

## SOCIAL WELFARE REFORM BILL

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### EXPLANATORY NOTE

*Clause 1* relates to the Short Title

#### PART I

##### SOCIAL WELFARE

The significant provisions in this Part are as follows:

- (a) An increase in the age of entitlement to domestic purposes benefits for sole parents to 18 years:
- (b) The restriction of entitlement to domestic purposes benefits to one parent in cases of split custody:
- (c) An increase in the age of entitlement to invalids' and sickness benefits to 16 years:
- (d) An inclusion of the accommodation benefit to which an applicant would otherwise be entitled in the formula for determining the period of non-entitlement of a person who has received a redundancy payment:
- (e) The introduction of provision for participation in the community task force scheme:
- (f) The reform of funeral grants:
- (g) The restriction of entitlement to benefits to one parent in cases of shared custody:
- (h) The reduction of the period during which a beneficiary may remain overseas without effecting eligibility for a benefit to 4 weeks:
- (i) The extension of the provisions relating to periods of non-entitlement for high-income earners to applicants for widows', domestic purposes, invalids', sickness, and training benefits:
- (j) The introduction of regulation-making empowering provisions relating to entitlement cards:
- (k) The reversion of the name of guaranteed retirement income to national superannuation:
- (l) The increase in the age of entitlement to guaranteed retirement income and veterans' pensions to 61 years on 1 April 1992, and the increase in the age of entitlement from 61 years to 65 years by 3-monthly increments every 6 months from 1 July 1993:
- (m) The decrease in the alternative rate of guaranteed retirement income and veterans' pensions for persons with non-qualifying spouses:

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- (n) The introduction of income-testing of guaranteed retirement income:
- (o) The introduction of a provision permitting all persons who qualify for both guaranteed retirement income and a veteran's pension to transfer from guaranteed retirement income to a veteran's pension:
- (p) The introduction of income and assets testing in relation to the granting of assistance under the Disabled Persons Community Welfare Act 1975:
- (q) The repeal and revocation of the Rehabilitation Act 1941 and various related Acts, regulations, and orders.

*Social Security Act 1964*

*Clause 2* provides for *clauses 3 to 24* to be read together with and deemed part of the Social Security Act 1964.

Except for *clauses 6 and 19*, which are to come into force on 1 October 1991, and *clause 24*, which is to come into force on 1 April 1992, the provisions are to come into force on 1 August 1991.

*Clause 3* amends section 3 (1) of the Social Security Act 1964 by inserting new definitions of "assessable income" and "community task force scheme".

*Clause 4* repeals section 10A (2) of the Social Security Act 1964, and substitutes a new subsection (2) which allows for more than one district review committee in a district of the Department.

*Clause 5* repeals section 27B (2) of the Social Security Act 1964, and substitutes a new subsection.

The new subsection increases the age of eligibility for a domestic purposes benefit for sole parents from 16 years to 18 years except where the applicant is or has been legally married or where the person was already a sole parent in receipt of a benefit on 1 August 1991.

*Clause 6*, which is to come into force on 1 October 1991, inserts a new section 27BA in the Social Security Act 1964.

The new section restricts entitlement to a domestic purposes benefit to one parent where the parents have split custody of their children.

If one of the parents is already in receipt of a domestic purposes benefit in respect of the children of the relationship, the other parent will not be entitled to it.

If both parents apply at the same time, the parent who was the principal caregiver before the parents began living apart will be entitled to receive it; otherwise it will be the parent who has the custody of the youngest child.

The provision does not apply where a court of competent jurisdiction has made custody orders which bring about the split custody.

Nor does it apply to parents who are both in receipt of domestic purposes benefits immediately before 1 October 1991 and who have notified the Department of Social Welfare of the fact before that date.

*Clause 7* amends section 271 of the Social Security Act 1964.

*Subclause (1)* extends the liable parent contribution provisions to sole parent beneficiaries in receipt of an emergency benefit where the application for the benefit was made after 1 August 1991.

*Subclause (2)* clarifies the law by expressly stating that non-custodial parents are liable to maintain a child aged 16 years or 17 years who is the dependent child of a beneficiary.

*Clause 8* increases the age of eligibility for invalids' benefits from 15 years to 16 years except where a person is in receipt of, or has already applied for, an invalid's benefit before 1 August 1991.

*Clause 9* increases the age of eligibility for sickness benefits from 15 years to 16 years except where a person is in receipt of, or has already applied for, a sickness benefit before 1 August 1991.

*Clause 10* amends section 55 of the Social Security Act 1964 by repealing the second proviso to subsection (1). The amendment is consequential to the extension of the high income earner "stand down" period to all income-tested benefits.

*Clause 11* aligns the commencement dates for unemployment benefits, independent youth benefits, or job search allowances where the applicant has been "stood down" under section 60N or section 80B to the commencement dates for unemployment benefits, independent youth benefits, or job search allowances where the applicant has been "stood down" under section 60I or section 60J.

*Clause 12* amends section 60I of the Social Security Act 1964.

*Subclause (1)* is consequential to extending the high income earner stand down to all income-tested benefits. It repeals the current provisions relating to high income earners which cover applicants for unemployment and independent youth benefits and job search allowances only. These provisions are to be re-enacted as part of the general high income earner stand down provisions under *clause 22* of this Bill.

*Subclause (2)* includes in the formula for assessing the "stand down" period of a person who has received a redundancy payment, the amount of accommodation benefit the applicant would have been entitled to receive if he or she had not received a redundancy payment.

*Subclause (3)* enables a person to whom section 60I (2) applies to apply to have any period of non-entitlement calculated before 1 August 1991 reassessed using the amended formula.

*Clause 13* amends section 60J of the Social Security Act 1964 by omitting references to the New Zealand Employment Service and substituting references to the Secretary of Labour.

*Clause 14* amends section 60K of the Social Security Act 1964.

The amendment is consequential to the introduction of section 60N.

*Clause 15* repeals section 60L of the Social Security Act 1964, and substitutes a new section. This amendment is consequential to the extension of the high income earner "stand down" to all income-tested benefits.

*Clause 16* inserts new sections 60M and 60N in the Social Security Act 1964.

The new section 60M, subsection (1) empowers the Director-General of Social Welfare to request any beneficiary who has been in receipt of an unabated benefit for 26 weeks to participate in a community task force project which the Secretary of Labour has determined is suitable, unless the beneficiary is in part-time employment for more than 8 hours a week. The Director-General of Social Welfare may request participation in the project for between 6 and 8 hours, 3 days a week, between Monday and Friday, for a period of not more than 26 weeks.

Subsection (2) provides that entitlement to a benefit is not affected by participation in a community task force project, and allows the beneficiary to

receive a further sum of \$15 in relation to his or her participation which will not be taken into account in assessing any abatement of his or her benefit.

Subsection (3) limits the powers of the Director-General of Social Welfare to request a beneficiary to participate in a community task force project to 26 weeks in any 52-week period.

Subsection (4) provides that no beneficiary will be required to participate in a community task force project on a public holiday.

Subsection (5) extends health and safety statutory requirements relating to workers and employees to beneficiaries who participate in a community task force project.

The new section 60N, subsection (2) provides a “stand down” period of 26 weeks for any person who refuses or fails to complete satisfactorily any participation in a community task force project if requested to do so by the Director-General of Social Welfare.

Subsection (2) provides that a person who produces a medical certificate from a registered medical practitioner or registered dentist certifying his or her unfitness for participation in a community task force project or who finds full employment, part-time employment of at least 8 hours a week, or temporary employment will be considered to have a good and sufficient reason for refusing to participate in, or failing to satisfactorily complete participation in, a community task force project.

*Clause 17* repeals sections 61D to section 61DF of the Social Security Act 1964, and substitutes new sections 61D to 61DE.

Under the new provisions spouses, children, and parents will no longer receive payments to compensate them for bereavement. Funeral grants of up to \$1,000 will be made where these cannot be met from the deceased person’s estate and from the assets of any surviving spouse or, in the case of a deceased child, from the assets of any person having parental responsibility for that child.

In assessing the value of an estate where there is a surviving spouse, the deceased person’s principal residence and personal effects are exempt. The principal residence, personal effects, and an amount equal to 4 times the weekly married couple rate of invalid’s benefit are to be disregarded in applying the assets test to surviving spouses and persons with parental responsibilities.

If the deceased person is survived by a spouse, a funeral grant will not be made if the spouse’s income would be sufficient to disentitle the spouse to an invalid’s benefit.

Similarly, if the combined incomes of persons with parental responsibility for a deceased child would be sufficient to disqualify a person who had that income from receiving an invalid’s benefit, no funeral grant will be paid in respect of that child.

In all other respects the existing provisions relating to payments of funeral grants are substantially re-enacted.

*Clause 18* extends the provisions of section 63 of the Social Security Act 1964, relating to the conjugal status of beneficiaries and their spouses, to cover the provisions relating to funeral grants. This provision is consequential to the restructuring of funeral grants.

The clause also extends the provisions of section 63 to welfare programmes approved by the Minister of Social Welfare under section 124 (1) (d) of the Social Security Act 1964.

*Clause 19*, which is to come into force on 1 October 1991, inserts a new section 70B in the Social Security Act 1964.

