

New Zealand

Exchange rate: US\$1.00 =
1.22 New Zealand dollars (NZ\$).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1898 (old-age pension), 1911 (widow's pension), 1924 (blind person's pension), and 1936 (disability pension).

Current laws: 1964 (social security), implemented in 1965, and 2001 (New Zealand superannuation).

Type of program: Universal and social assistance system.

Note: All net benefits reflect the applied primary tax rate.

Coverage

All persons residing in New Zealand.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Old-age pension (New Zealand superannuation): Age 65 with at least 10 years of residence in New Zealand since age 20, including at least five years as of age 50, and must be a resident on date of application. There is no income or asset test (except for a married pensioner with an unqualified spouse).

The pension is payable abroad for up to 26 weeks if the beneficiary is not abroad for more than 30 weeks; the amount of time abroad may be extended and the benefit paid at a rate according to the length of residence in New Zealand.

Assistance benefits (old age): Other assistance benefits may be paid to old-age pensioners (some needs tested).

Disability pension (invalid's benefit): Assessed with a permanent and severe loss of working capacity or total blindness and has resided in New Zealand for at least two years. The benefit is income tested (the personal earnings of totally blind persons are exempt). The beneficiary must be a citizen or permanent resident of New Zealand aged 16 or older.

The disability benefit may be paid abroad temporarily, depending on individual circumstances.

Assistance benefits (disability): Other assistance benefits may be paid to disability pensioners (some needs-tested).

Survivor pension (widow's benefit, orphan's benefit, unsupported child's benefit): Paid to a widow, an orphan's caregiver aged 19 or older, or an unsupported child. The widow, caregiver, orphan, or unsupported child must reside in New Zealand (the widow for at least two years). A widow must be available for full-time or part-time work or make preparations to return to work, depending on the age of her dependent child. The widow's and caregiver's benefits are income tested. For orphan and unsupported child benefits, there is an income test on the child's nonpersonal income (such as money from trusts).

The survivor pension may be paid abroad temporarily, depending on individual circumstances.

Domestic purposes benefit (women alone, single parent, care of sick or infirm): Paid to a single woman aged 50 or older, a single parent aged 19 or older with a dependent child younger than age 18, or a caregiver providing full-time at-home care for a person (other than a spouse or partner) who would otherwise need professional care. A single woman must have lost the financial support of a partner or have finished caring for a child or sick relative and be available for full-time work. A single parent must be available for full-time or part-time work or make preparations to return to work, depending on the age of the parent's dependent children. Must be a citizen or permanent resident and have resided in New Zealand for the last two years.

Funeral grant: A lump sum is paid to assist with funeral expenses. There is an income and asset test based on the deceased's circumstances before death.

Assistance benefits (survivors): Other assistance benefits may be paid to survivors (some needs-tested).

Old-Age Benefits

Old-age pension (New Zealand superannuation): NZ\$348.92 (net) a week is paid for a single person living alone, NZ\$322.08 (net) if sharing accommodation, or NZ\$536.80 (net) for a married, civil-union, or de facto couple living together where both partners qualify for the pension.

The pension may be reduced if the beneficiary is receiving a benefit or pension from an overseas government.

A pensioner with a spouse or partner who is ineligible for the pension may receive half the married rate (NZ\$268.40 (net) a week) with no income test (the ineligible partner receives no payment). If the pensioner chooses to include the ineligible partner in the calculation of the pension, up to NZ\$510.18 (net) a week is paid, subject to an income test (benefits are reduced according to a decreasing scale for joint income above NZ\$5,200 (gross) a year).

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index

for the previous year, with a further adjustment based on the net average ordinary time weekly earnings rate if required. Net average ordinary time weekly earnings are determined by the quarterly employment survey published by Statistics New Zealand.

Assistance benefits: An accommodation supplement, a disability allowance, a special needs grant, and other benefits may be paid.

Permanent Disability Benefits

Disability pension (invalid's benefit): Up to NZ\$207.32 (net) a week is paid for a single person aged 16 or 17; NZ\$256.19 (net) for a single person aged 18 or older; NZ\$213.49 (net) for each member of a married, civil-union, or de facto couple, with or without children; NZ\$336.55 (net) for a single person with children.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400. The personal earnings of totally blind persons are exempt.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Assistance benefits: An accommodation supplement, a family tax credit, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a temporary additional benefit, a special needs grant, and other benefits may be paid.

