court.

Section 27R prescribes the procedure to be followed on the hearing of the objection. *Subsections (5) and (6)* are of particular importance.

Subsection (5) provides that in every case the onus of proof lies on the objector.

Subsection (6) requires the beneficiary (who, of course, is often the spouse of the liable parent) to give evidence for the Commission in respect of the objection, and in such cases denies the right of a spouse to claim privilege in respect of communications passing between the spouses during the marriage.

Section 27s sets out the orders that may be made where the Court upholds an objection. *Subsection (5)* is important. It provides that, unless the Court otherwise orders, an assessment shall remain in force pending the determination of the objection.

Section 27t provides for the recovery by the Crown of unpaid contributions.

Subsection (1) provides that an unpaid assessment constitutes a debt to the Crown and may be recovered at the suit of any member of the Commission.

Subsection (2) authorises the Commission to deduct any such unpaid assessment from any benefit to which the liable parent may be or become entitled.

Subsections (3) to (12) provide for a system of attachment of wages to recover unpaid assessments. The Commission is empowered to require an employer, by notice in writing, to deduct payments from the liable parent's salary, wages, or other payments. If an employer fails to do so, he will be liable to the Commission, by way of penalty, to pay the amount of the deductions that he failed to make.

Section 27u provides for periodic reviews of assessments.

Clause 8 amends section 61b of the principal Act, which sets out maintenance requirements where child supplements are payable in conjunction with social security benefits. The amendment excludes solo parents granted a domestic purposes benefit, consequent upon the introduction of the new scheme.

Clause 9 amends section 61c of the principal Act which empowers the Department to apply for variation in maintenance in cases where it considers a maintenance agreement or order is insufficient. The amendment excludes orders and agreements in favour of solo parents and their children where a benefit is being paid.

Clause (10) adds to the principal Act a new Twentieth Schedule, set out in the Schedule to the Bill.

The Schedule sets out the basis on which a contribution is to be assessed. The liable parent will be obliged to contribute whichever of the following amounts is the lesser:

- (a) The balance of his (or her) disposable income after deduction of: tax at the single rate; accommodation expenses up to a maximum of \$50 a week; travel costs to and from work; and a fixed sum of \$50 a week (\$25 a week if paying board) for his or her general living expenses; or
- (b) One third of his (or her) net income after deduction of tax at the single rate.

In any case where the liable parent establishes by judgment of a Court that he (or she) is not liable to contribute to the support of the beneficiary but is liable to contribute to the maintenance of any child of the beneficiary, the contribution will be assessed on the basis of \$17.50 a week for each child.

Hon. Mr Gair

SOCIAL SECURITY AMENDMENT (NO. 2)

ANALYSIS

Title	27L. Commission to give liable parent notice of grant of benefit
1. Short Title and commencement	27M. Liable parent to notify Commission of assessable income, etc.
2. Existing benefits exempted	27N. Commission to assess contribution and notify liable parent
3. Investigation of claims and grant of benefits	27O. Notice of objection
4. Right of appeal	27P. Grounds on which objection may be made
5. Domestic purposes benefits for solo parents	27Q. Procedure to be followed where objection received
6. Special provisions as to maintenance	27R. Hearing of objection by Court
7. New heading and sections (relating to payment of costs of certain domestic purposes benefits) inserted in principal Act	27S. Findings of Court
<i>Contribution Towards Cost of Domestic Purposes Benefits For Solo Parents</i>	27T. Recovery of unpaid contributions
27I. Interpretation	27U. Review of assessment
27J. Maintenance order or agreement suspended while benefit is paid	8. Special provisions in respect of child supplements
27K. Liable parent to contribute towards cost of benefit and child supplement	9. Special provisions in respect of inadequate maintenance
	10. New Twentieth Schedule added to principal Act Schedule

A BILL INTITULED

An Act to amend the Social Security Act 1964

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title and commencement—(1) This Act may be cited as the Social Security Amendment Act (No. 2) 1979, and shall be read together with and deemed part of the Social Security Act 1964* (hereinafter referred to as the principal Act). 5

(2) The Act shall come into force on a date to be appointed by the Governor-General by Order in Council.

