



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

Description of New Zealand's Current Retirement Income Policies

*Background paper prepared by the Ministry of Social Development
for the Retirement Commissioner's
2022 Review of Retirement Income Policy*

July 2022

Executive summary

- 1 This report provides an overview of public provision for retirement income in New Zealand. The purpose of the report is to assist the Retirement Commissioner to compile the three yearly *Review of New Zealand Retirement Income Policy* (The Review). Where possible, the report describes current provision as at March 2022 and compares this with provision in March 2016 and March 2019 to provide a comparison since the previous Reviews.
- 2 This report includes other forms of social assistance provided that are accessed by older people under the Social Security Act 2018 and its recent amendments under the New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020.
- 3 We have also provided some context for the Review by briefly summarising some other aspects of retirement income provision beyond the responsibility of the Ministry of Social Development.

New Zealand Superannuation: fundamental principles

- 4 New Zealand Superannuation (NZS) is a simple, universal pension paid to all who qualify on age and residency criteria. Its simplicity and universality mean it has a low administration cost in comparison to publicly-funded retirement schemes in many other countries. Around ninety-four percent of New Zealanders over the age of 65 receive NZS or another social security benefit.
- 5 NZS is an equitable, effective, simple and secure foundation for retirement income because:
 - it does not discourage personal saving as it is not income or asset tested
 - those still in paid employment can receive it
 - it is not contingent on past earnings history or contributions
 - annual indexing to wages and prices maintains its relativity with incomes of the general population.

New Zealand Superannuation: an overview

- 6 NZS/VP is designed to provide a basic but adequate standard of living. On its own, it is not designed to maintain the living standards that people may have been accustomed to during their working lives.
- 7 The New Zealand Superannuation and Retirement Income (NZSRI) Act 2001 and the Social Security Act 2018 provide the legislative framework for NZS.¹ To be eligible for NZS a person must:
 - be aged 65 years or older
 - be a New Zealand citizen or permanent resident

¹ The New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020 and the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act 2021 made some amendments to the above-mentioned Acts. This paper will review the main amendments, including closing the Non-qualified partner rate of NZS payment, changing residency requirements for being eligible to receive NZS, and the removal of the spousal deduction of government-administered overseas pension.

- be ordinarily resident in New Zealand on the date of application (unless, as noted in paragraph 42, they are a client in the Cook Islands, Niue, or Tokelau applying for NZS under the “special portability” provisions)
 - have been resident and present in New Zealand for not less than ten years since the age of 20, of which five years or more must be since the age of 50. The “five years over 50” residence requirements can be fulfilled by using residence in New Zealand or residence in the Cook Islands, Niue or Tokelau.
 - Note that the minimum total time requirement of ten years only applies to those who were born on or before 30 June 1959 (discussed further at paragraphs 30-34).
- 8 Veteran’s Pension (VP) is an alternative pension paid at the same rate as NZS to a person with qualifying military service. A person who has reached the qualifying age for NZS and has served in a recognised war or emergency may qualify for VP under Part 6 of the Veterans’ Support Act 2014. VP confers some additional advantages on recipients and their families (e.g., a payment upon death of a veteran or veteran’s spouse and eligibility to a community services card without an income test).
- 9 The rates of NZS/VP² payable vary according to living arrangements. The three main rates paid are known as:
- single living alone
 - single sharing accommodation
 - married, civil union or de facto relationship (for each partner who qualifies for NZS/VP).
- 10 Formerly, there was a special rate of NZS/VP for instances where a qualified New Zealand superannuitant elected to include their non-qualified partner. The Zealand Superannuation and Veteran’s Pension Legislation Amendment Act 2020 removed this option from 9 November 2020³.
- 11 Those who had applied for this special rate before 9 November can still receive this rate.
- 12 For people aged 65 and over who do not meet the qualifying criteria for NZS or VP and who have no other means of support, an Emergency Benefit may be available (subject to a test of income and assets). Some people aged 65 and over receive other social security benefits which can include Jobseeker Support, Supported Living Payment or Sole Parent Support. Unlike NZS/VP, social security benefits available to those aged 65 and over are income tested.
- 13 Table 1 illustrates the number of people receiving NZS/VP and other benefits in March 2022 compared to March 2016 and 2019.

² NZS/VP refers to all recipients of either New Zealand Superannuation or Veteran’s Pension. Except where stated, this includes non-qualified partners (those usually under the age of 65 who receive NZS/VP because they are a partner of a qualified recipient).

³ This change is discussed in further detail at para 22-26.

Table 1. Number of clients aged 65 and over⁴ receiving New Zealand Superannuation (NZS), Veteran's Pension (VP) or any other main benefit as at end of March 2022*					
Description	End March 2016	End March 2019	End March 2022	Change from 2016 to 2019 absolute numbers	Change from 2019 to 2022 absolute numbers
NZS	683,967	761,508	840,882	11.3%	10%
NZS non-qualified partners	12,836	13,231	1,146	3.07%	-91%
Total NZS	696,803	774,651	842,028	11.2%	9%
VP and VP non-qualified partners	9,182	7,108	5,607	-23.6%	-21%
Total VP	9,182	7,108	5,607	-23.6%	-21%
Emergency Benefit	4,225	3,269	3,381	-22.6%	3%
Other main benefit ⁵	3,543	2,332	2,979	-34.2%	28%
Total main benefit	7,768	5,601	6,360	-27.9%	14%
Total	713,753	787,360	853,995	10.3%	8%

Source: Ministry of Social Development administrative data

* Includes 60,761 recipients of NZS and VP, as at 1 April 2022, who are being paid overseas under social security agreements, or general portability or special portability.

⁴ Note: The 2016 and 2019 data on the table count a small number of people who were aged under 65. The majority of these were counted as NZS/VP recipients on the basis of being non-qualified partners of qualified people. Some applied for NZS/VP in anticipation of turning 65 within the next six months. Yet, the 2022 data only covers people who are aged 65 and over. This is because the special rate of NZS for superannuitants who could previously include their under-65 non-qualified partners has been legally removed since 9 November 2020.

⁵ Currently includes Jobseeker Support, Supported Living Payment and Sole Parent Support.

Recipients of NZS/VP

14 Table 2 illustrates the number of people receiving the various rates of NZS/VP, broken down by gender, as at 31 March 2022.