The new section 70B, subsection (1) provides that where 2 parents are living apart and sharing the custody of a child, only the parent with the greater responsibility for the child may have that child taken into account in assessing their entitlement to a benefit and their rate of benefit.

Subsection (2) sets out the criteria to be applied in determining which parent has the greater responsibility for that child.

Subsection (3) provides that where it cannot be ascertained that either parent has a greater responsibility for the child, the parent who was the principal caregiver of the child before the parents began living apart shall be entitled to have that child taken into account in assessing their entitlement to, or rate of, benefit.

Subsection (4) places the onus on the parents to agree which of them should be entitled to have the child taken into account if neither subsection (3) nor subsection (4) applies. Until they reach a consensus neither parent will be entitled to have the child taken into account in assessing their entitlement to, or rate of, benefit.

These provisions do not apply to parents who, before 1 October 1991, are both beneficiaries, living apart, and sharing custody of a child who has been taken into account in assessing both parents' entitlement to and rates of benefit, until a review under section 81 of the Social Security Act 1964 has taken place. The review must be carried out between 1 October 1991 and 1 January 1993.

*Clause 20* repeals section 77 of the Social Security Act 1964, and substitutes a new section.

The new section reduces from 26 weeks to 4 weeks the period a beneficiary is entitled to remain overseas before his or her entitlement to a benefit is affected.

Beneficiaries who are absent for an aggregate of 2 years will remain entitled to receive any benefit they would otherwise be entitled to receive if the purpose of their absence from New Zealand is medical treatment for themselves, or their spouses, children, or siblings for which the person receiving the treatment has been granted assistance by the Department of Health.

The reduction applies to all benefits except guaranteed retirement income and veterans' pensions. The existing provisions in relation to guaranteed retirement income and veterans' pensions are substantially re-enacted in the new section 17A of the Social Welfare (Transitional Provisions) Act 1990 contained in *clause 31* of this Bill.

In all other respects the existing provisions relating to the effect of absence of a beneficiary from New Zealand are substantially re-enacted.

*Clause 21* amends section 80 of the Social Security Act 1964 by inserting a new subsection (2A) which provides for a commencement date of widows', invalids', sickness, and domestic purposes benefits where the applicant is subject to the new high income earner "stand down" provisions.

The amendment is consequential to the extension of the high income earner "stand down" period to all income-tested benefits.

*Clause 22* inserts new sections 80B and 80C in the Social Security Act 1964.

The new section 80B extends the existing provisions relating to a high income earners "stand down" period, which apply to unemployment and independent youth benefits and job search allowances, to all income-tested benefits.

The new section 80C, subsection (1) extends the existing provisions which prevent a person who is not entitled to a benefit due to the application of sections 60H, 60I, or 60J from receiving an emergency, accommodation, or special benefit under the Social Security Act 1964 to persons who are not entitled to a benefit due to the application of the new section 60N or section 80B.

Subsection (2) is consequential to the extension of the high income earners “stand down” period to all income-tested benefits. It prevents the spouses of persons to whom that “stand down” period applies from becoming entitled in their own right to a benefit to which their spouse is not entitled.

*Clause 23* empowers the Governor-General to make regulations by Order in Council regarding entitlement cards and in particular—

- (a) Providing for the issue of entitlement cards;
- (b) Prescribing the classes of people who will be entitled to receive them;
- (c) Prescribing and regulating their use;
- (d) Prescribing offences relating to the improper use of entitlement cards (other than a use which constitutes an offence under section 127 of the Social Security Act 1964) or for their non-return, and the amounts of fines that may be imposed in respect of any such offences. The fine prescribed must not exceed \$1,000, and, where the offence is a continuing one, a further amount not exceeding \$50 for every day or part of a day during which the offence has continued.

*Clause 24*, which is to come into force on 1 April 1992, is consequential to the introduction of income-testing of guaranteed retirement income (national superannuation).

It realigns the abatement rates of invalid’s, sickness, and unemployment benefits for beneficiaries whose spouses are entitled to guaranteed retirement income (national superannuation) with the abatement rates of other beneficiaries who have spouses in receipt of income-tested benefits.

#### *Social Welfare (Transitional Provisions)*

*Clause 25* provides for *clauses 26 to 35* to be read together with and deemed part of the Social Welfare (Transitional Provisions) Act 1990.

Except for *clause 31*, which is to come into force on 1 August 1991, and *clause 33*, which is to come into force on 1 October 1991, *clauses 26 to 35* are to come into force on 1 April 1992.

*Clause 26* amends the Social Welfare (Transitional Provisions) Act 1990 by providing for the reversion of the name of guaranteed retirement income to national superannuation wherever it occurs in that Act or in any other enactment, regulations, Order in Council, rule, bylaw, or other document. Similarly, every reference to a guaranteed retirement income earner shall be read as a reference to a national superannuitant.

*Clause 27* increases the age of eligibility from 60 to 61 years on 1 April 1992, and from 61 years to 65 years by 3-monthly increments in age every 6 months, the first increment to take place on 1 July 1993.

*Clause 28* is consequential to the introduction of income-testing of guaranteed retirement income (national superannuation).

*Clause 29, subclause (1)* provides for persons who are entitled to receive a surviving spouse’s pension under the War Pensions Act 1954 to be entitled to transfer from guaranteed retirement income to a veteran’s pension.

*Subclause (2)* enables persons who are eligible for a war disability pension at a rate of not less than 70 percent of the rate for totally disabled persons, and who are recipients of guaranteed retirement income, to transfer from guaranteed retirement income to a veteran’s pension.

*Clause 30* is consequential to the introduction of income testing of guaranteed retirement income (national superannuation).

*Clause 31* substantially re-enacts the existing provisions relating to the effect of absence from New Zealand as they apply to recipients of guaranteed retirement income and veterans' pensions, except that the provisions under the new section 77 (4) (a) of the Social Security Act 1964 (see *clause 20*) relating to absence from New Zealand to enable the beneficiary, or his or her spouse, child, or sibling to receive medical treatment have also been extended to recipients of guaranteed retirement income and veterans' pensions.

This clause is to come into force on 1 August 1991.

*Clause 32* is consequential to the introduction of income testing of guaranteed retirement income (national superannuation).

*Clause 33* amends the First Schedule to the Social Welfare (Transitional Provisions) Act 1990 by repealing clause 2, and substituting a new clause 2.

The new clause 2 reduces the alternative rate of guaranteed retirement income and veteran's pension for a married person with an unqualified spouse from \$17,622.80 a year to \$16,752.32 a year. However, any person who is in receipt of, or who has applied for and is entitled to receive, guaranteed retirement income or a veteran's pension at the alternative rate before 1 October 1991 shall continue to be entitled to receive the existing rate of \$17,622.80 a year.

The clause is to come into force on 1 October 1991.

*Clause 34* amends the Social Welfare (Transitional Provisions) Act 1990 by repealing the First Schedule, and substituting a new First Schedule set out in the First Schedule to the Bill.

The new First Schedule refers only to the rates of veterans' pensions. The rates in force on 1 April 1991 will continue in force, but the living alone payment is included in the rate of veteran's pension payable to an unmarried person living alone.

*Clause 35* amends the Social Welfare (Transitional Provisions) Act 1990 by adding a new Fourth Schedule set out in the Second Schedule to the Bill.

The new Fourth Schedule imposes an income test on the recipients of guaranteed retirement income (national superannuation).

The income test applies to a person who has attained the age of 70 years, but the minimum amount of guaranteed retirement income (national superannuation) payable to that person shall be \$4,405.70 a year.

The income test is as follows:

1. In the case of an unmarried person, any assessable income that person receives in excess of \$4,160 a year will reduce the amount of guaranteed retirement income (national superannuation) he or she receives by 90c for every complete \$1 earned in excess of \$4,160.
2. In the case of a married person, the combined assessable incomes of both the recipient and his or her spouse are to be assessed. The combined assessable income in excess of \$4,160 a year will reduce the amount of guaranteed retirement income (national superannuation) he or she receives by 45c for every complete \$1 earned in excess of \$4,160.

The new income test for a married person also applies to the rates of guaranteed retirement income (national superannuation) which apply only to a married person with an unqualified spouse under clause 1 (g) and clause 2 of the new Fourth Schedule.

The existing rates continue in force, but the living alone payment is included in the rate of guaranteed retirement income (national superannuation) payable to an unmarried person living alone.

*Disabled Persons Community Welfare*

*Clause 36* provides for *clauses 37 to 41* to be read together with and deemed part of the Disabled Persons Community Welfare Act 1975.

Except for *clauses 38 and 39*, which are to come into force on 1 August 1991, the amendments are to come into force on 1 October 1991.

*Clause 37* imposes a duty on the Director-General of Social Welfare to have regard to the income and assets of disabled persons, and the persons with parental responsibility for disabled children, when exercising his or her powers of discretion under the Disabled Persons Community Welfare Act 1975.

*Clause 38* is consequential to the abolition of family benefit.

*Clause 39* is consequential to the increase in the age of eligibility for invalids' and sickness benefits.

*Clause 40* amends the Disabled Persons Community Welfare Act by inserting a new section 30A.