Survivor Benefits

Survivor pension

Widow's benefit: Up to NZ\$213.49 (net) a week is paid for a single woman without children whose spouse or partner has died; NZ\$293.58 (net) for a single woman with dependent children.

Orphan's benefit: Up to NZ\$199.43 (net) a week is paid, according to age, for each orphan younger than age 18 (not taxable).

Unsupported child's benefit: Up to NZ\$199.43 (net) a week is paid, according to age, for each unsupported child younger than age 18 (not taxable).

Domestic purposes benefit: NZ\$213.49 (net) a week is paid for a single person with no dependent children; NZ\$293.58 (net) for a single parent with dependent children.

Funeral grant: Up to NZ\$1,959.42 is paid to the surviving spouse, partner, or dependent child for funeral costs (not taxable but income and asset tested).

Income test: The widow's benefit and domestic purposes benefit are reduced by NZ\$0.30 for each dollar of gross

earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Assistance benefits: An accommodation supplement, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a special needs grant, and other benefits may be paid.

Administrative Organization

Ministry of Social Development (<http://www.msd.govt.nz>) administers pensions and benefits through its local offices.

Sickness and Maternity

Regulatory Framework

First law: 1938.

Current laws: 1964 (social security), implemented in 1965, and 1987 (parental leave and employment protection).

Type of program: Universal and social assistance system.

Coverage

Cash sickness benefits: Persons temporarily incapacitated for full-time work.

Cash maternity benefits: Single women.

Paid parental leave: All female employees or adoptive parents residing in New Zealand, according to employment and self-employment history. Partial or full entitlement is transferable to a qualifying spouse or partner.

Medical benefits: All persons residing in New Zealand and some others according to the 2012 Health and Disability Services Eligibility Direction (such as beneficiaries under reciprocal agreements, refugees, and suspected victims of human trafficking). Subsidized treatment for accidents under the Accident Compensation Corporation is not dependent on residency.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Cash sickness and maternity benefits: Aged 18 or older (19 or older with a dependent child) and, due to sickness, injury, pregnancy, or disability, has stopped working, has

reduced hours and income, or is unemployed or working part-time and is unable to perform full-time work. Must reside in New Zealand with at least two years of continuous residence. Benefits are income tested.

For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

Paid parental leave: The recipient must have been working for the same employer for at least six months before the expected date of childbirth or the adoption of a child younger than age 5 and have worked at least 10 hours a week, including at least one hour a week or 40 hours a month. Self-employed persons must have been employed for at least six months and have worked an average of 10 hours a week prior to the birth or intended adoption.

Medical benefits: Must reside or have a stated intent to remain in New Zealand for at least two years. There is no income test.

Sickness and Maternity Benefits

Sickness benefit: Up to NZ\$204.96 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$170.80 (net) if aged 20 to 24, or if aged 18 or 19 and living away from home; NZ\$136.64 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$293.58 (net) a week is paid for a single beneficiary with children; up to NZ\$170.80 (net) for each member of a married or civil-union couple with or without children.

The benefit is paid after a waiting period of up to two weeks, depending on previous income.

There is no limit on the period of eligibility for the sickness benefit (unless paid because of pregnancy or a pregnancy-related medical complication, see below). A medical professional must periodically assess the illness.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Maternity benefit: The benefit may be paid to a single pregnant woman at the sickness benefit rate (see above) after the 26th week of pregnancy (or earlier if the insured is unable to work due to pregnancy complications, an illness, or disability). Payment may continue for up to 13 weeks after childbirth.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income above NZ\$80 a week.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Paid parental leave: 100% of previous earnings, up to NZ\$475.16 of gross earnings a week, is paid for up to 14 weeks. The benefit is paid to one parent or shared between both parents if they are both eligible. Self-employed persons who earn less than the equivalent of 10 hours a week at the highest rate of the minimum wage receive the minimum rate of NZ\$135 a week.

Benefit adjustment: The maximum benefit rate is adjusted annually on July 1, according to the increase in net average ordinary time weekly earnings. Net average ordinary time weekly earnings are determined by the quarterly employment survey published by Statistics New Zealand. The minimum benefit rate for the self-employed is adjusted annually on July 1, according to the highest rate of the minimum wage.