Table 2. Number of recipients (all ages) of New Zealand Superannuation (NZS) and Veteran's Pension (VP), broken by gender and rate of payment, as at end of March 2022						
Rate type	NZS			VP		Total
	Gender Diverse	Female	Male	Female	Male	
Individuals in a married, civil union or de facto couple where each qualifies for NZS/VP	6	230,532	284,544	747	1,971	517,800
Non-qualified partner in a married, civil union or de facto couple where one partner qualifies for NZS/VP	3	8,679	1,284	51	0	10,020
Single Living Alone	9	140,337	72,045	1,197	699	214,290
Single Sharing	6	75,987	40,248	657	342	117,243
Total	24	455,535	398,127	2,655	3,009	859,347

Source: Ministry of Social Development administrative data

The number of recipients of NZS/VP who receive each rate is further analysed in Tables 3 and 4 by both sex and age group. These compare the situation on 31 March 2022 with the same date in 2016 and 2019.

Table 3. Female recipients of New Zealand Superannuation or Veteran's Pension (including non-qualified partners) by age group and rate type. Comparison between 31 March 2022, 31 March 2019 and 31 March 2016.

Female – rate type						
Period	Age group	Single Living Alone	Single Sharing	Individuals in a married, civil union or de facto couple where each qualifies for NZS/VP	Non-qualified partner	Female Total
March 2016	< 65*	164	55	585	10,856	11,660
	65-69	28,397	12,995	76,036	334	117,762
	70-74	25,039	11,215	52,262	122	88,638
	75-79	23,880	9,750	32,975	53	66,658
	80-84	20,420	8,830	15,921	17	45,188
	85-89	16,066	8,926	6,541	5	31,538
	90+	8,554	8,985	1,607	0	19,146
	Total	122,520	60,756	185,927	11,387	380,590
March 2019	< 65	275	89	1,075	10,796	12,235
	65-69	28,995	14,197	77,078	429	120,699
	70-74	29,061	13,837	64,136	162	107,196
	75-79	25,703	11,811	38,725	61	73,300
	80-89	37,216	18,934	25,775	31	81,956
	90+	9,192	9,468	1,819	0	20,479
	Total	130,447	68,336	208,608	11,479	418,870
March 2022	<65	333	84	1,059	7,905	9,381
	65-69	30,888	15,480	80,775	534	127,686
	70-74	31,458	15,591	70,185	183	117,414
	75-79	27,891	13,893	45,585	78	87,450
	80-84	24,720	12,189	24,021	24	60,957
	85-89	16,050	9,465	7,812	6	33,333
	90+	10,194	9,945	1,842	0	21,987
	Total	141,537	76,644	231,279	8,733	458,208

Source: Ministry of Social Development administrative data

* Includes people under 65, other than non-qualified partners, who have applied for NZS in anticipation of turning 65 within the next six months

Table 4: Male recipients of New Zealand Superannuation or Veteran's Pension (including non-qualified partners) by age group and rate type. Comparison between 31 March 2022, 31 March 2019 and 31 March 2016.

Male – rate type						
Period	Age group	Single Living Alone	Single Sharing	Individuals in a married, civil union or de facto couple where each qualifies for NZS/VP	Non-qualified partner	Male Total
March 2016	< 65*	116	37	738	1,342	2,233
	65-69	18,562	8,938	85,178	94	112,772
	70-74	13,282	6,920	63,493	74	83,769
	75-79	10,097	5,247	44,670	57	60,071
	80-84	7,513	3,789	25,337	40	36,679
	85+	7,941	5,266	16,656	8	29,871
	Total	57,551	30,197	236,072	1,615	325,395
March 2019	< 65*	170	71	1,090	1,379	2,710
	65-69	19,757	9,887	85,424	129	115,197
	70-74	16,370	8,754	76,063	119	101,306
	75-79	11,665	6,454	51,644	72	69,835
	80-84	7,826	4,267	28,968	40	41,101
	85+	8,507	5,845	18,375	13	32,740
	Total	64,295	35,278	261,564	1,752	362,889
March 2022	<65	204	57	1,146	963	2,367
	65-69	21,996	10,653	87,225	105	119,991
	70-74	18,669	10,287	82,077	87	111,129
	75-79	13,320	7,566	58,911	75	79,872
	80-84	9,474	5,676	36,522	39	51,708
	85-89	5,496	3,441	15,267	12	24,222
	90+	3,582	2,913	5,370	3	11,868
	Total	72,744	40,593	286,518	1,287	401,157

Source: Ministry of Social Development administrative data

* Includes people under 65, other than non-qualified partners, who have applied for NZS in anticipation of turning 65 within the next six months

The structure of NZS/VP rates

- 15 The key legislative platform for retirement income policy is the New Zealand Superannuation and Retirement Income Act 2001 and Part 6 of the Veterans' Support Act 2014.⁶
- 16 NZS/VP is governed by these Acts, which set out the rates of payment and how these are annually adjusted. The net weekly rates of NZS/VP must be adjusted on 1 April each year, in line with any annual percentage increase in the Consumers Price Index (CPI) for the year ending the previous 31 December.⁷
- 17 After this adjustment, the after-tax⁸ weekly amount of NZS/VP payable to a married couple (where both qualify) must be at least 66 percent of the average wage after tax but cannot be greater than 72.5 percent of the average wage after tax.
- 18 If the after-tax married couple rate after the CPI adjustment is less than 66 percent of the average wage after tax, a further adjustment is made to bring the rate up to this level.⁹ Following the price and wage adjustment, the single sharing and living alone rates are set at:
 - 60 percent of the weekly amount payable to a couple for single people who are not living alone
 - 65 percent of the weekly amount payable to a couple for single people who are living alone (and qualify for the single living alone rate).
- 19 Table 5 outlines the weekly after-tax payment rates of NZS/VP from 1 April 2022, based on the tax code 'M'. This is the amount people will receive if NZS/VP is their main source of income. Recipients have their NZS/VP taxed at a higher rate if it is not their main source of income.

Rate type	Net rate based on M tax code	Gross rate
Married, civil union, de facto couple	\$356.11	\$408.66
Single sharing accommodation	\$427.33	\$495.10
Single living alone	\$462.94	\$538.24

Source: Ministry of Social Development

⁶ These Acts have been recently amended under the New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020 and the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act 2021.

⁷ The process for adjusting the rates of payment for Veteran's Pension, described under the War Veterans' Support Act 2014, mirrors that for New Zealand Superannuation.

⁸ After tax at the standard 'M' rate.

⁹ Note: This year (2022) due to the growth in the CPI, no further adjustment was required.