The new section empowers the Director-General of Social Welfare to refuse to grant, reduce, or terminate any assistance to an applicant, where the Director-General of Social Welfare is satisfied that any person whose assets or income directly affect the granting of that assistance has directly or indirectly deprived himself or herself of any income or asset which results in the applicant becoming entitled to receive assistance under the Disabled Persons Community Welfare Act.

Subsection (2) of the new section empowers the Director-General to take into account the financial effects of the sale or renting of a person's home when assessing that person's income or assets.

*Clause 41* amends section 31 of the Disabled Persons Community Welfare Act 1975 to extend the regulation making powers under that section to provide for the prescribing of fees for the registration of homes under section 18 of that Act and to the prescribing of assets and income tests in relation to persons receiving financial assistance under that Act.

*Repeal Of Rehabilitation Act 1941, Etc.*

*Clause 42* repeals and revokes the Rehabilitation Act 1941, the Emergency Forces Rehabilitation Act 1953, the Emergency Forces Occupational Re-establishment Regulations 1951, and the Emergency Forces Rehabilitation Regulations 1953, and various other related Acts, regulations, and orders.

*Clause 43* provides that any person receiving assistance under any of the repealed or revoked Acts, regulations, or orders before *clause 42* comes into force will continue to be entitled to receive that assistance for such period as the Director-General of Social Welfare considers that the assistance is required.

## PART II

## INLAND REVENUE DEPARTMENT

This Part amends the Inland Revenue Department Act 1974 to allow the Inland Revenue Department to supply to the Department of Social Welfare all or any of the following information that is held by the Inland Revenue Department in relation to a credit of tax under Part XI<sub>A</sub> of the Income Tax Act 1976 for the year ending with the 31st day of March 1991:

- (a) The names and addresses of persons in receipt of that credit of tax; and
- (b) The number of children to which that credit of tax relates; and
- (c) The amount of that credit of tax.



The purpose of the amendments is to facilitate the issuing of entitlement cards by the Department of Social Welfare pursuant to regulations made under the proposed new section 132A of the Social Security Act 1964 (see *clause 23*).

The amendments cease to have effect on 1 April 1992.

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<p><i>Repeal of Rehabilitation Act 1941, Etc.</i></p> <p>42. Repeal of Rehabilitation Act 1941, etc.</p> <p>43. Savings</p> <p style="text-align: center;">PART II</p> <p style="text-align: center;">INLAND REVENUE DEPARTMENT</p> <p>44. This Part to be read with Inland Revenue Department Act 1974</p>	<p>45. Officers to maintain secrecy</p> <p>46. Disclosure of information to Department of Social Welfare</p> <p>47. Further secrecy requirements</p> <p>48. Expiry of this Part Schedules</p>
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A BILL INTITULED

**An Act to amend various provisions relating to social welfare**

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title**—This Act may be cited as the Social Welfare Reform Act 1991. 5

PART I

SOCIAL WELFARE

*Social Security Act 1964*

**2. Sections to be read with Social Security Act 1964**— 10

(1) This section and **sections 3 to 24** of this Act shall be read together with and deemed part of the Social Security Act 1964\* (in **sections 3 to 24** of this Act referred to as the principal Act).

(2) Except as provided in **sections 6 (2), 19 (3), and 24 (2)** of this Act, **sections 3 to 24** of this Act shall come into force on the 1st day of August 1991. 15

**3. Interpretation**—Section 3 (1) of the principal Act is hereby amended by inserting, in their appropriate alphabetical order, the following definitions:

“‘Assessable income’ means assessable income within the meaning of the Income Tax Act 1976; and includes— 20

“(a) Fifty percent of any amount received under a superannuation scheme registered under the Superannuation Schemes Act 1989; and

“(b) Fifty percent of any amount received under an annuity paid on or after the 1st day of April 1990 in respect of a policy of life insurance— 25

“(i) Offered or entered into in New Zealand by a life insurer (as that term is defined in section 204 of the Income Tax Act 1976); 30

or

\*R. S. Vol. 13, p. 403

Amendments: 1983, No. 138; 1984, No. 8; 1984, No. 19; 1985, No. 111; 1985, No. 159; 1986, No. 39; 1987, No. 106; 1988, No. 197; 1989, No. 13 (Part V); 1989, No. 58; 1990, No. 5; 1990, No. 74; 1991, No. 1

- 5 “(ii) Offered or entered into outside of New Zealand by a life insurer (as so defined) that is resident in New Zealand within the meaning of section 241 of the Income Tax Act 1976; and
- “(c) Income which is derived outside of New Zealand—  
but does not include guaranteed retirement income:  
10 “ ‘Community task force project’ means a project that is approved by the Secretary of Labour for the purposes of **section 60M** of this Act.”

**4. Review of decisions**—Section 10A of the principal Act (as inserted by section 4 of the Social Security Amendment Act 1987) is hereby amended by repealing subsection (2), and  
15 substituting the following subsection:  
“(2) The Minister shall establish at least 1 district review committee for every district of the Department.”

**5. Domestic purposes benefits for sole parents**—  
20 (1) Section 27B (2) of the principal Act (as substituted by section 11 (2) of the Social Security Amendment Act 1987) is hereby amended by repealing paragraph (a), and substituting the following paragraph:  
“(a) The applicant either—  
25 “(i) Is or has been legally married; or  
“(ii) Has attained the age of 18 years; and”  
(2) Notwithstanding the provisions of section 27B (2) (a) of the principal Act (as substituted by **subsection (1)** of this section), a person who is under the age of 18 years but who would otherwise be entitled to receive a domestic purposes benefit,  
30 shall be entitled to receive a domestic purposes benefit if he or she was a sole parent in receipt of a benefit immediately before the commencement of this section.

**6. Split custody**—(1) The principal Act is hereby amended by inserting, after section 27B, the following section:  
35 “27BA. (1) If the parents of 2 or more dependent children—  
“(a) Are living apart; and  
“(b) Each parent is the principal caregiver of 1 or more of the children; and  
“(c) Both parents are otherwise entitled to a domestic  
40 purposes benefit—  
only 1 parent shall be entitled to a domestic purposes benefit in respect of the children.

“(2) The parent entitled to a domestic purposes benefit under subsection (1) of this section shall be—

“(a) The parent already receiving a domestic purposes benefit in respect of any of the children; or

“(b) The parent whom the Director-General considers was the principal caregiver in respect of the children immediately before the parents began living apart, if no parent is already receiving a domestic purposes benefit in respect of any of the children; or

“(c) The parent who is the principal caregiver in respect of the youngest child, if neither parent was the principal caregiver in respect of the children before they began living apart, or the Director-General is unable to ascertain which parent was the principal caregiver in respect of the children immediately before they began living apart.

“(3) This section shall not apply where each parent has become the principal caregiver in respect of at least 1 child pursuant to a custody order or orders made by a Court of competent jurisdiction.

“(4) This section shall apply only to a person who applies for a domestic purposes benefit on or after the 1st day of October 1991, or where the Department was not notified before the 1st day of October 1991 that each parent was the principal caregiver in respect of 1 or more of the children.

“(5) In this section ‘child’ means a dependent child of the parents born of their relationship or adopted by the parents or (if they were legally married) by 1 of the parents during their marriage; and ‘children’ has a corresponding meaning.”

(2) This section shall come into force on the 1st day of October 1991.

**7. Interpretation**—(1) Section 271 of the principal Act (as amended by section 5 of the Social Security Amendment Act (No. 2) 1990) is hereby amended by repealing paragraph (c) (iv) of the definition of the term “benefit”, and substituting the following:

“(iv) An unemployment benefit granted under section 58 of this Act:

“(d) An emergency benefit granted under section 61 of this Act where the applicant is a sole parent and application for the benefit was made on or after the 1st day of August 1991—”.

(2) Section 27<sup>1</sup> of the principal Act (as inserted by section 7 of the Social Security Amendment Act 1980) is hereby amended by adding the following subsection:

5 “(5) For the avoidance of doubt, it is hereby declared that every parent (other than the beneficiary) of a dependent child aged 16 years or 17 years in the care of a beneficiary is liable in law to maintain that child.”

**8. Invalids’ benefits**—(1) Section 40 of the principal Act (as substituted by section 10 of the Social Security Amendment Act 1972) is hereby amended by omitting the expression “15”, and substituting the expression “16”.

15 (2) Notwithstanding the provisions of section 40 of the principal Act (as amended by **subsection (1)** of this section), a person who is under the age of 16 years but who would otherwise be entitled to receive an invalid’s benefit, shall be entitled to receive an invalid’s benefit if he or she was in receipt of, or had applied for, an invalid’s benefit before the 1st day of August 1991.

**9. Sickness benefits**—(1) Section 54 of the principal Act (as amended by section 14 (a) of the Social Security Amendment Act 1972) is hereby amended by omitting the expression “15”, and substituting the expression “16”.

25 (2) Notwithstanding the provisions of section 54 of the principal Act (as amended by **subsection (1)** of this section), a person who is under the age of 16 years but who would otherwise be entitled to receive a sickness benefit, shall be entitled to receive a sickness benefit if he or she was in receipt of, or had applied for, a sickness benefit before the 1st day of August 1991.

30 **10. Rates of sickness benefits**—Section 55 (1) of the principal Act is hereby amended by repealing the second proviso.

