

## New Zealand

Exchange rate: US\$1.00 =  
1.44 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 primary tax rate applied.

#### 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 5 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 2 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 and be age 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 or caregiver of an orphan or an unsupported child. The widow, caregiver, orphan, or unsupported child must reside in New Zealand (the widow for at least 2 years). 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:** Paid to single women living alone or single parents with dependent children.

**Funeral grant:** Paid as a lump sum 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\$318.12 (net) a week is paid for a single person living alone, NZ\$293.65 (net) if sharing accommodation, or NZ\$489.42 (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\$244.71 (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\$465.48 (net) is paid a week, subject to an income test (benefits are reduced according to a decreasing scale for joint income above NZ\$4,160 (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\$196.35 (net) a week is paid for a single person aged 16 or 17; NZ\$242.63 (net) for a single person aged 18 or older;

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NZ\$202.20 (net) for each member of a married, civil-union, or de facto couple, with or without children; NZ\$318.75 (net) for a single person with children.

**Income test:** The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360. 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\$202.20 (net) a week is paid for a single woman without children whose spouse or partner has died; NZ\$278.04 (net) for a single parent with dependent children.

**Orphan's benefit:** Up to NZ\$188.88 (net) a week is paid, according to age, for each orphan younger than age 18 (not taxable). The benefit is not income-tested, except for the child's nonpersonal income (such as money from trusts).

**Unsupported child's benefit:** Up to NZ\$188.88 (net) a week is paid, according to age, for each unsupported child younger than age 18 (not taxable). The benefit is not income-tested, except for the child's nonpersonal income (such as money from trusts).

**Domestic purposes benefit:** NZ\$202.20 (net) a week is paid for a single woman with no dependent children; NZ\$278.04 (net) for a single parent with dependent children.

**Funeral grant:** Up to NZ\$1,855.75 is paid to the surviving spouse, partner, or dependent child for funeral costs (not taxable but income- and asset-tested).

**Income test:** The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

**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

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#### 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.

#### 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; or aged 16 or 17 if married or in a civil union with a dependent child or pregnant, or if undergoing treatment in an approved rehabilitation program. Must reside in New Zealand with at least 2 years of continuous residence. Benefits are income-tested.

For persons with less than 2 years of residence in New Zealand, an income- and asset-tested benefit is possible in cases of hardship.

**Paid parental leave:** The recipient must have been employed by the same employer for at least 6 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 1 hour a week or 40 hours a month. Self-employed persons must have been employed for at least 6 months and have worked at least 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 2 years. There is no income test.

### **Sickness and Maternity Benefits**

**Sickness benefit:** Up to NZ\$194.12 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$161.76 (net) if aged 20 to 24, or if aged 18 or 19 and living away from home; NZ\$129.41 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$278.04 (net) a week is paid for a single beneficiary with children; up to NZ\$161.76 (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 2 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). The beneficiary must provide an ongoing medical assessment.

**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 is normally paid to a single pregnant woman at the sickness benefit rate (see above) after the 26th week of pregnancy. Payment can 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 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.

**Paid parental leave:** Paid leave is provided for up to 14 weeks to one parent or shared between both parents if they are both eligible. The paid leave replaces 100% of previous earnings, up to NZ\$441.62 of gross earnings a week. 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\$127.50 a week.

**Benefit adjustment:** The maximum benefit rate is adjusted annually on July 1, according to the increase in average ordinary time weekly earnings. Average ordinary time weekly earnings are determined by the March edition of 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**

Subsidies are provided for persons using health care. 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 granted 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, subsequent items are fully subsidized.

Families with low income have access to a Community Services Card (CSC) that reduces prescription charges, after hours doctor visits, visits to nonregular doctors, eye-glasses for children under 16, emergency dental care, travel and accommodation support for certain hospitalization circumstances, 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. If a cardholder is not enrolled at a practice or accesses care after-hours, 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, treatment for work-related injuries, or eye-glasses for children aged 5 or younger. Treatment for accident-related injuries is subsidized by the Accident Compensation Corporation (ACC).

### **Dependents' Medical Benefits**

Same as for the family head, 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 (HealthPac) (<http://www.moh.govt.nz/moh.nsf>) administers medical benefits.

The 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

The accident compensation scheme provides coverage for work injury and occupational disease for all New Zealand citizens and residents.

The scheme also provides coverage for nonwork-related and other specific injuries for all New Zealand citizens, residents, and temporary visitors.

### Source of Funds

#### Insured person

*Work injury:* None.

*Nonwork injury:* Contributes for nonwork-related injuries.