Recent changes to legislation

Modernisation and simplification of NZS/VP: New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020

- 20 To adjust to the challenges and opportunities presented by changes in families, society, the economy and labour market, and our global context, the New Zealand Superannuation and Retirement Income (NZSRI) Act 2001 and the Veterans' Support Act 2014 was amended in 2020.¹⁰ The new amendments modernised and simplified the NZS/VP legislative framework, while maintaining the basic settings of NZS/VP.
- 21 The main focus of the amendments was to shift the NZS/VP system toward an assessment of entitlements on an individual basis and to improve the consistency and clarity of policy and legislation. The following are the key amendments reflecting these broader policies:
- **Closing the non-qualified partner (NQP) rate of payment**
- 22 Formerly, the NZSRI Act 2001 enabled a qualified New Zealand superannuitant who was married, or in a civil union or in a de facto relationship, with a New Zealand permanent resident or citizen, who did not meet NZS/VP eligibility criteria, to elect to receive a special rate of NZS/VP that included their spouse or partner (who was known as a non-qualified partner). This rate was exceptionally subject to an income test against the couple's joint income, unlike the general settings of NZS/VP which do not subject NZS/VP rates to any income or asset test. The maximum rate was set at a little lower than the amount for a couple who both qualify for NZS/VP.
- 23 Now, following the New Zealand Superannuation and Veteran Pension (NZSVP) Amendment Act 2020, the non-qualified partner provision is closed to new applications from 9 November 2020, demonstrating a shift towards assessing entitlements for NZS/VP on an individual basis. The other element of this Act that aimed to shift toward assessing entitlement to NZS/VP on an individual basis was the removal of 'spousal deduction' (this is discussed at paragraph 38-39).
- 24 Closing the NQP provision to new applicants reflects broader societal changes:
- 24.1 When the NQP provision was introduced, single earner families predominated. Women's labour force participation rates were much lower – society did not generally expect women to work up until the qualifying age for the retirement pension. In some cases, workers were required to retire by a particular age (this has been illegal in most circumstances since 1999), so could not necessarily support a dependent spouse on their own. Consequently, the principal earner's retirement could reasonably be seen to mark the couple's retirement.
- 24.2 However, labour force participation is now high amongst both women and older people more generally. Most people are expected to work until the age of eligibility for NZS and VP, and this expectation has been an increasing focus of NZ's social security system. Closing the NQP provision to new applicants is a response to these societal changes.

¹⁰ See: New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020 and the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act 2021.

- 25 Now that NQP provision has been closed, someone who would otherwise have become an NQP may be eligible to access the benefit system. Depending on their circumstances, they may receive Jobseeker Support or a Supported Living Payment or an Emergency Benefit. The qualified partner receives the rate of NZS/VP for a person in a relationship.
- 26 A superannuitant who included their partner in their NZS/VP ahead of the closure of the NQP provision can continue to include that partner until they qualify for NZS/VP in their own right or their circumstances change.
- **Extending the living alone rates to people living in self-contained mobile homes outside a caravan park**
- 27 Formerly, based on NZSRI Act 2001, the eligibility criteria to receive the single living alone rate of NZS, were limited to certain forms of residence¹¹, including: (a) a house or flat, (b) a boat or craft, (c) a hotel room or motel unit, (d) a room in a boarding house, (e) a unit of accommodation a caravan park.
- 28 Now, following the NZSVP Amendment Act 2020 the meaning of living alone and its conditions has been extended. The new conditions allow a single person living alone in a self-contained mobile home to receive the single living alone rate of New Zealand superannuation or a Veteran's Pension.
- 29 This is to modernise the legislation, adjust the meaning of living alone based on the current social changes, and to improve the consistency and clarity of policy and legislation.

Increase of the NZS/VP minimum residence requirement: Fair Residency Amendment Act 2021

- 30 Formerly, based on NZSRI Act 2001, NZS was payable to any New Zealand citizen or resident who:
- was aged 65 and over
 - at the time they applied were ordinarily resident in New Zealand (or the Cook Islands, Niue, or Tokelau)
 - had been resident and present in New Zealand for 10 years after the age of 20, and
 - had been resident and present in New Zealand (or the Cook Islands, Niue or Tokelau) for five years after the age of 50.
- 31 Now based on the NZSRI (Fair Residency) Amendment Act 2021 a phased increase by birthdate in the requirement for residence after age 20 has been introduced, as follows:

¹¹ The list of places of residence to be qualify as single living alone rate included:(a) a house or flat:
 (b) a boat or craft moored within the following sea or waters (whether or not it travels within that sea or any of those waters from time to time):
 - the territorial sea of New Zealand or any internal waters of New Zealand:
 - any waters within New Zealand that are a lake, estuary, lagoon, river, stream, creek, or other waters:
 (c) a hotel room or motel unit:
 (d) a room in a boarding house:
 (e) a unit of accommodation in a caravan park:

Period during which a person was born	Total time requirement
Between 1 July 1959 and 30 June 1961 (inclusive)	11 years
Between 1 July 1961 and 30 June 1963 (inclusive)	12 years
Between 1 July 1963 and 30 June 1965 (inclusive)	13 years
Between 1 July 1965 and 30 June 1967 (inclusive)	14 years
Between 1 July 1967 and 30 June 1969 (inclusive)	15 years
Between 1 July 1969 and 30 June 1971 (inclusive)	16 years
Between 1 July 1971 and 30 June 1973 (inclusive)	17 years
Between 1 July 1973 and 30 June 1975 (inclusive)	18 years
Between 1 July 1975 and 30 June 1977 (inclusive)	19 years
On or after 1 July 1977	20 years

- 32 Based on this new policy, people will need to have lived longer in New Zealand¹² and made a more significant contribution in order to qualify than was formerly the case.
- 33 The intent of this increase is to ensure fairness to longer-term residents who have sustained and continued to sustain New Zealand and its economy, and to ensure the sustainability of NZS/VP.
- 34 The phased approach for this increase allows people who could be affected or could have been affected by a sudden increase of requirement to be better prepared to support themselves in retirement. It will give the option for people to plan on when or whether they choose to move to or return to NZ.

International aspects of eligibility to NZS/VP and modernisation

- 35 Sections 187 to 191 of the Social Security Act 2018 require that New Zealand residents who are eligible for NZS/VP or a social security benefit, and who receive a government administered pension from an overseas country, have their New Zealand payment reduced dollar for dollar by the amount of the overseas pension. This policy is known as the 'direct deduction' policy.
- 36 When a client is eligible to receive or is receiving any overseas benefit or pension, a direct deduction of the gross amount is generally deducted from their New Zealand benefit or pension. The overseas benefit or pension is deducted from:
- the gross rate of New Zealand Superannuation or Veteran's Pension and
 - the net rate of any other New Zealand benefit (including Accommodation Supplement and Winter Energy Payment).

¹² Note that beyond the minimum 10 years of residency in NZ, the remaining time (if any) of the total time requirement could be in the Cook Islands, Niue, or Tokelau.