35 **11. Commencement of unemployment benefit**—Section 60 (3) of the principal Act (as substituted by section 15 of the Social Security Amendment Act 1991) is hereby amended by omitting the words “or section 60j”, and substituting the words “section 60j, **section 60n**, or **section 80b**”.

**12. Effect of redundancy payments on entitlement to benefits**—(1) Section 60<sup>1</sup> of the principal Act (as inserted by

section 16 of the Social Security Amendment Act 1991) is hereby amended by repealing subsections (1) and (3).

(2) Section 60I(2) of the principal Act (as so inserted) is hereby amended by inserting, after the words “weekly amount of benefit”, the words “(including accommodation benefit)”. 5

(3) A person to whom section 60I(2) of the principal Act applied before the 1st day of August 1991 may apply for a reassessment of any period of non-entitlement using, as the basis of the reassessment, the provisions of the said section 60I(2) (as amended by **subsection (2)** of this section). 10

**13. Effect of refusal to seek or accept employment—**Section 60J of the principal Act (as so inserted) is hereby amended by omitting the words “New Zealand Employment Service” wherever they occur, and substituting in each case the words “Secretary of Labour”. 15

**14. Effect of undertaking full employment—**Section 60K of the principal Act (as so inserted) is hereby amended by inserting, after the expression “section 60J”, the expression “or **section 60N**”.

**15. Effect of sections 60H to 60J and section 60N on entitlement to supplementary benefits and on spouses—** 20  
(1) The principal Act is hereby amended by repealing section 60L (as so inserted), and substituting the following section:

“60L. (1) If an applicant for an unemployment benefit— 25

“(a) Is unemployed; and

“(b) Has a spouse who is unemployed but who is not entitled to a benefit due to the application of paragraph (b) of the proviso to section 58 (1) or of section 60H or section 60J or **section 60N** of this Act,—

the rate of unemployment benefit that the applicant shall be 30  
entitled to receive during the period of non-entitlement of the spouse shall be the appropriate rate specified in clause 5 of the Ninth Schedule to this Act.

“(2) The spouse of a person who is unemployed but who is 35  
not entitled to a benefit due to the application of section 60I of this Act shall not be entitled to receive any benefit under this Part of this Act to which his or her spouse is not entitled.”

**16. Community task force—**The principal Act is hereby amended by inserting, after section 60L, the following sections:

“60M. **Community task force scheme—**(1) The Director- 40  
General may request any beneficiary whose rate of benefit is

not subject to abatement on account of income to participate in a community task force project for a period of between 6 and 8 hours a day for 3 days a week, between Monday and Friday, for a period of not more than 26 weeks if—

5       “(a) The beneficiary has been in receipt of an unemployment benefit or an independent youth benefit for a continuous period of not less than 26 weeks; and

      “(b) The beneficiary is not in part-time employment for more than 8 hours a week; and

10       “(c) The Secretary of Labour has determined that the community task force project is suitable for that person.

      “(2) Any person who was in receipt of a benefit immediately before participating in a community task force project shall be  
15 entitled to continue to receive that benefit, or any other benefit which is granted to that beneficiary, during his or her participation in the project so long as he or she continues to be eligible to receive that benefit; and any further sum of up to \$15 a week that the participant receives in relation to his or her  
20 participation in the project shall be disregarded in determining the rate of benefit of the participant or his or her spouse under this Act.

      “(3) The Director-General shall not request a person who has participated in 1 or more community task force projects for a  
25 total period of 26 weeks or more during the immediately preceding period of 52 weeks to participate in any community task force project.

      “(4) No participant shall be requested to attend a community task force project on a day which is designated as a holiday  
30 pursuant to section 7A (2) (a) to (k), section 8, section 9, or section 10 of the Holidays Act 1981.

      “(5) For the purposes only of any statutory requirements relating to health and safety of employees or workers, other than the Accident Compensation Act 1982, any beneficiary  
35 who participates in a community task force project shall be treated as the employee or worker of the sponsor of that community task force project.

      “60N. **Effect of failure to participate in community task force project**—(1) If the Director-General requests a  
40 beneficiary to participate in a community task force project under section 60M of this Act and the beneficiary—

      “(a) Declines without good and sufficient reason to participate in that community task force project; or



“(b) Fails without good and sufficient reason to complete his or her participation in the community task force project for the period determined by the Director-General; or

“(c) Fails without good and sufficient reason to meet any requirements of the community task force project,—

the Director-General shall cancel his or her benefit; and the beneficiary shall not be entitled to receive an unemployment benefit or independent youth benefit for a period of 26 weeks from the date of cancellation.

“(2) Without limiting the generality of subsection (1) of this section, a beneficiary shall be considered to have good and sufficient reasons for declining to participate in, or not completing his or her participation in, a community task force project if—

“(a) The beneficiary produces a medical certificate issued by a medical practitioner or (in the case of any condition within the ambit of the dental profession) by a registered dentist certifying that he or she is medically unfit to participate in that project; or

“(b) The beneficiary has accepted full employment, part-time employment of not less than 8 hours a week, or temporary employment.”

**17. Funeral grants**—(1) The principal Act is hereby amended by repealing section 61D to section 61DF, and substituting the following sections:

“61D. **Interpretation**—(1) In sections 61DB, 61DC, and 61DD of this Act, unless the context otherwise requires,—

“‘Assessable estate’ means the estate of a deceased person, including a deceased child; but does not include—

“(a) Any asset which the Director-General considers is impracticable to realise; or

“(b) Any administration expenses; or

“(c) Any non-assessable assets, if section 61DB or section 61DD of this Act applies:

“‘Child’ includes a still-born child as defined in section 2 of the Births and Deaths Registration Act 1951:

“‘Non-assessable assets’, in relation to a deceased person, a spouse, or the parents or any other person who was liable in law to maintain a deceased child on the date of death, are—

5 “(a) That person’s estate or interest, on the date of death of the deceased, in his or her own principal place of residence, including any estate or interest in the land on which it is erected, and any other buildings or improvements on that land which are used principally for the purposes of that person’s household; and

10 “(b) Chattels which the person owned or which were in his or her possession pursuant to a hire purchase agreement or conditional sale agreement or an agreement for lease or hire, on the date of death of the deceased, and which are—

15 “(i) Furniture, appliances, tools, ornaments, or other articles used principally for the purposes of the deceased’s household; or

“(ii) Motor vehicles, caravans, trailers, or boats used principally for family purposes; and

20 “(c) Any undivided beneficial interest in common in Maori land.

“(2) In sections 61DB and 61DD of this Act, the annual income of any person shall be that person’s estimated income for the 52-week period commencing on the day following the date of death of the deceased in respect of whom the application is made.

25 “61DA. **Restrictions on payment of funeral grants**—Funeral grants shall not be payable under section 61DB or section 61DC or section 61DD of this Act if—

30 “(a) Section 81 of the Accident Compensation Act 1982 applies in respect of the deceased; or

“(b) A payment under section 12 of the Social Welfare (Transitional Provisions) Act 1990 is payable in respect of the deceased; or

35 “(c) A payment under regulation 45 of the War Pensions Regulations 1956, or an analogous payment, is payable in respect of the deceased; or

“(d) The deceased person, including a deceased child, was not ordinarily resident in New Zealand on the date of death.

40 “61DB. **Payment of funeral grants where there is a surviving spouse or children**—If a person, other than a child, dies and the deceased person is survived by—

“(a) A spouse; or

“(b) A child or children whom he or she is liable in law to maintain; or

- “(c) Any other dependent child or dependent children (whether dependent on the deceased or any other person) aged 16 years or 17 years of whom the deceased person was the parent—  
the Director-General may, in the Director-General’s discretion, pay a funeral grant not exceeding \$1,000 to meet the deceased person’s reasonable funeral expenses if— 5
- “(d) Those funeral expenses cannot be paid from the aggregate of—
- “(i) The deceased’s assessable estate before the payment of any other debts; and 10
  - “(ii) The assets of any spouse who survives the deceased, other than non-assessable assets, in excess of the value of an amount equivalent to 400 percent of the maximum weekly rate of invalid’s benefit which a married couple is entitled to receive; and 15
- “(e) The annual income of any spouse who survives the deceased would not be sufficient to disentitle a person in receipt of that income from receiving an invalid’s benefit. 20
- “61DC. **Payment of funeral grants where there is no surviving spouse or children**—If a person, other than a child, dies and section 61DB of this Act does apply, the Director-General may, in the Director-General’s discretion, pay a funeral grant not exceeding \$1,000 to meet the deceased person’s reasonable funeral expenses if those funeral expenses cannot be paid from the deceased’s assessable estate before the payment of any other debts. 25
- “61DD. **Children’s funeral grants**—If a child dies the Director-General may, in the Director-General’s discretion, pay a funeral grant not exceeding \$1,000 to meet the deceased child’s reasonable funeral expenses if— 30
- “(a) Those funeral expenses cannot be paid from the aggregate of—
- “(i) The deceased child’s assessable estate before the payment of any other debts; and 35
  - “(ii) The combined assets of the parents, or any other person or persons, who were liable in law to maintain the deceased child on the date of death, other than non-assessable assets, in excess of the value of an amount equivalent to 400 percent of the maximum weekly rate of invalid’s benefit which a married couple is entitled to receive; and 40

5 “(b) The combined annual income of the parents, or any other person or persons, who were liable in law to maintain the deceased child on the date of death would not be sufficient to disentitle a person in receipt of that income from receiving an invalid’s benefit.