Workers' Medical Benefits

Free services include inpatient care in public hospitals, general practitioner care for children up to age 6, maternity services, and most laboratory services. Partial subsidies are provided for general practice visits. Costs for care in a private hospital are not subsidized.

Cost sharing: Partial subsidy for approved prescribed medicines, according to a patient's number of copayments, income, and frequency of use.

After a patient or family makes 20 copayments of NZ\$3 per item a year (rising to NZ\$5 in January 2013), subsequent items are fully subsidized.

Low-income families have access to a Community Services Card (CSC) for reduced prescription charges, after hours doctor visits, specialist visits, children's eyeglasses (up to age 15), emergency dental care, travel and lodging support for certain hospitalizations, and home help.

Individuals who do not qualify for a CSC can obtain a High Use Health Card (HUHC) if they have made 12 or more doctor's visits in the last 12 months. The HUHC is for individual use only and is not income tested. For HUHC cardholders, visits are subsidized at NZ\$15 a visit for adults aged 18 or older, and NZ\$20 a visit for children aged 6 to 17.

No reimbursement is provided for dental treatment, physical therapy, work-related injuries, or children's eyeglasses (aged 5 or younger).

Free basic dental care is provided for school children up to age 18.

The Accident Compensation Corporation (ACC) subsidizes treatment for accident-related injuries.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured, with special subsidies for low-income families or those who need intensive medical care.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers cash benefits through its service centers.

Ministry of Social Development (Community Services Card Service Center) administers Community Services Cards.

Ministry of Health (Sector Services) (<http://www.health.govt.nz>) administers medical benefits.

Inland Revenue (<http://www.ird.govt.nz>) administers statutory paid parental leave benefits.

Work Injury

Regulatory Framework

First law: 1908.

Current law: 2001 (accident compensation), implemented in 2002.

Type of program: Universal and employer-liability (with a public carrier) system. Employers may self-manage claims.

Coverage

Work injury: New Zealand citizens and residents.

Nonwork injury: New Zealand citizens, residents, and temporary visitors.

Source of Funds

Insured person

Work injury: None.

Nonwork injury: Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

Self-employed person

Work injury: Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

Nonwork injury: Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

Employer

Work injury: Contribution rates are set each year based on experience ratings, which take into account both the industry and the employer's performance in injury prevention and returning employees to work.

Nonwork injury: None.

Government

Work injury: Contributes as an employer.

Nonwork injury: The cost of the program for nonearners is financed from general revenues.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period for weekly compensation. Must be substantially unable to perform usual work as a result of the work injury or occupational disease. A medical practitioner must provide a medical certificate. For noise-induced hearing loss, must be assessed with at least a 6% loss.

Nonwork-related injury benefits: There is a one-week waiting period. Must be assessed with at least a 10% permanent incapacity for work.

Temporary Disability Benefits

Temporary disability benefit (weekly compensation): 80% of the worker's average weekly earnings in the period before the incapacity began is paid until he or she is able to return to work.

For work-related personal injuries, the employer pays for the first week of incapacity. (There is a one-week waiting period for nonwork-related personal injuries.) The benefit is paid for as long as a certified incapacity lasts or up to age 65 (when the New Zealand superannuation is paid). Claimants aged 65 or older who are eligible for weekly compensation can receive the benefit for up to 12 months after the date they were first eligible for weekly compensation or the date they became eligible for the New Zealand Superannuation, whichever is later.

The minimum weekly benefit for incapacitated full-time workers is NZ\$432 (gross).

The maximum weekly benefit is NZ\$1,785.99 (gross).

Earnings test: The benefit is reduced by NZ\$1 for every NZ\$1 of earnings over 20% of the worker's weekly earnings.

Employers may make an additional weekly payment to increase the employee's income during incapacity to the level of his or her normal wage. The additional payment is exempt from the benefit reduction.

Benefit adjustment: Benefits are increased annually according to changes in the labor cost index.

Permanent Disability Benefits

Permanent disability pension

Lump-sum payment: Assessment for entitlement begins two years after the injury occurred or occupational disease began, or once the condition stabilizes, whichever is earlier.

The lump sum ranges from NZ\$3,266.56 for an assessed incapacity of 10% to NZ\$130,662.25 for an assessed incapacity of 80% or more.

Independence allowance: Paid for any long-term incapacity resulting from an injury suffered before April 1, 2002.