- 37 There is also provision for those who are eligible to receive a government-administered pension from an overseas country to voluntarily receive their full NZS/VP entitlement by agreeing to an arrangement where the overseas pension(s) is instead paid direct to MSD.
- 38 In line with the modernisation of NZS/VP pension and the approach of assessing entitlements on an individual basis, the 'direct deduction' policy has been recently amended. The Social Security Act amendments in 2018 and the New Zealand Superannuation and Veteran Pension Amendment Act 2020¹³ removed the spousal deduction of government-administered overseas pensions.
- 39 Previously, if one member of a couple received an overseas pension, the value of this pension would be deducted from that partner's NZS/VP or benefit and any excess would be deducted from the other partner's NZS/VP or benefit. The removal of the spousal deduction means that no portion of a government-administered overseas pension received by or entitled to be received by one person is deducted from the NZS/VP received by their spouse or partner who qualifies in their own right.
- 40 For those who applied for a NQP rate before 9 November 2020, the direct deduction of government-administered overseas pensions continues to apply in respect of rates of NZS/VP, main benefits under the Social Security Act 2018, and supplementary assistance, regardless of which partner is entitled to the government-administered overseas pension.
- 41 Table 6 illustrates the number of recipients of NZS/VP who have overseas pension deductions. The table shows that the proportion of all NZS/VP recipients who have deductions made has increased since 2010. The average annualised value of deducted pensions has been constantly increasing. However, this may be substantially a result of changes to exchange rates.

As at end March	Number of recipients	Proportion of total NZS/VP recipients	Average annualised value of deducted pension in \$NZ
2010	53,938	9.9%	\$3,742
2013	65,042	10.3%	\$3,532
2016	83,271	11.8%	\$4,062
2019	90,704	11.6%	\$4,262
2022	91,458	11.0%	\$5,017

Source: Ministry of Social Development administrative data

¹³ Section 39 of the New Zealand Superannuation and Veteran Pension Amendment Act 2020

42 NZS/VP can also be paid to New Zealanders living or travelling overseas¹⁴ under the following provisions:

- *Temporary Absence provisions*: payment of NZS/VP may continue at the full rate to a person who is temporarily absent for up to 26 weeks, provided that the person returns to New Zealand within 30 weeks
- *Social Security Agreements*: payment may be made at up to 100 percent of the core¹⁵ rate, depending on the length of residence in New Zealand over a period of 40-45 years, to a person intending to reside, or already residing, in a country with which New Zealand has a social security agreement. These countries are Australia, Canada, Denmark, Greece, Ireland, Jersey and Guernsey, Malta, and the Netherlands. In 2022 a new social security agreement with South Korea has been put into practice. Although New Zealand has a social security agreement with the United Kingdom, this Agreement does not allow payment of NZS/VP to people who intend to reside in the United Kingdom. Instead, the Agreement allows former New Zealand residents now residing in the United Kingdom to access the United Kingdom Age Pension
- *Special Portability*: payment may be made at up to 100 percent of the core rate, depending on length of residence in New Zealand over a 20-year time frame, to a person who intends to live for 52 weeks or more in one of the 22 specified Pacific countries covered by this arrangement. Following the passage of the Social Assistance (Portability to Cook Islands, Niue, and Tokelau) Act 2015, it is possible to apply for New Zealand Superannuation from the Cook Islands, Niue or Tokelau without returning to New Zealand. Following the passage of the Social Assistance (Residency Qualification) Act 2018, residence in the Cook Islands, Niue or Tokelau over the age of 50 can also be used for the purpose of meeting the NZS/VP residence requirement of five years New Zealand residence over the age of 50.
- *General Portability*: payment may be made at up to 100 percent of the core rate, depending on the length of residence in New Zealand between the ages of 20 and 65, to a person intending to travel or reside in one or more overseas countries not covered by the Special Portability arrangement or a social security agreement.

New Zealanders Stranded Overseas Support Programme (the NZSOS programme)

- 43 Following the COVID-19 outbreak, a group of Ministry of Social Development (MSD) clients were prevented from returning home due to pandemic-related border and travel restrictions. Many of these clients were at risk of experiencing hardship as the length of time they remained outside of New Zealand endured, and their usual benefit and pension payments ended.
- 44 In April 2020, a Ministerial Welfare Programme was established to support these clients. The NZSOS programme enabled special financial support to be provided to recipients of New Zealand Superannuation (NZS), Veterans' Pension (VP), Main Benefit and Supplementary Assistance who were unable to return to New Zealand due to COVID-19.

¹⁴ Includes 60,761 recipients of NZS and VP, as at 1 April 2022, who are being paid overseas under social security agreements, or general portability or special portability.

¹⁵ 'Core rate' does not include the Living Alone Payment, the non-qualified partner rate and supplementary payments such as the Disability Allowance.

- 45 This program closed on 31 August 2021. Meanwhile, MSD officials undertook a check of the eligibility of NZS and VP clients being supported by the NZSOS programme to alternative support options, including payment under statutory portability provisions and reciprocal social security agreements, and to transition as many clients as possible to alternative supports.

NZS/VP: expenditure

- 46 Table 7 illustrates the expenditure on both NZS and VP for the year ended March 2021 compared to the years ended March 2010, 2013, 2016 and 2019.

	New Zealand Superannuation 000s	Veteran's Pension 000s	Total 000s
Year ended March 2010	\$8,165,022	\$179,899	\$8,344,921
Year ended March 2013	\$10,063,817	\$172,605	\$10,236,422
Year ended March 2016	\$12,079,972	\$188,166	\$12,268,138
Year ended March 2019	\$14,336,728	\$155,849	\$14,492,577
Year ended March 2020	\$15,273,021	\$146,981	\$15,420,002
Year ended March 2021	\$16,283,577	\$139,777	\$16,423,354

Source: Ministry of Social Development administrative data

Main benefits received by people aged 65 and over who do not receive NZS/VP

- 47 People aged 65 and over who do not meet residency criteria for NZS can qualify for other main benefits. People on other main benefits prior to turning 65 (other than Emergency Benefit) are not obliged to transfer to NZS when they reach the age of eligibility or meet the relevant criteria, but it is financially beneficial for most to do so.
- 48 The number of people aged 65 and over receiving Emergency Benefit or another main benefit is shown in Table 8.¹⁷ Current main benefits received by people aged 65 and over include Jobseeker Support, Supported Living Payment and Sole Parent Support.

