

New Zealand

Exchange rate: U.S.\$1.00 equals
2.08 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 law: 2001 (superannuation).

Type of program: Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002. All net benefits reflect the primary tax rate applied.

Coverage

All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed from general revenues.

General revenues also finance sickness, maternity, and unemployment benefits and family allowances.

Qualifying Conditions

Old-age pension (superannuation): Age 65 with 10 years' residence after age 20 (including 5 years since age 50); no income or retirement test (except for a married pensioner with an unqualified spouse).

A reciprocity agreement is required for the full payment of the pension if going abroad for a period longer than a temporary absence. There is partial portability (up to 50%) in other instances.

Disability pension (invalid's benefit): Permanent and severe restriction in capacity for work, or total blindness and at least 10 years' residence. The benefit is income-tested. If totally blind, personal earnings are exempt. The insured must be over age 16.

Survivor pension: A widow of a specified category or an orphan. The survivor must be ordinarily resident. The pension is income-tested.

Old-Age Benefits

Old-age pension (superannuation): NZ\$288.31 (gross) or NZ\$238.80 (net) a week for a single person living alone;

NZ\$264.90 (gross) or NZ\$220.43 (net) if sharing accommodation; NZ\$437.00 (gross) or NZ\$367.38 (net) a week for an aged married couple.

The pension is not income-tested.

A married pensioner with an unqualified spouse may receive half the married rate (NZ\$218.50 gross or NZ\$183.69 net) with no income test or the full married rate (NZ\$415.28 gross or NZ\$350.28 net) with an income test.

Benefit adjustment: Annual review of income-tested benefits.

Other assistance is available (some needs-tested), such as an accommodation supplement, a disability allowance, and special needs grants.

Permanent Disability Benefits

Disability pension (invalid's benefit): Up to NZ\$196.70 (net) a week for a single person or NZ\$327.84 (net) a week for a couple.

Youth rate: If aged 16 or 17, NZ\$159.18.

Income test: The benefit is reduced for income exceeding NZ\$4,160 a year. The personal earnings of totally blind persons are exempt.

Dependent supplement: Additional payments are provided for dependent children.

Benefit adjustment: Annual review of benefits.

Other assistance available (some needs-tested) includes an accommodation supplement, advances for maintenance and repairs to the home, a training incentive allowance, a transition-to-work allowance, a disability allowance, and special needs grants.

Survivor Benefits

Survivor pension

Widow's pension: Up to NZ\$163.92 (net) a week. The pension is reduced for income exceeding NZ\$4,160 a year and is subject to taxation.

Orphan's pension: Up to NZ\$109.26 (net) a week for each full orphan under age 18 (not taxable). The pension is not income-tested.

Benefit adjustment: Annual review of benefits.

Funeral grant: Up to NZ\$1,203.52 for funeral costs (income-tested).

Other assistance available (some needs-tested) includes an accommodation supplement, advances for maintenance and repairs to the home, a training incentive allowance, a transition-to-work allowance, a disability allowance, and special needs grants.

Administrative Organization

Ministry of Social Development (Work and Income) administers pensions through its local offices.

Sickness and Maternity

Regulatory Framework

First law: 1938.

Current law: 1964.

Type of program: Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002.

Coverage

Cash sickness benefits: Temporarily incapacitated for full-time work.

Maternity benefits: Single women.

Medical benefits: All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed from general revenues.

Qualifying Conditions

Cash sickness and maternity benefits: Aged 18 or older (age 16 if married with a dependent child) with 24 months of continuous residence and ordinarily resident. Benefits are income-tested.

For persons with less than 24 months of residence, an income- and asset-tested benefit is possible in cases of hardship.

Medical benefits: Resident or a stated intent to remain in the country for 2 years; no income test.

Sickness and Maternity Benefits

Sickness benefit: Up to NZ\$157.37 a week if age 25, single, and with no children (NZ\$131.13 if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$104.91 if aged 18 or 19 and living with a parent).

Up to NZ\$225.40 for a single beneficiary with one child; NZ\$245.91 if single with two or more children. Up to NZ\$262.26 for a married couple without children; NZ\$278.70 for a married couple with one or more children.