2. Existing benefits exempted—Nothing in this Act shall apply in respect of any benefit that was being paid to any person pursuant to section 27B of the principal Act immediately before the commencement of this Act; and in respect of every such benefit the Commission shall continue to apply the relevant provisions of the principal Act as if this Act had not been passed. 10

3. Investigation of claims and grant of benefits—Section 12 (3) of the principal Act is hereby amended by inserting, after the words “or any person who is or has been in receipt of a benefit” (as inserted by section 3 (2) (b) of the Social Security Amendment Act 1979), the words “or any person who is a ‘liable parent’ within the meaning of section 27I of this Act”. 15 20

4. Right of appeal—Section 12J of the principal Act (as inserted by section 4 (1) of the Social Security Amendment Act 1973) is hereby amended by repealing paragraph (a) of subsection (1), and substituting the following paragraph: 25
“(a) Any of the provisions of Part I of this Act, except sections 27I to 27U:”.

5. Domestic purposes benefits for solo parents—(1) Section 27B of the principal Act (as inserted by section 6 (1) of the Social Security Amendment Act 1973) is hereby amended 30 by repealing paragraph (c) of subsection (2) (as added by section 5 (2) of the Social Security Amendment Act (No. 2) 1977), and substituting the following paragraph:

“(c) The father or (as the case may require) the mother of each dependent child has been identified in law:” 35

(2) Section 5 (2) of the Social Security Amendment Act (No. 2) 1977 is hereby consequentially repealed.

*Reprinted 1975, Vol. 4, p. 2951

Amendments: 1976, No. 40; 1977, No. 120; 1977, No. 133; 1978, No. 58; 1979, No. 14

6. **Special provisions as to maintenance**—(1) Section 27F of the principal Act (as inserted by section 6 (1) of the Social Security Amendment Act 1973) is hereby amended by omitting from the definition of the term “benefit” in
5 subsection (1) the words “section 27B or”.

(2) The said section 27F is hereby further amended by omitting from subsection (3) (as amended by section 4 (2) of the Social Security Amendment Act 1974) the words “any benefit”, and substituting the words “a benefit”.

10 7. **New heading and sections (relating to payment of costs of certain domestic purposes benefits) inserted in principal Act**—(1) The principal Act is hereby amended by inserting, after section 27H (as inserted by section 6 (1) of the Social Security Amendment Act 1973), the following
15 heading and sections:

“Contribution Towards Cost of Domestic Purposes Benefits For Solo Parents

“27I. **Interpretation**—(1) In sections 27J to 27U of this Act, and the Twentieth Schedule to this Act, unless the context
20 otherwise requires,—

“‘Assessable income’, in relation to a liable parent, means that parent’s assessable income for the last completed income year or, as the case may require, that parent’s likely assessable income in any current
25 income year, determined in accordance with section 27M of this Act:

“‘Assessment’, in relation to a liable parent, means the amount, assessed in accordance with the provisions of sections 27L to 27U of this Act and the Twentieth Schedule to this Act, that the liable parent is required to contribute towards the cost of a benefit and child supplement:
30

“‘Benefit’ means a domestic purposes benefit granted under section 27B of this Act; and includes any child supplement paid to the beneficiary; and ‘beneficiary’ has a corresponding meaning:
35

“‘Child supplement’ means an additional benefit paid under section 61A of this Act in respect of a dependent child:

“‘Court’, in relation to an objection to an assessment, means the District Court nearest to the office of the Department from which notice of the assessment was sent to the objector:

“‘Dependent child’, in relation to a beneficiary, means a dependent child who is being cared for by the beneficiary:

“‘Liable parent’, in relation to the dependent child of a beneficiary, means every person (other than the beneficiary) who is liable in law to maintain the dependent child, whether or not that person is also liable in law to maintain the beneficiary.

“(2) For the purposes of sections 27J to 27U of this Act and the Twentieth Schedule to this Act, the amount of an assessment computed on a weekly basis shall be attributable as follows:

“(a) The sum of \$17.50 shall be attributable to each dependent child whom the liable parent is liable in law to maintain:

“(b) The balance (if any) shall be attributable to the beneficiary.