Emergency Benefit

- 49 Emergency Benefit is an income and asset-tested benefit payable to people who are experiencing hardship, who do not qualify for any other main social security benefit or NZS/VP. As at the end of March 2022, 3,381 people aged 65 and over were receiving an Emergency Benefit (compared to 847,635 on NZS/VP).
- 50 The most common reasons people aged 65 and over receive Emergency Benefit is that either they do not meet the residency criteria for NZS/VP or they have no other source of income. To qualify for Emergency Benefit a person must:
- be unable to earn sufficient income for themselves (and any dependent family)
 - be unable to receive another social security benefit

¹⁶ Any inflation effects are reflected in the average wage and CPI on which the NZS annual adjustment is based.

¹⁷ In July 2013, "welfare reform" replaced existing benefits with three new main benefits, Jobseeker Support, Sole Parent Support, and Supported Living Payment, with new eligibility criteria and obligations.

- be experiencing hardship (as determined by an income and cash asset test).
- 51 Unlike working age people, those aged 65 and over receiving Emergency Benefit are not expected to earn an income, although those who are willing and able to work are able to access help from the Ministry with obtaining employment.

Benefit	As at end March 2016	As at end March 2019	As at end March 2022
Emergency Benefit	4,225	3,269	3,381
Job Seeker related	404	493	807
Supported Living Payments related	3,139	1,832	1,380
All Other Main Benefits		7	792
Total	7,768	5,601	6,360

Source: Ministry of Social Development administrative data

Supplementary social assistance payments to older people in need

- 52 Supplementary assistance is available on the basis of need to people receiving NZS/VP or a main benefit. Supplementary assistance is means-tested and assessed weekly, and includes:
- Disability Allowance
 - Accommodation Supplement
 - Special Benefit
 - Temporary Additional Support.
- 53 Table 9 gives a snapshot of the total number of people aged 65 and over receiving one or more supplementary assistance payments as at the end of March in 2016, 2019 and 2022.¹⁸ The number of people aged 65 and over receiving supplementary assistance has increased in absolute terms since 2016 but has declined as a proportion of the total population aged 65 and over.

	As at end March 2016		As at end March 2019		As at end March 2022		Change from 2016 to 2019 absolute numbers	Change from 2019 to 2022 absolute numbers
	Number	Proportion of total population 65+ *	Number	Proportion of total population 65+ *	Number	Proportion of total population 65+ *		
Total recipients	145,427	21.0%	147,853	19.2%	152,340	18.2%	+1.7%	+3.0%

¹⁸ While NZS/VP payments and other main benefits are relatively predictable across the span of a year, supplementary assistance is demand driven and fluctuates, so this data is provided as a snapshot for the last week in March 2016, 2019 and 2022.

Source: Ministry of Social Development administrative data

* Estimated resident population by age and sex.

- 54 Table 10 shows the number of people receiving different types of supplementary assistance at the end of March in 2016, 2019 and 2022. This analysis is limited to those aged 65 and over who receive NZS/VP or other main benefits. This gives a more accurate picture of hardship amongst older people because a higher proportion of older recipients of other main benefits receive supplementary assistance than NZS/VP recipients. (the table excludes supplementary assistance provided to NZS/VP non-qualified partners under 65)
- 55 The number of 'Total recipients' in Table 9 is not equivalent to the sum of the individual supplementary assistance types shown in Table 10, as some people receive more than one form of supplementary assistance.

Supplement type	As at end March 2016			As at end March 2019			As at end March 2022		
	Number of recipients	Proportion of total population 65+	Average payment	Number of recipients	Proportion of total population 65+	Average payment	Number of recipients	Proportion of total population 65+	Average payment
Accommodation Supplement	40,385	5.8%	\$61	44,661	5.8%	\$81	50,808	6.07%	\$88
Disability Allowance	129,505	18.5%	\$25	129,479	16.9%	\$25	129,522	15.4%	\$25
Temporary Additional Support	4,723	0.7%	\$65	7,003	0.9%	\$60	10,863	1.2%	\$83
Special Benefit	288	0.04%	\$73	58	0.01%	\$94	42	0.005%	\$140

Source: Ministry of Social Development administrative data

	Supplementary Assistance	NZS \$000	VP \$000
Year ended March 2016	Accommodation Supplement	\$112,217	\$1,185
	Disability Allowance	\$169,381	\$4,720
	Special Benefit	\$1,089	\$6
	Temporary Additional Support	\$15,654	\$20

¹⁹ Table 11 only shows supplementary assistance paid to NZS/VP recipients - a different group to the analysis of people receiving supplementary assistance in Tables 9 and 10.

	Total	\$298,341	\$5,931
Year ended March 2019	Accommodation Supplement	\$169,717	\$1,240
	Disability Allowance	\$171,382	\$3,226
	Special Benefit	\$535	\$0
	Temporary Additional Support	\$20,699	\$11
	Total	\$362,333	\$4,477
Year ended March 2022²⁰	Accommodation Supplement	\$214,475	\$1,132
	Disability Allowance	\$177,419	\$2,187
	Special Benefit	\$608	\$50
	Temporary Additional Support	\$42,554	\$39
	Total	\$435,057	\$3,408

Source: Ministry of Social Development administrative data.

²⁰ The numbers are 'estimated actual' rather than 'budgeted'.

Disability Allowance

- 56 Disability Allowance provides non-taxable assistance to people who have on-going, additional costs because of a disability. At the end of March 2022, Disability Allowance was being paid to 129,522 people aged 65 and over, a very minor increase in numbers from 2019. But compared to the growing population of older people, the proportion is declining.
- 57 There are a number of possible explanations for why the proportion of people aged 65 and over receiving Disability Allowance has not been growing:
- Growth in the population aged 65 and over is currently concentrated in the lower age brackets, who are less likely to be disabled than the oldest older New Zealanders. As this current influx of “young” older New Zealanders ages, the numbers and proportion requiring Disability Allowance may increase.
 - Increasing numbers of New Zealanders are working past age 65. Consequently, they or their spouse or partner may not meet the income test for the Disability Allowance.
- 58 To be eligible for a Disability Allowance a person must:
- meet an income test
 - have a disability which is likely to last at least six months
 - have ongoing, additional costs because of the disability that are not fully covered by another agency
 - be a New Zealand citizen or permanent resident and generally be ordinarily resident in New Zealand (but no minimum period of residence is required).

Accommodation Supplement

- 59 An Accommodation Supplement is a non-taxable weekly payment that provides assistance towards a person’s accommodation costs.
- 60 At the end of March 2022, an Accommodation Supplement was being paid to 50,808 people aged 65 and over, a 14 percent increase over March 2019.
- 61 To be able to receive an Accommodation Supplement a person must:
- spend at least 25 percent of their income on housing costs (30 percent for home-owners)
 - have accommodation costs for the home they occupy (as renter, boarder or owner), providing it is not owned or managed by Kāinga Ora²¹
 - meet an income and cash asset test
 - be a New Zealand citizen or permanent resident and generally be ordinarily resident in New Zealand (but no minimum period of residence required)
 - not receive a Residential Care Subsidy.
- 62 Many superannuitants do not meet the cash asset test, and others who are mortgage-free home-owners may have insufficient weekly housing costs to meet the criteria.
- 63 Table 12 below illustrates the numbers of people aged 65 or over receiving an Accommodation Supplement by tenure type.