Contribution rates are set each year based on the actual cost of injuries that have occurred, according to a schedule in law.

#### Self-employed person

*Work injury:* Contributes for work injuries.

*Nonwork injury:* Contributes for nonwork-related injuries.

Contribution rates are set each year based on the actual cost of injuries that have occurred, according to a schedule in law.

**Employer:** Contributes for employee work injuries.

Contribution rates are set each year based on the actual cost of injuries that have occurred, according to a schedule in law.

#### 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 assessed with a permanent incapacity for work of at least 10% (at least 6% for injury-related hearing loss).

**Nonwork-related injury benefits:** There is a 1-week waiting period for weekly compensation. Must be assessed with a permanent incapacity for work of at least 10%.

#### Survivor benefits

*Survivor pension:* Paid for the death of an earner.

*Survivor's grant:* Paid for the death of an insured person.

*Child care:* Paid for the care of a dependent child.

Eligible survivors include a spouse, orphan and other dependents. Payments to a spouse continue until the latest of the following: the end of 5 consecutive years from the date on which the entitlement first became payable, the date the deceased's youngest child reaches age 18, or the date the spouse no longer provides care for the deceased's children younger than age 18 or any other qualifying dependent. (The spouse can choose between survivor benefits under superannuation or work injury.) Payments to an orphan continue until the end of the calendar year in which the orphan reaches age 18, the end of full-time study, or age 21, whichever is earliest. An orphan with a disability who was dependent on the deceased is eligible for weekly compensation after the end of the calendar year in which he or she reaches age 18 if his or her average earnings are less than a fixed amount. Payments to other dependents are made if the dependent's average weekly earnings over a 12-month period are less than the minimum full-time earner rate, regardless of age.

*Funeral grant:* Paid to a named survivor.

### Temporary Disability Benefits

**Temporary disability benefit (weekly compensation):** 80% of the worker's average weekly earnings is paid until he or she is able to return to work. Weekly earnings are calculated under prescribed rules according to the worker's earnings in the period before the incapacity began. For work-related personal injuries, the employer pays for the first week of incapacity. (For nonwork-related personal injuries, there is a 1-week waiting period.) The benefit is paid for as long as a certified incapacity lasts or until age 65 (when the New Zealand superannuation is paid). Claimants aged 65 or older can receive the benefit for up to 2 years.

Must be substantially unable to perform the usual job as a result of the injury. A medical practitioner must provide a medical certificate.

The minimum weekly benefit for incapacitated full-time workers is NZ\$408 (gross).

The maximum weekly benefit is NZ\$1,717.98 (gross).

**Earnings test:** If a worker receives income from work during a period of incapacity, weekly compensation decreases. No deduction is made on any earnings up to 20% of the worker's weekly earnings; for every NZ\$1 earned in excess of that amount, a deduction of NZ\$1 is applied.

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:** A single nontaxable payment is provided to compensate for a permanent incapacity resulting from an injury. Assessment for entitlement begins 2 years after the injury began, or once the injury stabilizes, whichever is earlier.

The lump sum ranges from NZ\$3,078.46 for an assessed incapacity of 10% to NZ\$123,138.28 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. 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 allowance per quarter ranges from NZ\$176.18 for an assessed incapacity of 10% to NZ\$1,057.34 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:** The insured must make a minimum co-payment for medical care and physical rehabilitation, according to a schedule in law. In some cases, the minimum payment may be the full cost. The insured pays for the full cost of benefits that are not specified. The full cost of elective surgery is fully funded if performed by a contracted provider; partially funded if performed by a non-contracted provider.

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

**Vocational rehabilitation:** Provided for up to 3 years (may be extended) to those entitled to compensation for loss of earnings and potential earnings.

### Survivor Benefits

**Survivor pension:** The weekly benefit is based on a percentage of the deceased's earnings and is paid to a surviving spouse, child, or other dependent.

**Spouse's benefit:** The benefit is 60% of the weekly earnings that would have been paid to the deceased.

**Orphan's benefit (younger than age 18):** The benefit is 20% of the weekly earnings that would have been paid to the deceased; 40% for an orphan.

**Other dependents:** The benefit is 20% of the weekly benefit the deceased would have been entitled to receive for a total incapacity.

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

**Survivor's grant:** A lump sum of NZ\$5,940.91 is paid to a spouse; NZ\$2,970.47 to each child younger than age 18 or other dependent.

**Child care:** NZ\$126.33 a week is paid for one child; NZ\$75.79 each a week for two children; NZ\$176.86 a week for three or more children.

