

NZ Superannuation residency eligibility changes: Evidence from border movement data



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Acknowledgements

This work was funded by Te Ara Ahunga Ora Retirement Commission. We would like to thank Michelle Reyers, Suzy Morrissey and Jo Gamble for their input.

Published

ISBN (PDF): 978-1-927184-97-4

Suggested citation: Meehan, L., Mitchell, L. & Pacheco, G. (2022) *NZ Superannuation residency eligibility changes: Evidence from border movement data*. New Zealand Work Research Institute, Auckland, New Zealand.

Disclaimer

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit <https://www.stats.govt.nz/integrated-data/>.

All counts presented in this report are randomly rounded to base 3, in accordance with Stats NZ confidentiality rules.

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CONTENTS

Overview	2
1 INTRODUCTION	3
1.1 Policy background	3
2 METHOD	5
2.1 Limitations	5
3 RESULTS	7
3.1 Cohort samples and descriptive statistics	7
3.2 When do emigrants return to reside in New Zealand?	8
3.4 How many years before emigrants first returning to reside in New Zealand?	13
3.5 A final consideration: Where are NZ's diaspora?	13
References	16

LIST OF FIGURES

Figure 1. Percentage of emigrants that return to reside in NZ over time	10
Figure 2. Percentage of 1998 emigrants that return to reside in NZ over time, by sex and ethnicity	12

LIST OF TABLES

Table 1. Average age, sex, and ethnicity composition of each emigrant cohort and by age category	7
Table 2. Percentage of emigrants residing overseas over time	9
Table 3. Percentage of emigrants residing overseas over time, by sex	11
Table 4. Percentage of 1998 emigrants residing overseas over time, by ethnicity	11
Table 5. Average number of years it takes for emigrants to first return to reside in NZ	13
Table 6. NZ-born population living in other OECD countries in 2015/16	15

Overview

In November 2021, amendments to the New Zealand Superannuation and Retirement Income Act 2001 increased the residential qualification total time requirement from 10 to 20 years. As a first step for understanding the potential impact of the NZ Super residency criteria change, this report uses Stats NZ's Integrated Data Infrastructure (IDI) to examine how long NZ-born emigrants live overseas and estimate the size of the population potentially affected by this change.

Our main population of interest is NZ-born individuals aged 20-64 who departed NZ as long-term emigrants in 1998. We follow this 1998 cohort of long-term NZ emigrants over the next 20 years and see if and when these emigrants return to reside in NZ. This enables us to estimate how many years, on average, these emigrants spend residing in NZ over a 20-year period and the average number of years it takes to return to reside in NZ for the first time. We repeat this process for a 2005 cohort of long-term emigrants and again for a 2010 cohort.

For the 1998 cohort, we show that about 87% were residing overseas at 2 years, just over 75% at 5 years and about 69% at 10 years. By the end of the 20-year follow-up period, about 64% of the 1998 emigrant cohort were residing overseas. For the 2005 and 2010 cohorts, a larger percentage were residing overseas at 2 years (approximately 88% and 90%) and at 5 years (approximately 79% and 80%) compared to the 1998 cohort. At 10 years, 73% of the 2005 cohort were residing overseas. When disaggregating by age group, we see that across all three cohorts emigrants aged 45-64 are more likely to reside overseas over time than the younger cohort aged 20-44, who return to reside in NZ more quickly. For the 1998 cohort, 71% of those aged 45-64 are residing overseas at 20 years, compared with 62% of those aged 20-44 years.

Returnee emigrants in the 1998 cohort take 5.9 years, on average, to first return to reside in NZ. For returnee emigrants in the 2005 cohort the average is 4.9 years, and for returnee emigrants in the 2010 cohort the average is 4.0 years. Across all cohorts, the younger returnee emigrants return to reside in NZ faster than the older returnee emigrants and female returnee emigrants return to reside in NZ faster than male returnee emigrants. NZ-born emigrants of Middle Eastern, Latin-American, or African (MELAA) and Other ethnicities return to reside in NZ faster than returnee emigrants of other ethnicities, while Pacific emigrants and emigrants with missing ethnicity information are slower to return to reside in NZ compared to other emigrants.

