

22 November 2022

Presented to the House in accordance with Standing Order 272

Legislative Statement: Social Security (Accommodation Supplement) Amendment Bill

Overview

This Bill proposes a minor policy change related to the Accommodation Supplement. It aims to align legislation (Social Security Act 2018 and Social Security Regulations 2018) with the original policy intent and longstanding practice when assessing the level of entitlement for individuals whose partners are in long-term residential care.

Consequential amendments to the New Zealand Superannuation and Retirement Income Act (NZSRIA) 2001 and the Veterans Support Act 2014 also are proposed.

Accommodation Supplement

The Accommodation Supplement is a weekly payment which helps low-income individuals and families with their rent, board, or the cost of owning a home. Several criteria are used to assess eligibility and maximum rates of entitlement. Relationship status is one of the criteria as couples share the cost of accommodation, while a single person is responsible for covering the entire amount.

Under the Social Security Act 2018, regardless of whether couples are residing together or if one is in long-term residential care, their eligibility should be assessed as a couple. No exceptions are provided under the Social Security Act 2018 or the Social Security Regulations 2018.

The impact of this approach is that the partner of someone in care would experience a higher financial burden as their Accommodation Supplement would likely decrease. This is due to the eligibility thresholds for couples being higher than that of a single person.

The original policy intent, however, is that the 'single-person' rate of Accommodation Supplement may be applied to couples in situations where one partner is in long-term residential care (referred to as 'partner-in-care') and the other remains in the community. Specifically, the latter is recognised as single for the purposes of calculating the Accommodation Supplement rate. The policy rationale for this is because the partner-in-care can no longer contribute towards existing accommodation costs, and, therefore, the other partner is more comparable to an individual living alone.

The proposed amendment would align legislation to the original policy intent and existing practice, ensuring that current beneficiaries whose partners are in care would continue to receive the same rate of Accommodation Supplement.

Consequential Amendments

This Bill also includes consequential amendments to section 17 of the NZSRIA 2001 and section 173 of the Veterans' Support Act 2014. The proposed changes clarify the approach to the abatement of benefits for a community partner across the different acts.

Specifically, it confirms that a community partner would not be subject to abatement of Accommodation Supplement from any income that was included as part their partner-in-care's financial means assessment. The inclusion of this amendment will maintain current practice and, thus, ensure no disruption or change to the Accommodation Supplement amount individuals currently receive.

Consideration under Urgency

The Bill seeks to ensure beneficiaries whose partners are in care can lawfully receive their current level of benefits and without disruption. A change to align practice with legislation would result in approximately 256 New Zealanders receiving a lower rate of Accommodation Supplement. The reduction could be as much as \$62 per week or \$3,224 over the course of an entire year.

The majority of these beneficiaries are older people who are receiving New Zealand Superannuation or Veterans Pension and, therefore, likely to be on fixed incomes.

The Government moves to pass the Bill under urgency to ensure low-income New Zealanders and whose partners are in long-term residential care continue to have the means to pay for their rent, board, or cost of owning a home and, therefore, stay in their current residences.