New Zealand

The allowance is paid on a quarterly basis for as long as the worker remains eligible. The allowance is paid in addition to other cash assistance.

The quarterly allowance ranges from NZ\$186.94 for an assessed incapacity of 10% to NZ\$1,121.90 for an assessed incapacity of 80% or more. The allowance is nontaxable.

Medical practitioners assess the degree of incapacity.

Benefit adjustment: Benefits may increase if the initial assessed level of incapacity increases.

Workers' Medical Benefits

Medical benefits

Medical care: A co-payment may be required for medical care and physical rehabilitation, according to a schedule in law. The insured pays for the full cost of benefits that are not specified. The full cost of elective surgery performed by a contracted provider is fully funded; partially funded if performed by a non-contracted provider.

Social rehabilitation: Attendant care, household help, childcare, assistive devices and appliances, modification of motor vehicles and residence, and travel-related costs are provided.

Vocational rehabilitation: Provided for up to three years (may be extended) to those entitled to compensation for loss of earnings and potential earnings.

Survivor Benefits

Survivor pension

Spouse's benefit: 60% of the deceased's weekly earnings is paid. The benefit is paid for up to five years, the date the deceased's youngest child reaches age 18, or the date that the spouse no longer cares for the deceased's children younger than age 18 or any other eligible dependent, whichever is latest. (The spouse can choose between survivor benefits under superannuation or work injury.)

Orphan's benefit: 20% of the deceased's weekly earnings is paid to an orphan up to age 18 (age 21 if a full-time student; no limit if disabled, dependent on the deceased, and with earnings lower than a set amount); 40% for a full orphan.

Other dependents: 20% of weekly benefit the deceased would have received for a total incapacity is paid to other dependents with average weekly earnings over a 12 month-period lower than the minimum full-time earner rate.

All survivor benefits combined must not exceed 80% of the deceased's weekly earnings, up to a maximum.

Survivor's grant: A lump sum of NZ\$6,303.91 is paid to a spouse; NZ\$3,151.97 to each child younger than age 18 or other dependent.

Child care: NZ\$134.05 a week is paid for one child; NZ\$80.42 each a week for two children; NZ\$187.67 a week for three or more children.

Funeral grant: A lump sum of up to NZ\$5,879.81 is paid to a named survivor.

Administrative Organization

Ministry of Business, Innovation, and Employment (<http://www.mbie.govt.nz>) oversees the program and monitors the performance of the Accident Compensation Corporation.

Accident Compensation Corporation (<http://www.acc.co.nz>) administers benefits.

Unemployment

Regulatory Framework

First law: 1930.

Current law: 1964 (social security), implemented in 1965.

Type of program: Social assistance system.

Coverage

Residents of New Zealand.

Exclusions: Pensioners, full-time students, and striking workers.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Unemployment benefit: Aged 18 or older (19 or older with a dependent child), unemployed, and a resident of New Zealand for at least two years. The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

The person must be available for and actively seeking full-time work and must comply with the work test, which includes acceptance of any offer of suitable employment. The unemployed person is ineligible for benefits for the first 13 weeks in cases of voluntary unemployment or dismissal for serious misconduct (during which time a provisional benefit may be paid if specified tasks are performed for six weeks).

Unemployment Benefits

Up to NZ\$204.96 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$170.81 (net) if aged 20

to 24 or if aged 18 or 19 and living away from home; NZ\$136.64 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$293.58 (net) a week is paid if single with children; up to NZ\$170.80 (net) for each member of a married or civil-union couple, with or without children.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income above NZ\$80 a week.

The benefit is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

Unemployment benefits may be paid for up to 52 weeks, after which beneficiaries may reapply for the benefits.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers benefits through its service centers.

Family Allowances

Regulatory Framework

Current laws: 1973 (social security), 1978 (social security), 1999 (taxation), 2004 (taxation), and 2007 (income tax and tax credits).

Type of program: Universal and social assistance system.

Coverage

Residents of New Zealand.

Note: It is possible to be eligible for more than one tax credit and allowance.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Family allowances

Domestic purposes benefit (women alone, single parent, care of sick or infirm): Paid to a single woman aged 50 or older, a single parent aged 19 or older with a dependent child younger than age 18, or a caregiver providing full-time at-home care for a person (other than a spouse or partner) who would otherwise need professional care. A single woman must have lost the financial support of a

partner or have finished caring for a child or sick relative and be available for full-time work. A single parent must be available for full-time or part-time work or make preparations to return to work, depending on the age of the parent's dependent children. Must be a citizen or permanent resident and have resided in New Zealand for the last two years.