²¹ Many Kāinga Ora tenants aged 65 and over receive accommodation assistance in the form of an income-related rental subsidy.

	As at end March 2016	As at end March 2019	As at end March 2022	Change from 2016 to 2019 absolute numbers	Change from 2019 to 2022 absolute numbers
Renting	28,614	32,539	37,821	13.7%	16%
Boarding	5,088	4,874	5,196	- 4.2%	7%
Owning	6,683	7,248	7,788	8.5%	7%
Total	40,385	44,661	50,808	10.6%	13.8%

Source: Ministry of Social Development administrative data

Winter Energy Payment

- 64 The Winter Energy Payment was introduced to assist with the cost of heating homes during the winter. It is paid automatically (with an optout option) and without a means-test to recipients of New Zealand Superannuation, Veteran's Pension or another main benefit.
- 65 In the 2022 year, the Winter Energy Payment has been available from 1 May 2022 to 1 October 2022. The weekly payment rates are:
- \$20.46 (single with no dependent children); and
 - \$31.82 (couple or sole parent).²²
- 66 The Winter Energy Payment is not available to people receiving the Residential Care Subsidy or the Residential Support Subsidy. If a beneficiary leaves New Zealand while the Winter Energy Payment is being paid (and if they are still receiving their main benefit) the Winter Energy Payment continues for the first four weeks and is stopped from the beginning of the fifth week.
- 67 The Winter Energy Payment is non-taxable and not included as income in the assessment for Temporary Additional Support, Childcare Assistance or other supplementary assistance.
- 68 The number of clients aged 65 and over who received the Winter Energy Payment (WEP) as at the end of June 2021 was 558,117.

Temporary Additional Support

- 69 Temporary Additional Support is a non-taxable weekly benefit that can be paid for a maximum of 13 weeks. It can be granted for subsequent 13-week periods after a review. It is paid as a last resort to help a person with their regular essential living costs that cannot be met from their chargeable income and other resources.
- 70 At the end of March 2022, Temporary Additional Support was being paid to 10,863 people aged 65 and over, a 55% increase over March 2019.
- 71 To be able to receive Temporary Additional Support a person must:
- meet a cash asset test
 - take all necessary steps to obtain other financial assistance or resources available
 - take reasonable steps to reduce their costs or increase their chargeable income

²² There have been no changes in the WEP rates compared to 2019.

- be a New Zealand citizen or permanent resident and generally be ordinarily resident in New Zealand.

72 A person does not have to be receiving NZS/VP or another main benefit to qualify for Temporary Additional Support.

Special Benefit

73 Special Benefit is a discretionary non-taxable benefit which has been superseded from 1 April 2006 by Temporary Additional Support. At the end of March 2022, Special Benefit was being paid under grandparenting provisions to 42 people aged 65 and over, a decrease of 28% over March 2019.

Hardship or emergency payments to older people

74 In addition to supplementary assistance payments, Special Needs Grants and/or Advance Payment of Benefit can be made to meet immediate and essential needs. These are subject to an income and cash asset test. Payments are one-off but a person can make more than one application subject to meeting the criteria. Each application is considered on its merits.

75 Table 13 illustrates the number of Special Needs Grants and advance payments of NZS/VP or other main benefit paid to people aged 65 and over.

	Year ended March 2016	Year ended March 2019	Year ended March 2022
	Number granted	Number granted	Number granted
Special Needs Grant	18,964	35,147	57,810
Advance Payment	23,875	38,076	46,689
Total	42,839	73,233	104,496

Source: Ministry of Social Development administrative data

Special Needs Grant

76 A Special Needs Grant (SNG) provides non-taxable, one-off financial assistance to meet immediate needs and can be recoverable (i.e. it must be paid back) or non-recoverable depending on the reason for the grant.

77 In the year ended March 2022, 57,810 SNGs were paid to people aged 65 or over.²³

78 To be eligible a person generally must:

- meet an income and cash asset test
- have an essential need, emergency need or require payment for specific circumstances
- not be able to meet the need from their own resources or through other sources
- be a New Zealand citizen or permanent resident and generally be ordinarily resident in New Zealand

²³ The number of grants does not equate to number of grant recipients, as one person may receive more than one grant over the course of a year.

- purchase goods and services from an approved supplier when there is an arrangement in place.
- 79 A person does not need to be receiving NZS/VP or a main social security benefit to qualify for a SNG.
- 80 For people aged 65 or over, the average value for a SNG in the year ended March 2022 was \$325.35, with the total value \$18.8 million.
- 81 Table 14 illustrates the number of SNGs paid to people receiving NZS/VP or another main benefit (aged 65 or over) by reason. Over half the SNGs were for food, which is non-recoverable.

Reason group	Year ended March 2016	Year ended March 2019	Year ended March 2022
Ambulance Subscription Fees	146	240	222
Driver Licence	6	27	45
Effluent Treatment	94	105	111
Emergency Housing		1,271	4,383
Food	10,859	23,335	42,375
Health Related	297	385	426
Housing Support Product Rent Arrears			57
Impounded Car Fees			3
Medical and Associated Costs	4,735	5,964	6,282
Other Emergency Situations	515	980	1,278
People Affected by Benefit Stand Downs	11	27	6
Re-Establishment Accommodation Element	13	12	6
Re-Establishment Grants	112	144	111
Security Deposits for Emergency and Transitional Housing			12
Student Allowance Transfer Grant			3
Transfer to NZS	2,173	2,648	2,481
Youth Transition	3	9	3
Total	18,964	35,147	57,810

Source: Ministry of Social Development administrative data

Advance payment of NZS/VP or other main benefit

- 82 A person receiving NZS/VP, or other main benefit, and who requires assistance to meet a particular immediate need for an essential item can apply to access advance payment of up to 6 weeks of their net entitlement. This payment is recoverable from subsequent benefit payments. In the year ended March 2022, the number of advances made to people aged 65 or over totalled 46,686.²⁴
- 83 To receive an Advance Payment of Benefit a person must:
- be receiving a benefit or pension

²⁴ The number of advances does not equate to number of recipients, as one person may receive more than one advance over the course of a year.

- have an immediate and essential need
- meet an income and asset test
- purchase goods and services from an approved supplier when there is an arrangement in place.