The available data in the IDI means our methodology is caveated with several limitations such that the measures in this report should only be interpreted as proxies. Two important limitations are having a follow-up period less than the 45 years individuals have to meet the NZ Super residency eligibility criteria and the inability to exactly replicate the definition of being “resident and present” in NZ.

We also do not know which countries the long-term emigrants are living in. This is potentially important since years living in some countries is equivalent to years living in NZ depending on the social security agreement in play with the respective country. In fact, while data outside the IDI is incomplete, it suggests that a large share of NZ diaspora live in countries with social security agreements that allow for totalisation, particularly Australia and the UK. This is an important consideration because while over 60% of the 1998 cohort of long-term emigrants continuing to reside outside NZ for up to 20 years post-departure, the impact of the eligibility change may not be too restrictive (at least for NZ-born emigrants) if their years overseas can still count toward their NZ Super eligibility.

1 INTRODUCTION

As part of its 2022 Review of Retirement Income Policies, Te Ara Ahunga Ora Retirement Commission is investigating “[t]he impact on retirement income adequacy, and retirement planning for New Zealanders who live abroad, of the proposed change to a 20-year residency eligibility period for NZ Super”. This report provides background information to inform this issue by using Stats NZ’s Integrated Data Infrastructure (IDI) to examine how long New Zealand-born emigrants live overseas.

1.1 Policy background

NZ Super is a near-universal non-means-tested pension payment for those aged 65 and over. The only criteria to receive NZ Super relate to residency in NZ. Before November 2021, the residential qualification for NZ Super required that an individual had been both resident and present in NZ for a total period of at least 10 years since the age of 20 (New Zealand Superannuation and Retirement Income Act 2001 (“the Act”), version as at 28 October 2021, section 8(b)). The Act also required that at least five of these years had to be spent after the age of 50 in either NZ, the Cook Islands, Niue, or Tokelau (section 8(c)).

In November 2021, section 8 of the Act was replaced by section 4 of the NZ Super and Retirement Income (Fair Residency) Amendment Act 2021. This change progressively increases the residential qualification total time requirement from 10 to 20 years, depending on an individual’s birth date (section 8(4)), such that the full 20 year residency criterion will apply to those born on or after 1 July 1977. It also increases the requirement of being resident and present in NZ itself to 10 years and the remaining time can be years resident and present in either NZ, the Cook Islands, Niue, or Tokelau (section 8(2)). The same age requirement applies in that the person must have been both resident and present in any of the above listed countries for at least five years since reaching the age of 50 (section 8(3)).

In addition to the rules set out by the Act, an individual may be able to count years living overseas toward their total time requirement for meeting NZ’s residential qualification if this is specified in the social security agreement between NZ and that country. NZ has a social security agreement with the following countries: Australia, Canada, Denmark, Republic of Ireland, Jersey, Guernsey, Greece, Malta, Netherlands, South Korea, and the United Kingdom (Work and Income, n.d.). Although the exact social security agreement rules vary, some of these agreements, such as Australia, Canada, Greece, Ireland, Jersey and Guernsey, the Netherlands, South Korea, and the United Kingdom,¹ have “totalisation” provisions which allow years lived in that country to contribute to the total time requirement for meeting the NZ residential qualification.

An additional related regulation is that those who receive an overseas state pension, the amount received is offset one-for-one against NZ Super so that the individual receives the same amount as other NZ Super

¹ Social Welfare (Reciprocity with Australia) Order 2002; Social Welfare (Reciprocity with Canada) Order 1996; Social Welfare (Reciprocity with the Hellenic Republic) Order 1993; Social Welfare (Reciprocity with Jersey and Guernsey) Order 1995; Social Welfare (Reciprocity with the Netherlands) Order 2003; Social Welfare (Reciprocity with Republic of Korea) Order 2021; Social Welfare (Reciprocity with the United Kingdom) Order 1990.

recipients. If their overseas pension is greater than their NZ Super entitlement, they receive only the overseas pension.