For persons with less than two years of residence in New Zealand, an emergency benefit may be paid in cases of hardship.

Emergency maintenance allowance: Paid to single parents who are not eligible for the domestic purposes benefit, the widow's benefit, or any other benefit and who would experience hardship without the benefit.

Child disability allowance: Paid to the principal caregiver of a dependent child with a serious disability. The benefit is not income or asset tested.

Family tax credit: Paid to families with dependent children aged 17 or younger (age 18 if a student). The principal caregiver or the child must meet a family income test and a residence test.

In-work tax credit: Paid to families with dependent children aged 17 or younger (age 18 if a student). A two-parent family must work jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested benefit, a student allowance, or a parental allowance under the War Pensions Act 1954. The principal caregiver or the child must meet a family income test and a residence test.

Minimum family tax credit: Paid to working families with dependent children aged 17 or younger (age 18 if a student) with annual income less than NZ\$22,568 (net). A two-parent family must be working jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested benefit or a student allowance. The principal caregiver or the child must meet a residence test.

Parental tax credit: Paid to working families on the birth of a child. The credit is paid to families who qualify for the family tax credit, the in-work tax credit, or both, but not to parents claiming paid parental leave, or receiving superannuation or income-tested benefits. The principal caregiver or the child must meet a residence test.

Youth payment: Aged 16 to 17, single and in exceptional circumstances (neither living with nor supported by parents or another guardian), married or in a recognized union, or divorced or separated. Must have lived continuously in New Zealand for at least two years. Must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based

learning, or be exempt from this condition due to personal circumstances.

The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

Young parent payment: Paid to parents aged 16 to 18 who have resided in New Zealand for at least two years. Parents aged 18 must be single; parents aged 16 to 17 must be single and in exceptional circumstances (neither living with nor supported by parents or guardians), must have been married or in a recognized union but are no longer in a relationship, or must be single and living at home or financially supported by parents or guardians with earnings below a certain threshold.

The young parent must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based learning; or must be exempt from this condition due to personal circumstances.

The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

Family Allowance Benefits

Family allowances

Domestic purposes benefit: NZ\$293.58 (net) a week is paid for single parents. Other rates depend on age, civil status, number of dependents, and income. The benefit is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

Emergency maintenance allowance: NZ\$293.58 (net) a week is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

Child disability allowance: NZ\$45.34 a week is paid. There is no income test and the benefit is not taxable.

Family tax credit: Up to NZ\$101.98 a week is paid for the first child and NZ\$91.25 a week for each additional child, depending on the age of the children.

Income test: The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above NZ\$36,350.

In-work tax credit: Up to NZ\$60 a week is paid for up to three children; NZ\$15 a week for each additional child.

Income test: The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above NZ\$36,350.

Minimum family tax credit: A guaranteed gross income for working families of NZ\$22,568 a year is paid.

Parental tax credit: NZ\$150 (net) a week per eligible child is paid for the first eight weeks after the birth or adoption of a child.

Income test: The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above an income threshold determined by the number of dependent children in the family.

Youth Payment and Young Parents Payment: Accommodations, utilities, and other related expenses are paid directly; a food allowance is credited to a payment card; and an allowance of up to NZ\$50 a week is paid.

Income test: The benefit is reduced if gross income is over NZ\$206.75 a week.

Benefit adjustment: The domestic purposes benefit, the emergency maintenance allowance, the child disability allowance, the youth payment, and the young parent payment are adjusted on April 1, according to changes in the consumer price index for the previous year. The family tax credit is adjusted when there has been a cumulative 5% increase in the consumer price index. The in-work tax credit and the parental tax credit are subject to periodic review, while the minimum family tax credit is reviewed annually; all three are adjusted at the discretion of the government.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers allowances through its service centers. It also administers family tax credits for beneficiaries with gross annual income below NZ\$36,350.

Inland Revenue (<http://www.ird.govt.nz>) administers the in-work tax credit, minimum family tax credit, parental tax credit, and family tax credit for working families who do not receive a benefit.