“61DE. **Method of making payments**—(1) Any payment under **section 61DB** or **section 61DC** or **section 61DD** of this Act shall be made, in the Director-General’s discretion,—

10 “(a) To the spouse or any child of the deceased; or

“(b) To the estate of the deceased; or

“(c) To any person who has paid the deceased’s funeral expenses; or

“(d) To the appropriate funeral director; or

15 “(e) In the case of a deceased child, to the parent or any other person or persons who were liable in law to maintain that child immediately before the date of death.

20 “(2) If the quantum of the assets of a deceased person’s estate, or the income derived or to be derived by any person whose income is to be tested under **section 61DB** or **section 61DD** of this Act, has not been finally determined, and there is a doubt as to whether any funeral grant is payable under **section 61DB** or **section 61DC** or **section 61DD** of this Act, the Director-General, in the  
25 Director-General’s discretion, may advance any amount payable under those sections on the condition that the whole or any part of it will be repaid if it is subsequently established that there was no entitlement to all or any part of that payment.”

30 (2) The following enactments are hereby consequentially repealed:

(a) Section 9 of the Social Security Amendment Act 1982:

(b) Section 7 (2) of the Social Security Amendment Act (No. 2) 1982:

35 (c) Sections 8 to 10 and 12 of the Social Security Amendment Act (No. 2) 1985:

(d) Section 15 of the Social Security Amendment Act (No. 2) 1988:

(e) Sections 14 (5) and 37 (6) of the Social Welfare (Transitional Provisions) Act 1990:

40 (f) Sections 18 to 21 of the Social Security Amendment Act 1991.

(3) Clause 2 of the Social Security (Miscellaneous Rates) Order 1990 (S.R. 1990/258) is hereby consequentially revoked.

(4) This section shall apply in respect of persons who die on or after the date of commencement of this section. In respect of persons who died before that date, the provisions of the principal Act shall continue to apply as if this section had not been enacted.

5

**18. Conjugal status for benefit purposes**—Section 63 of the principal Act (as substituted by section 17 (1) of the Social Security Amendment Act 1978) is hereby amended by inserting, after the words “or of determining the rate of any benefit,”, the words “or of the granting of any payment of a funeral grant under section 61~~0B~~ of this Act or of any welfare programme approved by the Minister under section 124 (1) (d) of this Act,”.

10

**19. Entitlement to benefits in cases of shared custody**—  
(1) The principal Act is hereby amended by inserting, after section 70A, the following section:

15

“70B. (1) If the parents of a dependent child—

“(a) Are living apart; and

“(b) Are both beneficiaries; and

“(c) Each has the primary responsibility for the care of that child for at least 40 percent of the time,—

20

only the parent whom the Director-General is satisfied has the greater responsibility for the child shall be entitled to have that child taken into account by the Director-General in assessing that parents entitlement to a benefit and the rate of benefit payable at any one time.

25

“(2) In deciding which parent has the greater responsibility for the child, the Director-General shall have regard primarily to the periods the child is in the care of each parent and then to the following factors:

30

“(a) How the responsibility for decisions about the daily activities of the child is shared; and

“(b) Who is responsible for taking the child to and from school and supervising that child’s leisure activities; and

35

“(c) How decisions about the education or health care of the child are made; and

“(d) The financial arrangements for the child’s material support; and

“(e) Which parent pays for which expenses of the child.

40

“(3) If the Director-General is unable to ascertain that one parent has the greater responsibility for the child than the other, only the parent whom the Director-General ascertains

was the principal caregiver in respect of the child immediately before the parents began living apart shall be entitled to have that child taken into account by the Director-General in assessing that parent's entitlement to a benefit and the rate of benefit payable.

5       “(4) If the Director-General is unable to ascertain which of the parents has the greater responsibility for the child or which of them was the principal caregiver before the parents began living apart, the parents shall agree between themselves as to  
10       which of them shall be entitled to have that child taken into account by the Director-General in assessing entitlement to a benefit and the rate of benefit payable; and until the parents reach agreement the child shall not be taken into account in assessing the entitlement to a benefit of, or the rate of benefit  
15       payable to, either parent.”

(2) If—

(a) Both parents of a dependent child were in receipt of a benefit immediately before the commencement of this section; and

20       (b) **Section 70B** of the principal Act (as inserted by **subsection (1)** of this section) applies to those parents; and

(c) The child was taken into account in assessing both parents' entitlement to a benefit or the rate of benefit payable to both parents—

25       each of the parents, in the Director-General's discretion, shall be entitled to continue to receive the benefit at the same rate as he or she received it before the commencement of this section until a review under section 81 of the principal Act has taken place. The Director-General shall undertake that review  
30       between the 1st day of October 1991 and the 1st day of January 1993.

(3) This section shall come into force on the 1st day of October 1991.

**20. Effect of absence of beneficiary from New Zealand**—(1) The principal Act is hereby amended by  
35       repealing section 77, and substituting the following section:

“77. (1) Except as provided in this section or in section 17 or **section 17A** or section 18 of the Social Welfare (Transitional Provisions) Act 1990, or in any agreement or convention  
40       adopted under section 19 of that Act, a benefit shall not be payable while a beneficiary is absent from New Zealand.

“(2) A benefit (other than a sickness, training, unemployment, independent youth, or emergency benefit or a

job search allowance) that would otherwise be payable to a beneficiary shall be payable in respect of the first 4 weeks of any absence from New Zealand if the Director-General is satisfied that—

“(a) The absence does not affect the beneficiary’s eligibility for the benefit; and 5

“(b) The absence does not exceed 4 weeks or that any period of absence beyond 4 weeks was due to circumstances beyond the beneficiary’s control which the beneficiary could not reasonably have foreseen before departure. 10

“(3) The Director-General may, in the Director-General’s discretion, pay a sickness, training, unemployment, independent youth, or emergency benefit or a job search allowance that would otherwise be payable to a beneficiary in respect of the first 4 weeks of any absence from New Zealand if the Director-General is satisfied that the requirements set out in subsection (2) (a) and (b) of this section have been met. 15

“(4) The Director-General may, in the Director-General’s discretion, pay a benefit to any person who would otherwise be entitled to receive it, but who is absent from New Zealand for any period or periods not exceeding 2 years in total because— 20

“(a) That person or his or her spouse, dependent child, or sibling is receiving medical treatment overseas for which the Department of Health is granting assistance; or 25

“(b) That person is receiving vocational or guide-dog training, but only if—

“(i) He or she is in receipt of an invalid’s benefit due to his or her blindness; and 30

“(ii) The Director-General is satisfied that the person could not obtain the training in New Zealand during the period or periods of absence.

“(5) For the purposes of this section, if a person who is absent from New Zealand would have become entitled to a benefit during his or her absence but for subsection (1) of this section, the person’s absence shall be regarded as having commenced on the day he or she would have become so entitled.” 35

(2) The following enactments are hereby consequentially repealed: 40

(a) The Social Security Amendment Act 1985:

(b) Section 20 of the Social Security Amendment Act (No. 2) 1988:

(c) Section 35 (4) of the Finance Act 1989.

(3) Any person who, immediately before the commencement of this section, was overseas and was entitled to receive a benefit pursuant to section 77 of the principal Act, shall continue to be so entitled as if this section had not been enacted.

**21. Commencement and payment of benefits**—Section 80 of the principal Act (as substituted by section 32 of the Social Security Amendment Act 1991) is hereby amended by inserting, after subsection (2), the following subsection:

“(2A) In any case to which **section 80B** of this Act applies, the payment of a widow’s benefit, domestic purposes benefit, sickness benefit, and invalid’s benefit shall commence on—

“(a) The day after the date on which the applicant became entitled to receive it; or

“(b) The day after the date on which the application was received—

whichever is the later date.”

**22. New sections inserted**—The principal Act is hereby amended by inserting, after section 80A, the following sections:

“**80B. Effect of high income on entitlement to benefits**—(1) If an applicant for a widow’s benefit, a domestic purposes benefit, an invalid’s benefit, a sickness benefit, an unemployment benefit, a job search allowance, a training benefit, or an independent youth benefit—

“(a) Has lost his or her employment; and

“(b) Had an average income exceeding the net average wage plus \$50; and

“(c) Section 60H, section 60J, or **section 60N** of this Act do not apply to the applicant,—

the applicant shall not be entitled to a benefit for a period commencing on the date on which the applicant’s employment ceased, that period to be calculated as follows:

“(d) Three weeks, if that average income exceeded the net average wage by \$50 or more but less than \$100:

“(e) Four weeks, if that average income exceeded the net average wage by \$100 or more but less than \$150:

“(f) Six weeks, if that average income exceeded the net average wage by \$150 or more but less than \$200:

“(g) Eight weeks, if that average income exceeded the net average wage by \$200 or more but less than \$250:

“(h) Ten weeks, if that average income exceeded the net average wage by \$250 or more—



but in the case of a training benefit, any such period of non-entitlement shall be reduced by 2 weeks.