Therefore, there are only three reasons a person aged 65 and over in NZ would not be receiving NZ Super. First, if they have not applied for it. Second, if they do not meet the residency criteria. Third, if their overseas state pension is high enough that it entirely offsets their NZ Super receipt. As such, the coverage is high, with approximately 96.4% of NZ residents receiving NZ Super three months after their 65th birthday, with this rate rising to 98.7% by age 70 (Ye, 2022). In terms of the payment rate, the NZ Superannuation and Retirement Income Act 2001 stipulates that the NZ Super rate for a couple must be between 66% and 72.5% of the average ordinary time weekly earnings.

If a returning New Zealander did not meet the residency criteria for NZ Super receipt then they may be eligible for a main benefit payment instead. According to Section 16 of the Social Security Act, an individual must have resided continuously in NZ for a period of at least two years at any one time after becoming a citizen or resident to qualify, which, for our cohort of NZ-born individuals means two years any time since birth. While this provides a safety net, benefit payments are means-tested and the payment rate is lower than NZ Super. In addition, benefit recipients are generally required to look for work and take any offer of suitable work (unless the benefit is granted on the basis of sickness or disability).

By estimating the size of the population affected by the NZ Super residency criteria, this report is an initial step to understanding what the impact of these changes may be. As will be discussed, the measures in this report are proxies based on the available data due to limitations in the length of the time series. We can also only approximate the NZ Super eligibility criterion of being “resident and present” in NZ and we cannot account for cohort effects (whereby the current group of emigrants may not be the same as past emigrant groups). In addition, we consider only NZ-born individuals and their periods of emigration, but NZ immigrants will also be affected by this change.

2 METHOD

Our population of interest is NZ-born individuals aged 20-64 who departed NZ as long-term emigrants in 1998. The year 1998 was chosen as we wanted to examine emigrants over a long time period, and this is the earliest full year that border movement data is available in the IDI.

First, we use Department of Internal Affairs (DIA) birth records data within the IDI to create a cohort of NZ-born individuals aged between 20 and 64 in 1998. We obtain information on these individuals' age, sex, and ethnicity from the IDI 'personal details' table. We create mutually exclusive ethnic groups using the prioritisation order: Māori, Pacific Peoples, Asian, MELAA²/Other and European. We exclude those who died between 1998 and 2018 from our population.

We link this cohort of New Zealanders to border movements data to identify the sub-sample that departed NZ in 1998. If a person had multiple departures in 1998, we observe them for the last recorded departure.

We further distinguish between short- and long-term departures. Using the overseas spells data, we sum the total number of days the individual is outside NZ within 365 days from their last 1998 departure. We create a dummy variable for residing in NZ that equals 1 if the individual is in NZ for at least 265 days (approximately 9 months) of the 365 days after departure, and 0 otherwise. This is based on the '12/16-month rule' used by Stats NZ to differentiate long-term from short-term migration. Since we are using annual data, we adjust this 12/16 rule to a 12-month time frame, which is equivalent to 9/12 months. We exclude individuals who are residing in NZ within one year of their 1998 departure. The resulting sample is our 1998 cohort of long-term NZ emigrants.

We follow this 1998 cohort of long-term NZ emigrants over the next 20 years and see if and when these emigrants return to reside in NZ. This enables us to estimate how many years, on average, these emigrants spend residing in NZ over a 20-year period and the average number of years it takes to return to reside in NZ for the first time. We measure whether the individual is residing in NZ in a given year based on a 9/12-month rule, as described above.