“27J. Maintenance order or agreement suspended while benefit is paid—(1) Notwithstanding anything in the Family Proceedings Act 1979 or any other enactment, any maintenance order or registered maintenance agreement that provides for the maintenance of a beneficiary and any child in the care of the beneficiary, shall be suspended and unenforceable during any period when a benefit is payable to the beneficiary, and no liability for, or rights to, maintenance under that order or agreement shall enure during any such period.

“(2) Nothing in subsection (1) of this section shall prevent a maintenance order being made, or a maintenance agreement being registered, while a benefit is being paid.

“27K. Liable parent to contribute towards cost of benefit and child supplement—(1) Every liable parent of a beneficiary’s dependent child shall contribute towards the cost of the benefit an amount assessed in accordance with the provisions of sections 27L to 27U of this Act and the Twentieth Schedule to this Act.

“(2) Except as otherwise provided in any order of the Court made under section 27S of this Act, the liability under subsection (1) of this section shall commence on the date on which the Commission gives to the liable parent a notice

of assessment under section 27M of this Act or, in the case of a liable parent whose whereabouts are unknown, the date on which the Commission makes the assessment; and shall be made by such periodic payments as the Commission shall
5 direct.

“**27L. Commission to give liable parent notice of grant of benefit**—(1) As soon as practicable after granting a benefit, the Commission shall give to each liable parent of a dependent child of the beneficiary written notice of the
10 grant.

“(2) The notice shall contain the following information:

“(a) The name of the beneficiary:

“(b) The name of each dependent child of the beneficiary in respect of whom the recipient of the notice is the liable parent:
15

“(c) A statement advising the liable parent of the liability imposed on the liable parent by section 27K of this Act.

“(3) In addition, the notice shall contain a requirement
20 that the liable parent shall supply to the Commission the information referred to in section 27M of this Act.

“(4) No notice under this section shall be required if the whereabouts of the liable parent are unknown.

“**27M. Liable parent to notify Commission of assessable income, etc.**—(1) Within 1 month after receiving a notice under section 27L of this Act, or such longer period as the Commission may allow, the liable parent shall lodge with the office of the Department specified in the notice a statement of the amount of the liable parent’s assessable income as determined by the Commissioner of Inland Revenue for the last completed income year under and for the purposes of the Income Tax Act 1976, together with such other information specified in the notice as the Commission may reasonably require for the purposes of making an assessment
30 of the contribution to be paid by the liable parent.
35

“(2) For the purposes of subsection (1) of this section, the Commissioner of Inland Revenue shall, on the request of the liable parent, supply to the liable parent a certificate in a form prescribed by the Commission of the amount of the
40 liable parent’s assessable income as determined by the Commissioner for the last completed income year, and the period during which that income was derived, under and for the purposes of the Income Tax Act 1976.

“(3) If the liable parent fails to comply with subsection (1) of this section within the required period, or if the liable parent’s whereabouts are unknown, the Commission shall determine, as best it can on the information available to it, the likely assessable income of the liable parent for the then current income year; and that determination shall be deemed for the purposes of the assessment to be correct unless the contrary is proved. 3

“(4) Notwithstanding the foregoing provisions of this section, where the liable parent is a salary or wage worker the Commission may, on the application of the liable parent within the period referred to in subsection (1) of this section or such longer period as the Commission may allow, determine the assessable income of the liable parent on the basis of the liable parent’s then current salary or wage. 10 15

“(5) The liable parent shall supply to the Commission in support of an application under subsection (4) of this section sufficient particulars to enable the Commission to determine the liable parent’s likely assessable income for the then current income year. 20

“27N. **Commission to assess contribution and notify liable parent**—(1) Having determined the liable parent’s assessable income, the Commission shall assess the amount of the contribution to be paid by the liable parent in accordance with the provisions of the Twentieth Schedule to this Act. 25

“(2) When it has made the assessment, the Commission shall give written notice of the assessment to the liable parent expressed as a rate per week, and advise the liable parent of the right to object to the assessment within the period (being not less than 14 days after the date on which the notice is given to the liable parent) as is specified in the notice. 30

“27O. **Notice of objection**—(1) If the liable parent wishes to object to the assessment, the liable parent shall give written notice of objection to the Commission at the office of the Department specified in the notice of assessment within the period specified in that notice, and shall state the ground or grounds of objection (being a ground or the grounds specified in section 27P of this Act). 35 40

“(2) Notwithstanding anything in subsection (1) of this section, the Commission may at its discretion accept a notice of objection outside the prescribed period but in no case shall it be obliged to do so.