The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

All benefits are weekly rates, net of tax.

Income test: The benefit is reduced for income exceeding NZ\$80 a week.

Maternity benefit: The benefit is normally payable to a single pregnant woman at the sickness benefit rate after the 27th week of pregnancy. Payment can continue for up to 13 weeks after childbirth. The benefit is income-tested.

Paid parental leave: The paid leave is payable to one parent or shared between both parents. The paid leave replaces 100% of previous earnings, up to NZ\$325 gross a week. The recipient must have been employed by the same employer for more than 12 months and have worked a minimum of 10 hours a week.

Workers' Medical Benefits

Subsidies for those 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. Costs for care in a private hospital are not subsidized. Approved prescribed medicines are subsidized at various levels, depending on income.

Families with low income have access to a Community Services Card (CSC) that reduces their prescription charges from a maximum of NZ\$15 per item to NZ\$3 per item. If a family has paid for 20 items in a year, the charge falls to zero for CSC holders and NZ\$2 per item for non-CSC holders.

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) administers cash benefits through its branch and district offices.

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

Ministry of Health (HealthPac) administers medical benefits.

Work Injury

Regulatory Framework

First law: 1908.

Current law: 2001 (injury, prevention, rehabilitation, and compensation), implemented in 2002.

Type of program: Dual universal and compulsory insurance (with a public carrier) system. Employers may self-manage claims.

Note: Benefit amounts reflect rates as of July 1, 2002.

Coverage

All injured persons, including children and nonworking adults, visitors to New Zealand, and New Zealanders traveling abroad.

Source of Funds

Insured person

Work injury: None; insurance premiums are paid by the self-employed.

Nonwork injury: Insurance premiums for non-work-related injuries.

Employer: Insurance premiums for employee work injuries.

Government

Work injury: Special earmarked taxes, including gas and motor vehicle licensing fees.

Nonwork injury: General revenues to fund the program for nonearners.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Non-work-related injury benefits: The insured must be incapacitated for one week.

Temporary Disability Benefits

80% of gross earnings (subject to taxation) until able to return to work.

The minimum benefit for totally disabled full-time earners is NZ\$256.00 a week if aged 18 or older; NZ\$204.80 if under age 18.

The maximum benefit is NZ\$1,365.05 a week.

Permanent Disability Benefits

Permanent disability pension: A lump sum if 10% or more impaired. The lump-sum compensation ranges from NZ\$2,500 to NZ\$100,000.

Workers' Medical Benefits

A minimum payment for medical care and physical rehabilitation as specified in legislation. In some cases, the minimum payment may be the full cost. The cost of benefits that are not specified is paid in full. The full cost of elective surgery is paid if the medical care is provided by a public hospital or a designated medical provider.

Social rehabilitation is provided without limit and includes attendant care, household help, child care, aids and appliances, modification of motor vehicles or residential premises, and travel-related costs.

Vocational rehabilitation is provided for up to 3 years to those entitled to compensation for loss of earnings and potential

earnings or to those who could be entitled if they did not receive vocational rehabilitation.

Survivor Benefits

Survivor pension: All survivor pensions are calculated on the basis of 80% of the insured's weekly compensation.

Widow(er)'s pension: 60% of the amount.

Orphan's pension: 30% of the amount for each child under age 18; 40% if a full orphan.

Other dependents: 20% of the amount.

Survivor's grant: NZ\$4,824.59 to a spouse; NZ\$2,412.30 to each child under age 18 or other dependent.

Child care: NZ\$102.59 a week for one child; a total of NZ\$143.63 a week for three or more children.

Funeral grant: A grant of up to NZ\$4,500 is payable to the deceased's personal representative.

Administrative Organization

Department of Labor provides direct supervision and enforces the law.

Unemployment

Regulatory Framework

First law: 1930.

Current law: 1964.

Type of program: Unemployment assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002.

Coverage

All persons under the qualifying age for superannuation who are unemployed and actively seeking employment.