We conduct this analysis for the 1998 cohort of long-term emigrants in total and then disaggregated by age group (those aged 20-44 years versus those aged 45-64 years in 1998), sex, and ethnicity. To compare results over time, we repeat this process for a 2005 cohort of long-term NZ emigrants, and again for a 2010 cohort. By construction, there is a shorter follow-up period between the year of first departure and 2018 for these latter cohorts. We provide summary statistics on age, sex, and ethnicity for each of cohort of long-term NZ emigrants in total and disaggregated by age group.

2.1 Limitations

We are interested in how many New Zealanders may be affected by the changes to NZ Super residency criteria. Our estimates provide only a proxy for this based on the available data. One limitation is that we are only examining a 20-year period whereas individuals have 45 years to meet the eligibility criteria by the time they are 65 (from the age of 20 up until the age of 64). However, 1998 is the first full-year we have

² MELAA is Middle Eastern, Latin American, or African.

border movement data for, and we therefore limit our analysis to a 20-year period for the 1998 cohort of long-term NZ emigrants.

Another limitation is that we do not take account of possible cohort effects. The average long-term emigrant in 1998 may be different from the average long-term emigrant in 2020, and therefore, the 1998 cohort is only a proxy for other cohorts. However, we partially address this by also examining the 2005 and 2010 cohorts, albeit over shorter time periods.

A further limitation is that we are unable to exactly replicate the residency eligibility criteria of “resident and present” in NZ. The New Zealand Superannuation and Retirement Income Act 2001 does not precisely define “resident and present”. However, Work and Income NZ have a series of criteria for determining if an individual is resident, including: their intentions towards NZ and the reasons for periods of absence and return; the length of time spent in NZ on a continual basis; property and asset ownership; whether income is earned in NZ or overseas; whether taxes are paid in NZ; whether they vote or are eligible to vote in general elections; commitments in NZ such as involvement in the community, groups and clubs.³ It is not possible to measure most of these considerations using the IDI, and we therefore use a simple 9/12-month rule for proxying that an individual is “resident and present”.

An additional limitation is that we consider only NZ-born individuals and their periods of emigration. Migrants will also be affected by this change, but this is outside the scope of the current analysis. For example, an individual born who migrates to NZ on a Parent Resident Visa at age 60 and lives continuously in NZ would have previously qualified for NZ Super after 10 years at age 70. If this person was born on or after 1 July 1977, they will not qualify until they were 80 years old under the new eligibility rules.

It would have also been useful to know which overseas country the long-term emigrants live in. The increase in the length of residency will not affect people who live in one of the countries NZ has a social security agreement with that includes a “totalisation” clause, whereby years lived in that country are considered to be years “resident and present” in NZ for the purposes of NZ Super receipt. As mentioned above, these countries are: Canada, Greece, Ireland, Jersey and Guernsey, the Netherlands, South Korea, and the United Kingdom. Departure card information was collected for those leaving NZ up until November 2018 (when departure cards were discontinued). These cards included information on how long the person intended to be away from NZ and which country they intended to spend the most time in while overseas. We explored the possibility of using this information to get an indication of which country the long-term emigrants were residing in to gauge what share might qualify for NZ Super under the totalisation rules. However, departure card information is rarely recorded in the IDI for our sample of NZ citizens.

³ <https://www.workandincome.govt.nz/pensions/travelling-or-moving/moving-to-nz/residency-requirements-for-new-zealand-benefits-and-pensions.html> (accessed on 3 June 2022).

3 RESULTS

3.1 Cohort samples and descriptive statistics

According to DIA birth records, there were 2,031,258 NZ-born individuals aged between 20 and 64 years old in 1998. Of these, 134,037 departed NZ in 1998 and stayed outside NZ for at least 9 months in the following 12 months after departure. This is our 1998 cohort of long-term emigrants. Note that these are all long-term emigrants who departed in 1998. It does not necessarily have to be their first departure. For example, a person who had been living in the UK for five years already could have returned to NZ for a holiday in 1998 and they may be captured by our definition of 1998 long-term emigrants. We do not require the individuals to have lived in NZ prior to departing in 1998, and due to data limitations, we cannot observe this information for the 1998 cohort.