84 For the year ended March 2022, the average advance value was \$605.1. The total amount paid for advances was \$28.2 million.

85 Table 16 illustrates the number of Advance Payments of Benefit paid to people receiving NZS/VP or another main benefit (aged 65 or over) by reason.

Table 15: Number of Advances Payment of Benefit paid for clients aged 65 or over as at March 2022				
Reason		Year ended March 2016	Year ended March 2019	Year ended March 2022
Advances		490	1,234	2,094
Ambulance Subscription Fees		14	43	33
Medical and Associated Costs		7,174	10,147	10,566
Other Emergency Situations (SNG)	Accommodation	1,428	2,046	2,352
	Bedding	41	129	342
	Beds, Table, Chairs	400	757	1,017
	Bonds, Tenancy	1,814	2,278	2,136
	Car Repairs	2,045	3,836	4,563
	Clothing, Car restraints, Safety Helmets	259	720	1,572
	Electricity, Gas	1,200	1,803	2,001
	Fire Loss, Burglary	7	14	9
	Funeral, Tangihanga	157	333	423
	Other	5,584	9,909	14,541
	Rent Arrears	425	775	900
	Stranded Travel	128	315	444
	Telephone Installation	38	15	6
	Washing Machines, Fridge	1,914	2,670	2,820
School Education Costs		236	382	243
Urgent House Repairs and Maintenance		521	670	639
Total		23,875	38,076	46,686

Source: Ministry of Social Development administrative data

Service Delivery

- 86 “Our Commitment to You” is a publicly available document that reflects our service commitments and what we are doing to strengthen our service culture. Mana Manaaki – a positive experience every time, underpins our commitments to those who engage with us.
- 87 We have made changes to our Front of House area in our Service Centres to create a safe, warm, and welcoming space that supports the diverse abilities of people who access our services. To ensure that our changes reflected the needs of our clients, whānau and community, we worked with a wide range of people and organisations who visit us in a co-design process.
- 88 All MSD regions have dedicated Senior Services Case Managers who provide a face-to-face service to our Seniors clients and all Senior Services Case Managers operate as a national team to manage requests from our Seniors clients to process these and/or offer a phone appointment to meet needs.

- 89 We provide a dedicated phone service for New Zealand Superannuitants and Veterans Pensioners so that people can contact us and receive a more specialised service. People can contact us via our 0800 number for a range of assistance, including general enquiries, applying for financial assistance, and making changes to their information.
- 90 We update our Work and Income website and Services for Seniors brochure regularly so that people can access relevant information easily.
- 91 The “Services for Seniors” brochure contains key information about what help is available through MSD and other organisations and community groups. It is available through Citizens Advice Bureau, Greypower and Work and Income service centres. People can also ask for a copy to be sent to them.
- 92 MSD continues to lead the coordination of supports to people who are self-isolating at home with COVID-19 through the Care in the Community welfare response. MSD partners with local community providers to deliver food and other essential needs to households, as well as provides financial support while people are away from work, and assistance with utility costs. This support is available to anyone who is required to self-isolate, including Seniors.

SuperGold Card

- 93 The SuperGold Card was introduced in August 2007. It is a discount and concession card managed by the Ministry. It is available free of charge to all New Zealanders aged 65 and over, and those under 65 years receiving NZS/VP. It allows its holders access to a wide range of concessions and business discounts, including free off-peak travel on public transport, and facilitates easy access for older people to government entitlements.
- 94 As at the end of April 2022, the number of SuperGold Card holders was 827,184.
- 95 In regard to businesses participating in the SuperGold programme, as at the end of May 2022 there were 5,611 participating businesses represented by 10,911 outlets. From 1 July 2021 to 31 May 2022, 535 new businesses have joined the SuperGold programme. In October 2019 a new SuperGold website and mobile app were launched. Since then, there have been almost 230,000 SuperGold app downloads.
- 96 The SuperGold Card can also be used at participating Seniors Card businesses in participating states in Australia.

Community Services Card

- 97 The Community Services Card is available free of charge to qualifying people enabling access to subsidised health services. Recipients of NZS must meet an income test to qualify for a Community Services Card. NZS clients and their non-qualified spouses/partners who receive an income-tested payment must also meet the Community Services Card income test. Clients who transfer to NZS from another benefit do not need to reapply for the Community Services Card. Eligible NZS recipients can have a combined SuperGold/Community Services Card. Veteran’s Pension clients and their spouses/partners automatically qualify for and receive a Community Services Card.
- 98 As at April 2022, the number NZS recipients who have a combined SuperGold and Community Services Card was 331,509.

Appeals process

- 99 A person who is unhappy with a decision made by the Ministry under the Social Security Act 2018, Part 1 of the New Zealand Superannuation and Retirement Income Act 2001, or Part 6 of the Veterans' Support Act 2014, can apply for a review of that decision by a Benefits Review Committee.
- 100 Initially, an internal review of the decision is undertaken. If this does not resolve the issue, the matter is formally considered by a Benefits Review Committee. If the issue is still not resolved, there is a right of appeal to the Social Security Appeal Authority. From the Appeal Authority's decision, any question of law can be taken to the High Court, Court of Appeal and Supreme Court.
- 101 In relation to the number of review applications related to NZS and Veteran's Pension, in the period between 30 June 2021 and 31 May 2022, a total of 486 Reviews were received, of which 485 related to NZS and one case related to Veteran's Pension.
- 102 In relation to the number of review cases resolved by a Benefits Review Committee, for NZS and Veteran's Pensions the number of cases resolved prior to a Benefits Review Committee Hearing are approximately 60 percent of the cases resolved.

Other forms of government assistance for people aged 65 and over

- 103 Older people may also be eligible for subsidies and rebates. Assistance typically available to older people includes Residential Care Subsidies, Funeral Grants, and the Rates Rebate Scheme.

Residential Care Subsidies

- 104 A Residential Care Subsidy is available to people aged 65 and over who have been assessed as requiring long-term residential care and who meet income and asset thresholds. Most of an eligible resident's income is paid to the care provider and a personal allowance is paid to the resident. The Ministry of Health assesses aspects of a person's eligibility and makes payments to the rest home or hospital. The income and asset testing is the responsibility of the Ministry of Social Development.

Residential Care Loans

- 105 A Residential Care Loan is available to those people aged 65 and over who do not qualify for a Residential Care Subsidy. The Residential Care Loan is an interest free loan that is secured over the client's former home. The loan is generally due to be repaid when the client dies, or the former home is sold or otherwise disposed of, whichever happens earlier. The Ministry of Health is responsible for the payment of the loan to the rest home or hospital. The Ministry of Social Development administers the loan scheme.