**Funeral grant:** A lump sum of up to NZ\$5,541.23 is paid.

### Administrative Organization

Department of Labor (<http://www.dol.govt.nz>) administers the legislation 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

**Unemployment benefit:** All unemployed persons older than age 18 who are actively seeking employment and meet the residency requirements.

**Independent youth benefit:** Single persons aged 16 to 17 who are not living with and cannot be supported by their parents.

**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 (aged 16 to 17 and married with a dependent child) and has resided in New Zealand for at least 2 years. The benefit is income-tested. An income- and asset-tested hardship or emergency benefit is possible at the same rate as the unemployment benefit with less than 2 years of residence.

The person must be available for and actively seeking full-time work. The beneficiary must comply with the work test, which includes acceptance of any offer of suitable employment. The benefit may be withheld for up to 13 weeks in cases of voluntary unemployment or the failure to meet employment-related obligations. The benefit is not paid if unemployment was voluntary or due to dismissal for serious misconduct or involvement in an industrial dispute.

**Independent youth benefit:** Must have lived continuously in New Zealand for at least 24 months and must be in secondary education, in training, unemployed, sick, injured, disabled or pregnant.

### Unemployment Benefits

**Unemployment benefit:** Up to NZ\$194.12 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$161.76 (net) if aged 20 to 24 or if aged 18 or 19 and living away from home; NZ\$129.41 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$278.04 (net) a week is paid for a single beneficiary with children; up to NZ\$161.76 (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 exceeding NZ\$80 a week.

The benefit is paid after a waiting period of 1 to 2 weeks, depending on previous income and family circumstances.

There is no limit on the number of weeks unemployment benefits can be paid.

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

**Independent youth benefit:** Up to NZ\$161.76 (net) a week is paid.

**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.

### Administrative Organization

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

### Family Allowances

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#### 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

Parents, caregivers, and families with dependent children who meet the residency criteria.

**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:** Paid to single parents aged 18 or older or to parents who have been married or were in a civil union caring for a dependent child younger than age 18 or a person caring for someone (other than a spouse) who would otherwise be hospitalized. The parent must reside in New Zealand if the dependent child was born in New Zealand; one of the parents must satisfy the residence criteria if the child was born overseas.

**Emergency maintenance allowance:** Paid to single parents experiencing hardship who are not eligible for the domestic purposes benefit, the widow's benefit, or any other benefit because of residency or age.

**Child disability allowance:** Paid to the principal caregiver of a dependent child with a serious disability.

**Family tax credit:** Paid to families with dependent children aged 17 or younger (age 18 if a student). Subject to a family income test and a residence test to be met by the principal caregiver or the child.

**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; single parents must work at least 20 hours a week. The work hours test can be met by parents receiving accident compensation for an injury suffered after January 1, 2006. No eligible parent may receive an income-tested benefit, a student allowance, or a parental allowance under the War Pensions Act 1954.

**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\$21,216 (net). A two-parent family must be working jointly more than 30 hours a week; single parents must be working more than 20 hours a week. The work hours test can be met by parents receiving accident compensation for an injury suffered after January 1, 2006. No eligible parent may receive an income-tested benefit or a student allowance.

*Parental tax credit:* Paid to working families with income under a certain level (depends on the number of children) 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.

## **Family Allowance Benefits**

### **Family allowances**

*Domestic purposes benefit:* NZ\$278.04 (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 1 to 2 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 exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

*Emergency maintenance allowance:* NZ\$278.04 (net) a week is paid. The benefit is paid after a waiting period of 1 to 2 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 exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

*Child disability allowance:* NZ\$42.94 a week is paid. There is no income test and the benefit is not taxable.

*Family tax credit:* Up to NZ\$99.96 a week is paid for the first child and NZ\$89.44 a week for each additional child, depending on the age of the children.

*Income test:* The total benefit is reduced by NZ\$0.20 for each dollar of gross earned income exceeding NZ\$36,827.

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

*Income test:* The total benefit is reduced by NZ\$0.20 for each dollar of gross earned income exceeding NZ\$36,827.

*Minimum family tax credit:* A guaranteed net income for working families of NZ\$20,800 a year.

*Parental tax credit:* The parental tax credit is NZ\$150 (net) a week per qualifying child and is paid for the first 8 weeks after the birth or adoption of a child.

*Income test:* The total benefit is reduced by NZ\$0.20 for each dollar of gross earned income exceeding an income threshold determined by the number of dependent children in the family.

*Benefit adjustment:* The domestic purposes benefit, the emergency maintenance allowance and the child disability allowance 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 people with gross annual income below NZ\$36,827 who receive a benefit.

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