“(2) In this section—

“‘Average income’, in relation to an applicant, means the applicant’s average weekly income, after the deduction of income tax, during the 26 weeks immediately preceding the date on which the applicant’s employment ceased: 5

“‘Income’ includes unemployment benefits, domestic purposes benefits, sickness benefits, invalids’ benefits, widows’ benefits, emergency benefits, job search allowances, training benefits, independent youth benefits, and accommodation benefits paid under this Part of this Act. 10

“80C. **Effect of sections 60H to 60J, section 60N, and section 80B on entitlement to supplementary benefits and on spouses**—(1) Any person who is not entitled to a benefit due to the application of section 60H or section 60I or section 60J or **section 60N or section 80B** of this Act, shall not, during that period of non-entitlement, be entitled to receive— 15 20

“(a) An emergency benefit under section 61 of this Act; or

“(b) An accommodation benefit under section 61E of this Act; or

“(c) A special benefit under section 61G of this Act. 25

“(2) The spouse of a person who is not entitled to a benefit due to the application of **section 80B** of this Act shall not be entitled to receive any benefit under this Part of this Act to which his or her spouse is not entitled.” 30

**23. Regulations providing for issue and use of entitlement cards**—The principal Act is hereby amended by inserting, after section 132, the following section: 30

“132A. Without limiting the general power to make regulations conferred by section 132 of this Act, the Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes: 35

“(a) Providing for the issue of entitlement cards to various classes of persons:

“(b) Prescribing the classes of persons eligible to be issued with entitlement cards:

“(c) Prescribing and regulating the use of entitlement cards, including (but not limited to)— 40

“(i) Their use to obtain payment of any benefit, allowance, or payment under this Act:

“(ii) Their use as evidence that the holder or a dependent spouse or child of the holder is exempt from any obligation under this Act or any regulations made under this Act:

5           “(iii) Their use to obtain any payment or exemption from payment in consideration of services supplied to the holder of the entitlement card, or his or her dependent spouse or child, whether those services are supplied under this Act,  
10           any other Act, or otherwise:

          “(iv) Placing time limits on the validity of entitlement cards:

          “(v) Placing obligations on holders to return entitlement cards to the Department:

15           “(vi) Any other conditions relating to their use.

“(d) Prescribing offences relating to the improper use of entitlement cards (other than a use which constitutes an offence under section 127 of this Act), or for their non-return after their expiry, and the amounts of  
20           fines that may be imposed in respect of any such offences, which fines shall be an amount not exceeding \$1,000 and, where the offence is a continuing one, a further amount not exceeding \$50 for every day or part of a day during which the  
25           offence has continued.”

**24. Amending Sixth, Eighth, and Ninth Schedules—**

(1) The principal Act is hereby amended—

30           (a) By omitting from paragraphs (e), (f), (i), and (j) of clause 1 of the Sixth Schedule (as substituted by section 36 (1) of the Finance Act 1989 and amended by section 14 (17) of the Social Welfare (Transitional Provisions) Act 1990) the words “guaranteed retirement income or”:

35           (b) By omitting from paragraphs (e), (f), (i), and (j) of clause 1 of the Eighth Schedule (as so substituted and amended) the words “guaranteed retirement income or”:

40           (c) By omitting from paragraphs (e), (f), (i), and (j) of clause 1 of the Ninth Schedule (as so substituted and amended) the words “guaranteed retirement income or”.

(2) This section shall come into force on the 1st day of April 1992.

*Social Welfare (Transitional Provisions)*

**25. Sections to be read with Social Welfare (Transitional Provisions) Act 1990**—(1) This section, sections 26 to 35 of this Act, and the First and Second Schedules to this Act shall be read together with and deemed part of the Social Welfare (Transitional Provisions) Act 1990\* (in sections 26 to 35 of this Act and the First and Second Schedules to this Act referred to as the principal Act). 5

(2) Except as provided in sections 31 (2) and 33 (2) of this Act, sections 26 to 35 of this Act and the First and Second Schedules to this Act shall come into force on the 1st day of April 1992. 10

\*1990, No. 26

Amendments: 1990, No. 75; 1990, No. 133; 1991, No. 4

**26. Reversion of name to national superannuation**—(1) The principal Act is hereby amended by omitting the words “guaranteed retirement income” wherever they occur, and substituting in each case the words “national superannuation”. 15

(2) On and after the commencement of this section, every reference in any enactment, regulations, Order in Council, rule, bylaw, or other document whatever to guaranteed retirement income or a guaranteed retirement income earner shall be read, respectively, as a reference to national superannuation or to a national superannuitant. 20

**27. National superannuation**—The principal Act is hereby amended by repealing section 3, and substituting the following section:

“3. Subject to the provisions of this Part of this Act and of the Social Security Act 1964, every person shall be entitled to receive national superannuation who attains the age of— 25

“(a) 60 years, if he or she was born before the 1st day of April 1932:

“(b) 61 years, if he or she was born on or after the 1st day of April 1932 and before the 1st day of July 1932: 30

“(c) 61 years and 3 months, if he or she was born on or after the 1st day of July 1932 and before the 1st day of October 1932:

“(d) 61 years and 6 months, if he or she was born on or after the 1st day of October 1932 and before the 1st day of January 1933: 35

“(e) 61 years and 9 months, if he or she was born on or after the 1st day of January 1933 and before the 1st day of April 1933: 40

“(f) 62 years, if he or she was born on or after the 1st day of April 1933 and before the 1st day of July 1933:

- “(g) 62 years and 3 months, if he or she was born on or after the 1st day of July 1933 and before the 1st day of October 1933:
- 5 “(h) 62 years and 6 months, if he or she was born on or after the 1st day of October 1933 and before the 1st day of January 1934:
- “(i) 62 years and 9 months, if he or she was born on or after the 1st day of January 1934 and before the 1st day of April 1934:
- 10 “(j) 63 years, if he or she was born on or after the 1st day of April 1934 and before the 1st day of July 1934:
- “(k) 63 years and 3 months, if he or she was born on or after the 1st day of July 1934 and before the 1st day of October 1934:
- 15 “(l) 63 years and 6 months, if he or she was born on or after the 1st day of October 1934 and before the 1st day of January 1935:
- “(m) 63 years and 9 months, if he or she was born on or after the 1st day of January 1935 and before the 1st day of April 1935:
- 20 “(n) 64 years, if he or she was born on or after the 1st day of April 1935 and before the 1st day of July 1935:
- “(o) 64 years and 3 months, if he or she was born on or after the 1st day of July 1935 and before the 1st day of October 1935:
- 25 “(p) 64 years and 6 months, if he or she was born on or after the 1st day of October 1935 and before the 1st day of January 1936:
- “(q) 64 years and 9 months, if he or she was born on or after the 1st day of January 1936 and before the 1st day of April 1936:
- 30 “(r) 65 years, if he or she was born on or after the 1st day of April 1936.
- “(2) In this section—
- 35 “(a) 3 months equals 13 weeks; and
- “(b) 6 months equals 26 weeks; and
- “(c) 9 months equals 39 weeks.”

40 **28. Rates of national superannuation** —Section 6 of the principal Act is hereby amended by omitting the word “First” in both places where it occurs, and substituting in each case the word “Fourth”.

**29. Entitlement to veteran’s pension**—(1) Section 8 (2) of the principal Act is hereby amended by inserting, after the

words “on account of his or her own service,” the words “or would have been entitled to receive it had he or she been alive.”

(2) Section 8 (3) of the principal Act (as amended by section 2 (1) of the Social Welfare (Transitional Provisions) Amendment Act 1990) is hereby amended by repealing paragraph (c), and substituting the following paragraph: 5

“(c) Is qualified to receive a pension under Part II, Part IV, or Part V of the War Pensions Act 1954 at a rate not less than 70 percent of the maximum rate of pension that would be payable in respect of total disablement; or” 10

**30. Payment overseas of national superannuation and veteran’s pension**—(1) Section 17 (1) of the principal Act is hereby amended by adding to the proviso the words “or clause 1 of the Fourth Schedule to this Act, as the case may be” 15

(2) Section 17 of the principal Act is hereby amended by repealing subsection (5), and substituting the following subsection:

“(5) Where the Director-General has accepted an application under subsection (3) of this section and, after the applicant left New Zealand, the applicant has been paid any instalment of national superannuation or a veteran’s pension in accordance with section 17A of this Act, no liability to repay any such instalment shall arise merely because the applicant fails to return to New Zealand within the period allowed for by the said section 17A.” 20 25

**31. Effect of absence from New Zealand on guaranteed retirement income and veterans’ pensions**—(1) The principal Act is hereby amended by inserting, after section 17, the following section: 30

“17A. (1) Except as provided in this section or in section 17 or section 18 of this Act, or in any agreement or convention adopted under section 19 of this Act, a person shall not be entitled to guaranteed retirement income or a veteran’s pension while that person is absent from New Zealand. 35

“(2) Guaranteed retirement income or a veteran’s pension which would otherwise be payable to a person shall be payable in respect of the first 26 weeks of any absence from New Zealand if— 40

“(a) The person’s absence does not exceed 30 weeks; or

“(b) The person’s absence exceeds 30 weeks and the Director-General is satisfied that the absence beyond

30 weeks was due to circumstances beyond that person's control which he or she could not reasonably have foreseen before departure.