Funeral Grants

- 106 A Funeral Grant is a non-taxable lump sum payment of up to \$2,280.72 that provides assistance towards a person's funeral expenses. The Funeral Grant helps people with actual and reasonable funeral costs only and is available to people of any age who meet an income and asset test. The test also depends on whether the deceased has a surviving partner or dependent child.

Rates Rebate scheme

- 107 Low-income owner-occupiers of all ages qualify for a rates rebate of up to \$665 a year. Income thresholds²⁵ for this rebate enable many older people whose sole source of income is NZS/VP to qualify for this assistance. The scheme is mainly accessed by older people and is administered by local authorities. The Department of Internal Affairs is responsible for the rates rebate scheme and reimburses local authorities.

New Zealand's retirement income policy: future context

- 108 Population ageing is a world-wide phenomenon. Increasing numbers of people will become eligible for NZS/VP each year. Currently, around 16.3 percent of New Zealanders are aged 65 and over (around 836,500 people in 2022)²⁶. By 2048, this is expected to be around 21-26 percent, (around 1.36–1.51 million people aged 65 and over).²⁷ Increasing life expectancy is contributing to an increase in the number of superannuitants.
- 109 Maintaining policies that encourage people to make adequate provision by saving for their retirement years is critical to retirement income in the future. Policies need to be designed so that older people are not discouraged from working if they choose to. This section outlines some aspects of this issue.

Increasing labour force participation by those aged 65 and over

- 110 Baby boomers²⁸ reaching the age of superannuation entitlement will have quite different expectations of life after 65 from their parents or grandparents. While many will be actively involved in voluntary work, caring for family – such as a spouse, grandchildren, or increasingly their older parents – many will also be continuing in paid work, whether by financial necessity or choice.
- 111 Based on Stats NZ projections, the labour force will grow and grey.²⁹ The proportion of the population aged 65 and over in the labour force is expected to rise from the current rate of 23.8 percent³⁰ to reach up to 26 percent by 2036.³¹ The labour force aged 65 years and over increased from 23,000 in March 1991 to 57,900 in March 2006 and to 146,000 in 2016. It was 172,200 in March 2019³² and 199,900 in March 2022 and is projected to reach 311,000 by 2038. This means that around 8 percent of our total labour force will be aged 65 and over by 2023 (up from 6 percent in 2020), and 9 percent by 2038.³³ Labour force participation is defined as regularly working one or more hours per week or actively seeking work.
- 112 While the trend of those aged 65 and over remaining in the workforce is likely to continue, eventually the baby boomer cohort will age to the point where they exit the workforce, and growth in labour force participation rates will slow.

²⁵ The income threshold for a rates rebate for the 2021-22 year is \$26,510, increasing by \$500 for each dependant in the household.

²⁶ Estimated Resident Population by Age and Sex, March 2022, Statistics New Zealand, extracted from Infoshare 13 June 2022.

²⁷ National Population Projections: 2020 (base) to 2073, Statistics New Zealand, extracted from NZ.Stat 13 June 2022.

²⁸ Generally regarded as those born between 1946 and 1964.

²⁹ <https://www.stats.govt.nz/news/labour-force-projected-to-grow-and-grey>

³⁰ Household Labour Force Survey: March 2022 quarter, Statistics New Zealand, extracted from NZStat 15 June 2022.

³¹ National Labour Force Projections: 2020(base) – 2073, Statistics New Zealand, extracted from NZStat 15 June 2022.

³² Household Labour Force Survey, March 2022 quarter, Statistics New Zealand, extracted from NZStat 15 June 2022.

³³ National Labour Force Projections: 2020 (base) – 2073, Statistics New Zealand, Wellington, extracted from NZStat 15 June 2022.

113 New Zealand's participation rates of older workers compare well with its OECD counterparts. Unlike many member countries of the OECD, New Zealand has policy settings that encourage older people to choose to remain active in the workforce after they qualify for NZS/VP. These are:

- no compulsory retirement age
- superannuation that is not means tested or contributions based
- legislation against workplace age discrimination
- no age-based workplace insurance obligations on employers.

114 In addition to these policy settings, a number of other factors may influence a person turning 65 to stay in work.³⁴ These are:

- financial motivators such as having a mortgage, needing income for day-to-day or additional expenses, or wishing to pursue travel and other interests
- non-financial motivators such as keeping busy, feeling they have something to contribute, and contact with other people
- changing attitudes and expectations of those reaching 65.

115 Features that could facilitate workforce participation for older people include:

- removing labour market barriers such as age discrimination
- flexible work hours
- work with less responsibility or fewer physical demands
- being able to take more unpaid leave
- job-sharing
- age-specific provision of employment assistance services.³⁵

116 The Older Worker's Action Plan is a recent addition to the features that will ensure continued workforce participation for older people. In 2022, the Government launched this plan, focusing on people aged 50 and over. The Action Plan is made up of 11 action items with a focus on training and upskilling, finding and staying in work, supporting employers to be more inclusive, and planning for the effects and opportunities of an aging workforce.³⁶

Projected economic contribution by those aged 65 and over: 2021 to 2071

117 Recent research indicates that over the next five decades New Zealanders aged 65 and over will make a significant contribution to the economy. In addition to paid work, older people will contribute through unpaid work, voluntary work and caregiving. They will also contribute through their growing power as consumers. The research³⁷ highlights, using the dollar values applicable in 2017, that:

³⁴ Ministry of Social Development (2009) *To Work, or Not to Work?*

³⁵ Ministry of Social Development (2009) *To Work, or Not to Work?*

³⁶ <https://officeforseniors.govt.nz/latest-news/older-workers-employment-action-plan/>

³⁷ *The Business of Ageing Update 2021*, Office for Seniors, Wellington, 2021

It will be published in the upcoming months on: <https://officeforseniors.govt.nz/our-work/ageing-research/>

- older New Zealanders' earnings from paid employment are projected to rise from \$5.9 billion in 2021 to around \$25.6 billion in 2071
- the amount of tax paid by older New Zealanders is projected to increase from about \$9.7 billion in 2021 to \$46 billion by 2071
- the value of unpaid and voluntary work undertaken by older people could rise from between \$13 and \$15 billion per year in 2021 to between \$64 and \$71 billion per year by 2071
- The total value of expenditures by older people is projected to increase from \$29 billion per year in 2021 to \$137 billion per year in 2071.³⁸

Conclusion

118 This report has outlined the public provision of retirement income in 2022 and compared this with 2016 and 2019. The Ministry looks forward to being of any further assistance to the Retirement Commissioner in completing the 2022 Review.

³⁸ Ibid.