The size of the long-term emigrant sample increases for later cohorts. For the 2005 cohort, there are 2,248,422 New Zealanders aged 20-64 of which 182,487 are long-term emigrants, and for the 2010 cohort, there are 2,386,227 New Zealanders aged 20-64 of which 217,509 are long-term emigrants.

Table 1 presents demographic characteristics for each of the long-term emigrant cohorts in total and by age group. The 1998 cohort is the youngest of the three cohorts, with an average age of 35 years old. The 2005 and 2010 cohorts are aged 38 and 39, on average, respectively. All three cohorts are around 40% female. In terms of ethnicity, nearly 60% of all cohorts are European. Just over 9% of the 1998 cohort are Māori, which increases to nearly 16% for the 2010 cohort. Pacific Peoples make up almost 2% of the 1998 cohort, nearly 3% of the 2005 cohort, and nearly 4% of the 2010 cohort. Emigrants of Asian or Middle Eastern, Latin American, and African ethnicities consistently make up a small percentage of each cohort.

While the average age among the 1998 cohort is 35, this does not necessarily suggest that the average 1998 long-term emigrant has already met 15 of the 20 years required to meet NZ Super eligibility. As mentioned, we only define long-term emigration based on their border movements after their last 1998 departure. It may be that some of these emigrants had already been residing overseas before their 1998 departure.

Table 1. Average age, sex, and ethnicity composition of each emigrant cohort and by age category

Cohort	Age group	Counts	Age	Female	European	Māori	Pacific	Asian	MELAA/ Other	Missing ethnicity
1998	Total	134037	35.66	39.72	58.70	9.33	1.88	0.86	2.17	27.06
	Ages 20-44	103290	30.83	41.72	60.37	10.57	2.31	0.97	2.32	23.46
	Ages 45-64	30747	51.89	33.00	53.07	5.18	0.41	0.49	1.70	39.14
2005	Total	182487	38.29	41.04	59.54	12.59	2.88	1.09	2.34	21.56
	Ages 20-44	125226	31.68	43.55	62.80	14.84	3.83	1.28	2.54	14.72
	Ages 45-64	57261	52.76	35.56	52.41	7.69	0.81	0.65	1.91	36.53
2010	Total	217509	39.07	41.48	59.37	15.94	3.97	1.37	2.73	16.61
	Ages 20-44	140676	31.28	44.19	62.83	18.58	5.51	1.74	3.07	8.26
	Ages 45-64	76833	53.32	36.51	53.04	11.11	1.16	0.68	2.12	31.89

Notes: Average age is measured in years. Sex and ethnicity dummies are presented as percentages, rounded to 2 decimal places.

Regarding the percentage of emigrants with missing ethnicity information, this starts quite high at 27% for the 1998 cohort, decrease to about 21% for the 2005 cohort and further drops to just over 16% for the 2010 cohort. This is likely due to the way the ethnicity data in the IDI personal details table is collated. The personal details table pools information on ethnicity from a range of IDI data sources and over time. If an individual ever identifies as belonging to a particular ethnic group in any of these data sources at any time that the records cover, then that individual is categorised as belonging to that ethnic group in the personal details table. We then construct mutually exclusive prioritised ethnicity groups from this information. Only a few IDI data sources extend as far back as 1998, so for those who were long-term emigrants in 1998 (and particularly for those who had already been living overseas and/or did not return to live in NZ again), ethnicity information may be missing if, for example, if they did not access government services such as education and health (or did not provide ethnicity information when accessing these services) over the time period that IDI data covers. For instance, an individual who left in 1998 and did not subsequently return to reside in NZ may not have had an ACC claim between 1994 (when records begin) and 1998 when they left the country and ethnicity would not, therefore, be identified in the ACC database; they would not be identified in the secondary education database as this data series begins in 2004, nor the social housing data as this begins in 2000, and so forth. This also explains why personal details coverage improves for the 2005 and 2010 cohorts, as their likelihood of appearing in at least one IDI database and providing their ethnicity is higher for later cohorts as more IDI data sources traverse these years.