5 “(3) The Director-General may, in the Director-General's discretion, pay guaranteed retirement income or a veteran's pension to any person who would otherwise be entitled to receive it, but who is absent from New Zealand for any period or periods not exceeding 2 years in total because that person or his or her spouse, dependent child, or sibling is receiving  
10 medical treatment overseas for which the Department of Health is granting assistance.

15 “(4) For the purposes of this section, if a person who is absent from New Zealand would have become entitled to guaranteed retirement income or a veteran's pension during his or her absence but for **subsection (1)** of this section, the person's absence shall be regarded as having commenced on the day he or she would have become so entitled.”

(2) This section shall come into force on the 1st day of August 1991.

20 **32. Living alone payments**—Section 18A of the principal Act (as inserted by section 4(1) of the Social Welfare (Transitional Provisions) Amendment Act 1990) is hereby amended by repealing subsection (2), and substituting the following subsection:

25 “(2) The living alone payment shall be included in the appropriate rate specified in clause 1 (a) of the First Schedule to this Act or in clause 1 (a) or clause 1 (d) of the **Fourth** Schedule to this Act, as the case may be.”

30 **33. First Schedule amended**—(1) The First Schedule to the principal Act is hereby amended by repealing clause 2, and substituting the following clause:

“2. Alternative rate for a married person whose spouse is not entitled to receive guaranteed retirement income or a veteran's pension—

“(a) To a married person with 1 or more dependent children who was in receipt of, or had applied for and was entitled to receive, guaranteed retirement income or a veteran's pension before the 1st day of October 1991	\$17,622.80 a year (\$338.90 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.
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- “(b) To any other married person with 1 or more dependent children \$16,752.32 a year (\$322.16 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.
- “(c) To a married person without dependent children who was in receipt of, or had applied for and was entitled to receive, guaranteed retirement income or a veteran’s pension at the alternative rate before the 1st day of October 1991 \$17,622.80 a year (\$338.90 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.
- “(d) To any other married person without dependent children \$16,752.32 a year (\$322.16 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.”

(2) This section shall come into force on the 1st day of October 1991.

**34. New First Schedule substituted**—(1) The principal Act is hereby amended by repealing the First Schedule, and substituting the First Schedule set out in the First Schedule to this Act. 5

(2) Section 33 of this Act is hereby consequentially repealed.

**35. New Fourth Schedule**—The principal Act is hereby amended by adding the Fourth Schedule set out in the Second Schedule to this Act. 10

*Disabled Persons Community Welfare*

**36. Sections to be read with Disabled Persons Community Welfare Act 1975**—(1) This section and sections 37 to 41 of this Act shall be read together with and deemed part of the Disabled Persons Community Welfare Act 1975\* (in sections 37 to 41 of this Act referred to as the principal Act). 15

(2) Except as provided in sections 38 (2) and 39 (2) of this Act, sections 37 to 41 of this Act shall come into force on the 1st day of October 1991.

5     **37. Exercise of Director-General's discretion**—The principal Act is hereby amended by inserting, after section 5, the following section:

10     “5A. In the exercise of his or her powers of discretion under this Act, the Director-General shall have regard to the income and assets of the disabled person and his or her spouse, and, in the case of a disabled child, the income and assets of that child's parents and any other person who is liable in law to maintain that child.”

15     **38. Relief for parents and guardians**—(1) Section 12 (1) of the principal Act is hereby amended by omitting the word “in respect of whom family benefit is payable under Part I of the Social Security Act 1964”, and substituting the words “who is a dependent child within the meaning of section 3 (1) of the Social Security Act 1964”.

20     (2) This section shall come into force on the 1st day of August 1991.

25     **39. Training of young persons**—(1) Section 16 of the principal Act is hereby amended by omitting the expression “15 years” in both places where it occurs, and substituting in each case the expression “16 years”.

(2) This section shall come into force on the 1st day of August 1991.

30     **40. Effect of depriving oneself of income or assets**—The principal Act is hereby amended by inserting, after section 30, the following section:

35     “30A. (1) If the Director-General is satisfied that any person whose assets or income affect the exercise of the Director-General's discretion under section 5A of this Act has directly or indirectly deprived himself or herself of any income or assets which results in the applicant becoming entitled to receive assistance under this Act, the Director-General may, in the Director-General's discretion, refuse to grant, reduce, or terminate any assistance to the applicant.

40     “(2) If any person whose assets or income affect the exercise of the Director-General's discretion under section 5A of this Act—

“*(a)* Lets his or her home; or



- “(b) Sells it on terms that—
- “(i) Provide for the payment of the whole or any part of the purchase money by instalments; or
  - “(ii) Secure the whole or any part of the purchase money by mortgage,—
- the Director-General may, in the Director-General’s discretion, set off against the rent or interest that person derives from letting or selling his or her home—
- “(c) Any rent payable by that person in respect of the tenancy of another home:
  - “(d) Any interest payable, or unpaid purchase money owing, by that person in respect of the purchase of another home:
  - “(e) Any interest payable by that person, or any money advanced to that person, for the purchase of another home:
  - “(f) Any money payable by that person in respect of his or her board, lodging, or maintenance, whether in a private home or in any public or private institution.”

**41. Regulations**—Section 31 of the principal Act is hereby amended by repealing paragraph (i), and substituting the following paragraphs:

- “(i) Prescribing fees for the registration of homes under section 18 of this Act:
- “(j) Prescribing income tests or assets tests in relation to the receiving of financial assistance under this Act:
- “(k) Providing for such matters as are contemplated by or necessary for giving full effect to this Act and for its due administration.”

*Repeal of Rehabilitation Act 1941, Etc.*

**42. Repeal of Rehabilitation Act 1941, etc.**—(1) The enactments specified in Part I of the **Third Schedule** to this Act are hereby repealed.

(2) The regulations and orders specified in Part II of the **Third Schedule** to this Act are hereby revoked.

**43. Savings**—If, immediately before the commencement of this section, a person was in receipt of assistance under any of the Acts, regulations, or orders repealed or revoked by **section 42** of this Act, that person shall continue to be entitled to receive that assistance as if those Acts or those regulations or orders had not been repealed or revoked for such period as the

Director-General of Social Welfare considers that the assistance is required.

PART II

INLAND REVENUE DEPARTMENT

5     **44. This Part to be read with Inland Revenue Department Act 1974**—(1) This Part of this Act shall be read together with and deemed part of the Inland Revenue Department Act 1974\* (in this Part of this Act referred to as the principal Act).

10     (2) This Part of this Act shall come into force on the 1st day of August 1991.

\*R.S. Vol. 24, p. 313  
Amendments: 1989, No. 155; 1990, No. 66

15     **45. Officers to maintain secrecy**—Section 13 (4) of the principal Act is hereby amended by inserting, after paragraph (ba) (as inserted by section 2 (1) of the Inland Revenue Department Amendment Act 1989), the following paragraph:

20     “(bb) Communicating to any person, being an officer, employee, or agent of the Department of Social Welfare, any information—  
      “(i) Which the person is authorised by the Director-General of Social Welfare to receive; and  
      “(ii) Which is communicated for the purposes of section 13A of this Act.”

25     **46. Disclosure of information to Department of Social Welfare**—The principal Act is hereby amended by inserting, after section 13, the following section:

“13A. (1) In this section, unless the context otherwise requires,—

30     “ ‘Authorised officer’, in relation to the Department of Social Welfare, means any officer, employee, or agent of that Department who is authorised by the Director-General of Social Welfare to receive information supplied by the Commissioner pursuant to this section:

35     “ ‘Entitlement card’ means a card issued pursuant to regulations made under section 132A of the Social Security Act 1964.

40     “(2) The purpose of this section is to facilitate the exchange of information between the Department and the Department of Social Welfare for the purposes of enabling the Director-General of Social Welfare to issue entitlement cards.

“(3) For the purposes of this section, on request from the Director-General of Social Welfare, the Commissioner may supply to any authorised officer of the Department of Social Welfare all or any of the following information that is held by the Department in relation to a credit of tax under Part XIA of the Income Tax Act 1976 for the year ending with the 31st day of March 1991: 5

“(a) The names and addresses of persons in receipt of that credit of tax; and

“(b) The number of children to which that credit of tax relates; and 10

“(c) The amount of that credit of tax.

“(4) The provisions of this section shall apply notwithstanding any other provision of this Act.”