Independent youth benefit is paid to single persons aged 16 and 17 who are not living with their parents and who cannot be supported by their parents.

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

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed from general revenues.

Qualifying Conditions

Unemployment benefit: Aged 18 or older (age 16 if married with a dependent child) with 24 months of residence. The benefit is income-tested. If resident for less than 24 months, an

income- and asset-tested benefit is possible in cases of hardship. The person must be registered at a labor office and actively seeking work.

Unemployment is not due to voluntarily leaving employment, misconduct, dismissal for involvement in an industrial dispute, or the refusal of a suitable job offer. The benefit may be withheld for up to 13 weeks in cases of voluntary unemployment or the failure to meet employment-related obligations.

Unemployment Benefits

Up to NZ\$157.37 a week if age 25, single, and with no children (NZ\$131.13 if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$104.91 if aged 18 or 19 and living with a parent).

Up to NZ\$225.40 for a single beneficiary with one child; NZ\$245.91 if single with two or more children. Up to NZ\$262.26 for a married couple without children; NZ\$278.70 for a married couple with one or more children.

All benefits are weekly rates, net of tax.

Income test: The benefit is reduced for income exceeding NZ\$80 a week.

The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

Benefit adjustment: Annual review of benefits.

Administrative Organization

Ministry of Social Development (Work and Income) administers benefits through its branch and district offices.

Family Allowances

Regulatory Framework

First law: 1926.

Current laws: 1973 (domestic purposes benefits), 1978 (disabled child's allowance), and 1999 (family support, child tax credit, family tax credit, and parental tax credit).

Type of program: Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002.

Coverage

Domestic purposes benefit: Single parents caring for dependent child under age 18, or person caring for someone (other than spouse or own child) who would otherwise be hospitalized.

Child disability allowance: Persons caring for physically or mentally disabled children at home.

Family support: Low-income working and nonworking families with dependent children.

Child tax credit: Low-income working families with dependent children.

Family tax credit: Low-income nonbeneficiary working families with dependent children.

Parental tax credit: Low-income working families.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed from general revenues.

Qualifying Conditions

Family allowances

Domestic purpose benefit: The benefit is payable to unsupported single parents aged 18 or older who have resided in New Zealand during the last 10 years; no residence requirement if the child is born in New Zealand.

Child disability allowance: The allowance is payable if the child was born in New Zealand or has resided there during the last 12 months, or if there is a stated intent to reside in the country permanently. The allowance is paid to a parent or guardian of a seriously disabled child living at home.

Family support: Payable to families with low or moderate income.

Family Allowance Benefits

Domestic purpose benefit and emergency maintenance allowance: NZ\$225.40 a week if a single parent with one child; NZ\$245.91 if single with two or more children. The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

Income test: The benefit is reduced for income exceeding NZ\$80 a week; it may be reduced, suspended, or canceled if the recipient fails to meet employment-related obligations.

Child disability allowance: NZ\$34.80 a week; no income test.

Family support: Up to NZ\$47 a week for the first child; NZ\$40 for subsequent child over age 12; NZ\$32 for subsequent children between ages 0 and 12; and NZ\$60 for all children aged 16 to 18.

Income test: The benefit is reduced for income exceeding NZ\$20,000 (gross) a year and reduced at a higher rate for income over NZ\$27,000 (gross) a year.

Child tax credit: Up to NZ\$15 per child a week.

Income test: The benefit is reduced for income exceeding NZ\$20,000 (gross) a year and reduced at a higher rate for income over NZ\$27,000 (gross) a year.

Family tax credit: A guaranteed net income for working families of NZ\$290 a week (NZ\$15,080 a year).

Parental tax credit: The credit is paid to working families for the first 8 weeks after the birth or adoption of a child.

The minimum parental tax credit is NZ\$150 a week.

The maximum parental tax credit is NZ\$1,200 a week.

Administrative Organization

Ministry of Social Development (Work and Income) administers allowances through its branch and district offices.

Department of Inland Revenue administers family support, child tax credit, family tax credit, and parental tax credit for families with annual income over NZ\$20,000.