“27p. **Grounds on which objection may be made**—The liable parent may object to an assessment on any or all of the following grounds, but on no other ground:

5 “(a) That the liable parent is not liable in law to maintain the dependent child or dependent children named in the notice of assessment and for that reason no assessment should have been made:

“ (b) That the amount of the assessment is incorrect and should be reduced because—

10 “(i) Part of the assessment is attributable to a dependent child or dependent children named in the notice of assessment whom the liable parent is not liable in law to maintain; or

15 “(ii) Part of the assessment is attributable to the beneficiary whom the liable parent is not liable in law to maintain; or

“(iii) The assessment has not been correctly computed in accordance with the provisions of the Twentieth Schedule to this Act:

20 “(c) That it would be unjust to require the liable parent to pay the full amount of the assessment—

25 “(i) In respect of a dependent child to whom part of the assessment is attributable, because the child is not the child of the liable parent by birth or adoption; or

“(ii) In respect of the beneficiary to whom part of the assessment is attributable, because of any of the matters referred to in section 67 of the Family Proceedings Act 1979:

30 “(d) That it would be unjust to require the liable parent to pay the full amount of the assessment because he is liable in law to maintain any dependant other than the beneficiary, any child of the beneficiary in the care of the liable parent, and any child in the care of the beneficiary.

35 “27q. **Procedure to be followed where objection received**—
(1) Within 14 days after receiving a notice of objection to an assessment on any ground other than that set out in section 27p (b) (iii) of this Act, the Commission shall file the notice
40 in the Court, together with a copy of the notice of assessment to which it relates.

“(2) As soon as practicable after receiving notice of objection to an assessment on the ground set out in section 27P (b) (iii) of this Act, the Commission shall reconsider the assessment.

“(3) If, after reconsidering an assessment in the light of an objection, the Commission does not allow the objection in full, it shall, within 14 days after determining that the objection should not be allowed in full, file the notice of objection in the Court, together with a copy of the notice of assessment to which it relates.

“**27R. Hearing of objection by Court**—(1) Subject to the succeeding provisions of this section, every objection filed in the Court under section 27Q of this Act shall be heard and determined in accordance with rules of Court.

“(2) The Registrar of the Court shall set the objection down for hearing as soon as practicable after the notice of objection has been filed in the Court, and shall give notice of the date and time of the hearing to the liable parent and to the Director or District Agent of the office of the Department by whom the notice of objection was filed in the Court.

“(3) The liable parent, and the Commission acting through any officer of the Department, shall be entitled to appear and be heard, whether personally or by counsel, at the hearing of the objection, and to call and cross-examine witnesses.

“(4) Where the notice of objection does not specify all of the grounds set out in section 27P of this Act, the liable parent shall not be entitled to plead, or to adduce evidence in support of, any ground of objection not so specified.

“(5) The onus of proof in every case shall lie on the liable parent.

“(6) Notwithstanding anything in section 6 of the Evidence Act 1908 or any other rule of law to the contrary, the beneficiary shall be a compellable witness for the Commission against the liable parent; and it shall be deemed to be a condition of the continued grant of the benefit that the beneficiary shall attend the hearing and give in evidence all information that may be required of the beneficiary during the hearing.

“27s. **Findings of Court**—(1) If, after hearing an objection to an assessment on the ground set out in section 27P (a) of this Act, the Court is satisfied that the liable parent is not liable in law to maintain the dependent child, it shall
5 cancel the assessment.