**47. Further secrecy requirements**—(1) Section 15 (1) of the principal Act (as amended by section 2 (3) of the Inland Revenue Department Act 1989) is hereby amended by inserting, after the expression “paragraph (ba)”, the expression “or paragraph (bb)”. 15

(2) Section 15 (5) of the principal Act is hereby amended by inserting, after paragraph (a), the following paragraph: 20

“(aa) Where it is given by any person referred to in section 13 (4) (bb) of this Act (being an officer or employee or agent of the Department of Social Welfare), be kept by that Department as a permanent record; and”. 25

**48. Expiry of this Part**—This Part shall expire with the close of the 31st day of March 1992, and on the 1st day of April 1992—

(a) This Part shall be deemed to have been repealed; and

(b) The amendments to the principal Act made by this Part shall cease to have effect. 30

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## SCHEDULES

### FIRST SCHEDULE

Section 34 (1)

#### NEW FIRST SCHEDULE TO PRINCIPAL ACT

*(Effective on and after 1 April 1992)*

#### "FIRST SCHEDULE

Section 11

#### RATES OF VETERANS' PENSIONS

(The following rates are before the deduction of tax)

- |  |   |
|--|---|
| 1. (a) To an unmarried person who is living alone  | \$11,807.64 a year (\$227.07 a week).   |
| (b) To an unmarried person who is not living alone   | \$10,767.64 a year (\$207.07 a week).   |
| (c) To a married person . . .  | \$8,811.40 a year (\$169.45 a week).  |
| 2. Alternative rate for a married person whose spouse is not entitled to receive a veteran's pension—  |   |
| (a) To a married person with 1 or more dependent children who was in receipt of, or had applied for and was entitled to receive, a veteran's pension before the 1st day of October 1991                  | \$17,622.80 a year (\$338.90 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.  |
| (b) To any other married person with 1 or more dependent children  | \$16,752.32 a year (\$322.16 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.  |
| (c) To a married person without dependent children who was in receipt of, or had applied for and was entitled to receive, a veteran's pension at the alternative rate before the 1st day of October 1991 | \$17,622.80 a year (\$338.90 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year.  |
| (d) To any other married person without dependent children   | \$16,752.32 a year (\$322.16 a week) diminished by 30c for every complete \$1 of the total income of that person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70c for every \$1 of such income in excess of \$4,160 a year." |

**Section 35****SECOND SCHEDULE****NEW FOURTH SCHEDULE TO PRINCIPAL ACT***(Effective on and after 1 April 1992)*

## Section 6

**"FOURTH SCHEDULE****RATES OF NATIONAL SUPERANNUATION**

(The following rates are before deduction of tax)

- |   |   |
|---|---|
| 1. (a) To an unmarried person who has attained the age of 70 years and who is living alone      | \$11,807.64 a year (\$227.07 a week) diminished by 90c for every complete \$1 of the assessable income of that person in excess of \$4,160 a year (\$80 a week), but the amount payable shall not be less than \$4,405.70 a year (\$169.45 a fortnight).                      |
| (b) To an unmarried person who has attained the age of 70 years and who is not living alone     | \$10,767.64 a year (\$207.07 a week) diminished by 90c for every complete \$1 of the assessable income of that person in excess of \$4,160 a year (\$80 a week), but the amount payable shall not be less than \$4,405.70 a year (\$169.45 a fortnight).                      |
| (c) To a married person who has attained the age of 70 years                                    | \$8,811.40 a year (\$169.45 a week) diminished by 45c for every complete \$1 of the assessable income of that person and his or her spouse in excess of \$4,160 a year (\$80 a week), but the amount payable shall not be less than \$4,405.70 a year (\$169.45 a fortnight). |
| (d) To an unmarried person who has not attained the age of 70 years and who is living alone     | \$11,807.64 a year (\$227.07 a week) diminished by 90c for every complete \$1 of the assessable income of that person in excess of \$4,160 a year (\$80 a week).  |
| (e) To an unmarried person who has not attained the age of 70 years and who is not living alone | \$10,767.64 a year (\$207.07 a week) diminished by 90c for every complete \$1 of the assessable income of that person in excess of \$4,160 a year (\$80 a week).  |
| (f) To a married person who has not attained the age of 70 years                                | \$8,811.40 a year (\$169.45 a week) diminished by 45c for every complete \$1 of the assessable income of that person and his or her spouse in excess of \$4,160 a year (\$80 a week).   |

SECOND SCHEDULE—*continued*

NEW FOURTH SCHEDULE TO PRINCIPAL ACT—*continued*

“FOURTH SCHEDULE—*continued*

RATES OF NATIONAL SUPERANNUATION—*continued*

- (g) Rate of national superannuation payable to married person who was entitled to receive national superannuation on the 10th day of October 1988 and whose spouse, on that date, was not entitled to receive national superannuation and is not entitled to either national superannuation or a benefit in his or her own right under Part I of the Social Security Act 1964 or Part I of this Act
- The sum which is the greater of—
- (a) \$9,562.28 a year (\$183.89 a week) diminished by 45c for every complete \$1 of the assessable income of that person and his or her spouse in excess of \$4,160 a year (\$80 a week); or
- (b) The rate subject to the same abatement for the time being specified in—
- (i) Paragraph (c) of this clause if that person has attained the age of 70 years; or
- (ii) Paragraph (f) of this clause if that person has not attained the age of 70 years.
2. Alternative rate for a married person whose spouse is not entitled to receive national superannuation—
- (a) To a married person who was in receipt of, or had applied for and was entitled to receive, national superannuation before the 1st day of October 1991
- \$17,622.80 a year (\$338.90 a week) diminished by 90c for every complete \$1 of the assessable income of that person and his or her spouse in excess of \$4,160 a year (\$80 a week).
- (b) To any other married person
- \$16,752.32 a year (\$322.16 a week) diminished by 90c for every complete \$1 of the assessable income of that person and his or her spouse in excess of \$4,160 a year (\$80 a week).”
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## Section 42

## THIRD SCHEDULE

## Section 42 (1)

## PART I

## ACTS REPEALED

- 1941, No. 25—The Rehabilitation Act 1941. (R.S. Vol. 10, p. 729.)
- 1943, No. 20—The Statutes Amendment Act 1943: Section 26. (R.S. Vol. 10, p. 746.)
- 1944, No. 24—The Rehabilitation Amendment Act 1944. (R.S. Vol. 10, p. 746.)
- 1945, No. 40—The Statutes Amendment Act 1945: Sections 70 to 72. (R.S. Vol. 10, p. 751.)
- 1946, No. 40—The Statutes Amendment Act 1946: Sections 68 to 70. (R.S. Vol. 10, p. 753.)
- 1947, No. 49—The Rehabilitation Amendment Act 1947. (R.S. Vol. 10, p. 754.)
- 1949, No. 46—The Maori Purposes Act 1949: Part I. (R.S. Vol. 10, p. 756.)
- 1950, No. 93—The Finance Act 1950: Section 9. (R.S. Vol. 10, p. 761.)
- 1951, No. 79—The Fees and Travelling Allowances Act 1951: So much of the First Schedule as relates to the National Rehabilitation Council and to the Rehabilitation Board and so much of the Second Schedule as relates to the Rehabilitation Act 1941. (R.S. Vol. 6, p. 403.)
- 1953, No. 3—The Emergency Forces Rehabilitation Act 1953. (R.S. Vol. 6, p. 313.)
- 1959, No. 79—The Rehabilitation Amendment Act 1959. (R.S. Vol. 10, p. 762.)
- 1969, No. 58—The Rehabilitation Amendment Act 1969. (R.S. Vol. 10, p. 762.)
- 1971, No. 51—The Stamp and Cheque Duties Act 1971: Section 101 (2) (b) and (c) and so much of the Second Schedule as relates to the Rehabilitation Act 1941. (R.S. Vol. 23, pp. 830 and 832.)
- 1971, No. 97—The Emergency Forces Rehabilitation Amendment Act 1971. (R.S. Vol. 6, p. 315.)
- 1974, No. 19—The Housing Corporation Act 1974: So much of the First Schedule as relates to the Rehabilitation Act 1941. (R.S. Vol. 24, p. 309.)
- 1977, No. 15—The Land Valuation Proceedings Amendment Act 1977: So much of Part VI of the Schedule as relates to the Maori Purposes Act 1949. (R.S. Vol. 17, p. 276.)
- 1986, No. 64—The Rehabilitation Amendment Act 1986.
- 1988, No. 156—The Trade and Industry Repeal Act 1988: So much of the First Schedule as relates to the Rehabilitation Act 1941.
- 1989, No. 143—The Regulations (Disallowance) Act 1989: So much of the Schedule as relates to the Rehabilitation Act 1941.

THIRD SCHEDULE—*continued*

PART II

Section 42 (2)

REGULATIONS AND ORDERS REVOKED

Title	Statutory Regulations Serial Number
The Rehabilitation (Stamp Duties and Registration Fees) Regulations 1944 .. .. .	1944/82
The Rehabilitation Act Extension Order 1945 .. .. .	1945/71
The Rehabilitation (Plumbers) Regulations 1945 .. .. .	1945/120
The Rehabilitation (Psychiatric Nurses) Regulations 1946 .. .. .	1946/137
The Rehabilitation Act Extension Order 1951 .. .. .	1951/96
The Emergency Forces Occupational Re-establishment Regulations 1951 .. .. .	1951/160
The Rehabilitation (Stamp Duties and Registration Fees) Regulations 1944, Amendment No. 1 .. .. .	1952/25
The Emergency Forces Rehabilitation Regulations 1953 .. .. .	1953/149
The Rehabilitation Electrical Trainees Regulations 1955 .. .. .	1955/3
The Emergency Forces Rehabilitation Regulations 1953, Amendment No. 1 .. .. .	1955/4
The Emergency Forces Rehabilitation Regulations 1953, Amendment No. 6 .. .. .	1974/184