When disaggregating by age group, we see the younger age group (ages 20-44) has an average age consistently around 31 years old for each cohort and the older age group (ages 45-64) has an average age around 52-53 years old for each cohort. Across all cohorts, we see the younger age group tends to have more female emigrants (between 42-44%) than the older age group (between 33-36%). For ethnicity, a higher percentage of the older age group have missing information compared with the younger age group. This difference is particularly noticeable for the 2010 cohort: 32% of older age group have missing ethnicity information versus only 8% of the younger age group. Otherwise, among those with ethnicity information, both age groups are comprised of mostly Europeans, followed by Māori and then Pacific Peoples.

3.2 When do emigrants return to reside in New Zealand?

Table 2 shows the percentage of each emigrant cohort that are residing overseas for a selection of follow-up years after the initial departure. This is given for the total emigrant cohort and by age group. Figure 1 presents the information in the opposite way, as the share of emigrants who have returned to reside in NZ in each year over the full follow-up period for each cohort. The top graph in Figure 1 presents the time trends for the full sample of emigrants, while the bottom left and bottom right graphs present the time trends for the younger group of emigrants and the older group of emigrants, respectively.

By design, all emigrants are residing overseas after 1 year since the individual must be outside NZ for at least 9 months of the preceding 12 months to be defined as long-term emigrant.

For the 1998 cohort, the majority of the cohort are residing overseas throughout the 20 year period. About 87% are living overseas at 2 years, just over three-quarters at 5 years, and about 69% at 10 years. By the end of the 20-year follow-up period, about 64% of the 1998 emigrant cohort were residing overseas. This equates to about 85,400 people for the 1998 cohort. For the 2005 and 2010 cohorts, a larger percentage

were residing overseas at 2 years (88.3% and 90.4%) and at 5 years (78.7% and 80.3%), compared to the 1998 cohort. At 10 years, about 132,500 of the 2005 cohort were residing overseas.

When disaggregating by age group, we see that across all three cohorts, emigrants aged 20-44 are less likely to reside overseas over time; that is, they return to reside in NZ quicker. This is unsurprising as younger people would be more likely to be going on their 'OE' with the intention of returning to NZ within a few years.

Table 2. Percentage of emigrants residing overseas over time

Cohort	Age group	Counts	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20
1998	Total	134040	100	87.17	75.77	68.6	66.43	63.71
	Ages 20-44	103290	100	86.49	73.65	65.82	63.98	61.48
	Ages 45-64	30750	100	89.46	82.87	77.91	74.63	71.2
2005	Total	182487	100	88.33	78.65	72.63		
	Ages 20-44	125226	100	86.89	75.58	69.51		
	Ages 45-64	57261	100	91.5	85.35	79.48		
2010	Total	217509	100	90.41	80.33			
	Ages 20-44	140676	100	89.18	77.68			
	Ages 45-64	76833	100	92.65	85.17			