“(2) If, after hearing an objection on any of the grounds set out in paragraph (b) of section 27P of this Act, the Court is satisfied that the objection should be upheld, it shall order as follows:

10 “(a) In the case of an objection on the ground set out in subparagraph (i) of the said paragraph (b), the Court shall either—

“(i) Reduce the amount of the assessment by \$20, where the liable parent is not liable in law
15 to maintain the beneficiary; or

“(ii) Declare that the amount that was attributable to the dependent child shall instead be attributable to the beneficiary, where the liable
parent is liable in law to maintain the beneficiary:

20 “(b) In the case of an objection on the ground set out in subparagraph (ii) of the said paragraph (b), the Court shall reduce the amount of the assessment by the amount attributable to the beneficiary (including any amount declared by the Court under paragraph (a) (ii) of this subsection to be
25 attributable to the beneficiary):

“(c) In the case of an objection on the ground set out in subparagraph (iii) of the said paragraph (b), the Court shall correct the assessment.

30 “(3) If, after hearing an objection on either of the grounds set out in paragraph (c) of section 27P of this Act, the Court is satisfied that the objection should be upheld, it shall order that the assessment be reduced by such percentage as the Court in all the circumstances thinks just.

35 “(4) If, after hearing an objection on the ground set out in paragraph (d) of section 27P of this Act, the Court is satisfied that the objection should be upheld, it shall order that the amount of the assessment be reduced by such amount as the Court in all the circumstances thinks just, having regard to the
40 various amounts prescribed in clause 2 of the Twentieth Schedule to this Act.

“(5) The cancellation or variation of an assessment by the Court under this section shall take effect from a date to be specified by the Court in the order cancelling or varying the assessment; and the liable parent shall be entitled to be repaid any amount paid in excess of the liability determined under that order of the Court. 5

“(6) Liability for any assessment shall not be affected by the making of an objection unless the Court, on an application by the liable parent in that behalf, directs that payment of the assessment shall be suspended in whole or in part pending the determination of the objection by the Court; and any such suspension shall take effect from the date specified by the Court for that purpose. 10

“27T. **Recovery of unpaid contributions**—(1) Where any payment in respect of an assessment is due but unpaid, it may be recovered from the liable parent as a debt due to the Crown at the suit of any member of the Commission. 15

“(2) Without limiting subsection (1) of this section, where any such payment is due but unpaid, the Commission may make such deduction as it thinks just in all the circumstances from any instalment of any benefit to which the liable parent is or may become entitled under this Act. 20

“(3) Without limiting the foregoing provisions of this section, where there has been default in the payment of any amount due under any assessment and that default has continued for 14 days, the Commission may, by notice in writing, require any person, corporation, or unincorporated body (hereinafter in this section called “the employer”) who is employing the liable parent to deduct from any amount payable to, or to become payable to, the liable parent by the employer, such sum as may be specified in the notice. 25 30

“(4) Any such notice may require the making of a specified number of deductions, or continuing deductions on a weekly or other specified basis until further notice. 35

“(5) Where any notice under this section relates to any wages or salary, the sums required to be deducted therefrom shall be the amount of the weekly rate of contribution in the assessment made under section 27N of this Act:

“Provided that, while the liable parent remains in arrears a further sum not exceeding 5 percent of the weekly rate may be included in the required deductions on account of the arrears. 40

“(6) Any notice under this section may be revoked by the Commission at any time by subsequent notice to the employer.

5 “(7) A copy of every notice given under this section in respect of a liable parent, and of the revocation of every such notice, shall be given to the liable parent by the Commission.

10 “(8) Every sum so deducted by the employer shall be paid by him to the Commission at the nearest office of the Department to the credit of the liable parent within such time as may be specified in the notice.

15 “(9) Whenever, pursuant to a notice under this section, any deduction is made from any amount payable to any liable parent, the liable parent shall be entitled to receive from the employer a statement in writing of the particulars of the deduction and the authority for making it.

20 “(10) All money deducted by an employer pursuant to a notice given under this section shall be deemed to be held in trust for the Crown, and, without prejudice to any other remedies against the employer, may be recovered from him pursuant to the provisions of section 86 (1) of this Act as if that money was an instalment of benefit received by the employer to which he was not entitled.

25 “(11) All money deducted by an employer shall be accounted for and paid to the Consolidated Account at intervals of not more than 1 calendar month.

