



SOCIAL SECURITY (PENALTIES FOR UNSATISFACTORY PARTICIPATION) REGULATIONS 1998

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 14th day of September 1998

Present:

THE RIGHT HON JENNY SHIPLEY PRESIDING IN COUNCIL

PURSUANT to sections 123D and 132 of the Social Security Act 1964, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, makes the following regulations.

ANALYSIS

1. Title and commencement
 2. Interpretation
 3. Percentage reductions set out in Schedule
 4. Reductions for lateness or absence
 5. Reductions for failure to complete task
 6. Administration of reductions
 7. Effect of cumulative penalties
-

SCHEDULE

Penalties for Unsatisfactory Participation in Organised Activity and for Unsatisfactory Compliance with Request under Section 60HA

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Social Security (Penalties for Unsatisfactory Participation) Regulations 1998.

(2) These regulations come into force on 1 October 1998.

2. Interpretation—In these regulations, “the Act” means the Social Security Act 1964.

3. Percentage reductions set out in Schedule—The Schedule sets out the percentage reduction in the benefit of a person whose benefit is to be reduced under section 118 of the Act because of—

- (a) Unsatisfactory participation in an organised activity; or
- (b) Unsatisfactory compliance with a request under section 60HA.

4. Reductions for lateness or absence—If more than one reduction of benefit could apply to a benefit as a result of lateness or absence on any day, only the highest may apply.

5. Reductions for failure to complete task—(1) In this regulation and in the Schedule, “task” means a clearly defined activity that comprises all, or a discrete part of, an organised activity or a work preparation exercise (other than a mandatory interview).

(2) If a person does not complete a task because of lateness or absence, the person’s benefit is subject to a reduction by the highest of whichever percentage reduction could apply in that case.

6. Administration of reductions—(1) Every reduction must be applied to the rate of the person’s benefit before any abatement on account of income.

(2) Every reduction must be applied only to the payment of the benefit on the pay day on which the reduction is applied.

7. Effect of cumulative penalties—If more than one penalty is to be applied to a person on any pay day, the person’s benefit must not on that pay day be reduced by more than 40% before any abatement on account of income.

SCHEDULE

Regs. 3, 4

PENALTIES FOR UNSATISFACTORY PARTICIPATION IN ORGANISED ACTIVITY
AND FOR UNSATISFACTORY COMPLIANCE WITH REQUEST UNDER
SECTION 60HA

Nature of Unsatisfactory Participation or Compliance	Percentage Reduction of Benefit
1. Late arrival at, or absence from, an organised activity, or an exercise or mandatory interview requested under section 60HA—	
(a) 15 minutes to 2 hours	8%
(b) More than 2 hours and up to 4 hours	16%
(c) More than 4 hours and up to 6 hours	24%
(d) More than 6 hours and up to 8 hours	32%
(e) More than 8 hours	40%
2. Failure to complete a task or a mandatory interview	10%
3. Failure to answer questions during, or to otherwise co-operate in, a mandatory interview	10%

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations set out the percentages by which a person's benefit may be reduced because of unsatisfactory participation in an organised activity or unsatisfactory compliance with a request under section 60HA of the Social Security Act 1964. Requests under section 60HA relate to mandatory interviews and also, after 1 February 1999, to work preparation exercises.

Reductions may be made in respect of lateness, absence, non-completion, and failure to answer questions during, or lack of co-operation in, a mandatory interview. The penalties for any one instance of unsatisfactory participation range from 8% to 40%. The cumulative effect of reductions applying to any one pay day may not exceed 40% of the benefit. Reductions are applied to the rate of benefit before any abatement on account of income.

These regulations come into force on 1 October 1998.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 17 September 1998.

These regulations are administered in the Department for Work and Income.