30 “(12) Where an employer fails to make and account for deductions in accordance with a notice issued under the provisions of this section, the Commission may recover by way of penalty from the employer an amount equal to the sum of the deductions for which he has failed to account; and such additional sum shall constitute a debt due to the Crown and shall be recovered in the same way as deductions which have been made from an amount due to the liable parent pursuant to a notice under subsection (10) of this section.

“(13) The provisions of this section shall apply notwithstanding anything in the Wages Protection Act 1964.

“(14) This section shall bind the Crown.

40 “27U. **Review of assessment**—(1) The Commission shall from time to time, at intervals of not more than 2 years, review an assessment.

“(2) A liable parent may at any time apply to the Commission for a review of an assessment on the ground of a change in his financial circumstances.

“(3) The provisions of sections 27L to 27T of this Act, so far as they are applicable and with the necessary modifications, shall apply in respect of a review of an assessment as if it were as original assessment.” 5

8. Special provisions in respect of child supplements—
Section 61B of the principal Act (as substituted by section 8 (1) of the Social Security Amendment Act 1979) is hereby 10 amended by inserting in subsection (1), after the words “applicant for a benefit”, the words “, other than an applicant for a benefit under section 27B of this Act,”.

9. Special provisions in respect of inadequate maintenance—(1) The principal Act is hereby amended by adding 15 to section 61C (as inserted by section 9 (1) of the Social Security Amendment Act 1973) the following subsection:

“(3) For the purposes of this section the term beneficiary does not include a beneficiary granted a benefit under section 27B of this Act.” 20

10. New Twentieth Schedule added to principal Act—
The principal Act is hereby amended by adding the Twentieth Schedule set out in the Schedule to this Act.

Section 10

SCHEDULE

NEW TWENTIETH SCHEDULE TO PRINCIPAL ACT

Section 27M

“TWENTIETH SCHEDULE

“RATES OF CONTRIBUTIONS BY LIABLE PARENTS TO COST OF DOMESTIC PURPOSES BENEFITS

1. In this Schedule ‘weekly income’ means the liable parent’s assessable income divided by 52, or, in the case of income from employment or from business, by the number of weeks in which the liable parent derived that income during the income year, whichever is the lesser.

2. The rate of contribution by a liable parent shall be the least of the following amounts:

- (a) The weekly amount of benefit (including any child supplement) payable to the beneficiary; or

SCHEDULE—*continued*

- (b) The amount of the liable parent's weekly income after deduction of—
- (i) Income tax at the current rate of tax deductions for Code 'S'; and
 - (ii) In the case of a liable parent who is paying rent or outgoings on a property occupied as a home, the sum of \$50 plus an amount not exceeding \$50 representing the liable parent's weekly accommodation expenses or, in the case of a parent who is paying board, the sum of \$25 plus an amount not exceeding \$50 representing the liable parent's weekly board expenses; and
 - (iii) An amount that represents the liable parent's cost of travel between home and place of employment, providing such figure does not exceed the cost of travel by public transport when that is available; and
 - (iv) The sum of \$17.50 for each child of the beneficiary in the care of the liable parent; or
- (c) An amount equal to one-third of the liable parent's weekly income after income tax is deducted at the current rate of tax deductions for Code 'S', or such lower amount as the Court may order in accordance with section 27s of this Act.
3. In any case where it is established that the liable parent is not liable to contribute to the maintenance of the beneficiary but is liable to contribute to the maintenance of any child or children in the care of the beneficiary, the contribution shall be assessed at the rate of \$17.50 a week for each such child, subject to a maximum contribution as set out in clause 2 of this Schedule.
4. Notwithstanding any of the foregoing provisions of this Schedule where 2 liable parents are liable to contribute in respect of the same dependent child, the amount of each person's contribution attributable to the child shall be reduced by one half.
5. Notwithstanding any of the foregoing provisions of this Schedule, where 2 or more persons are liable to contribute towards the cost of the same benefit, the total amount payable by those persons shall not exceed the amount of the benefit; and, where necessary, the respective amounts payable by those persons shall abate proportionately.
6. After being computed in accordance with this Schedule, the amount of the contribution so assessed shall be rounded down to the next complete dollar.