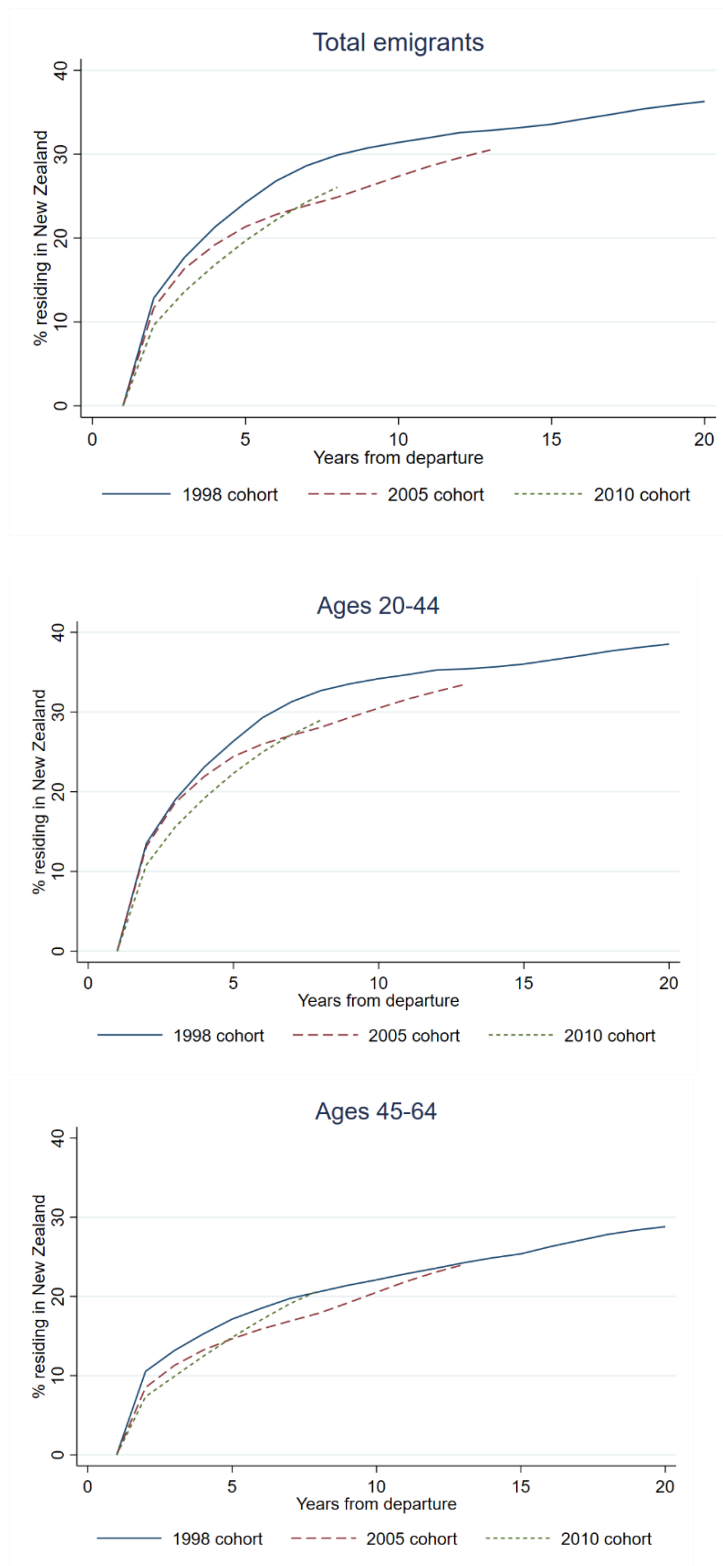
Notes: This table shows the percentage of each cohort, by total sample and by age group, who are residing overseas in each year from initial departure. The 1998 cohort can be followed for a full 20 years, while the 2005 and 2010 cohort can only be followed for 13 and 8 years, respectively. Percentages are rounded to 2 decimal places.

Table 3 presents the percentage of each emigrant cohort that are residing overseas for a selection of follow-up years broken down by sex. For all cohorts, males are more likely to be residing overseas in each follow up year compared to females. The converse is presented in the first panel of Figure 2, whereby females return to reside in New Zealand faster than males.

Table 4 presents the percentage of the 1998 emigrant cohort that are residing overseas for a selection of follow-up years broken down by ethnicity and of Figure 2 presents this information in the opposite way. Almost all emigrants with missing ethnicity information remain outside New Zealand at each follow up year and this is also evident in the 2005 and 2010 cohorts (not shown). As discussed above, since this group's ethnicity information is not linked in the IDI, these people likely have little engagement with NZ government services and hence may be less attached to NZ as a place of residence, so it is perhaps unsurprising that the majority do not return to reside in NZ over the next 20 years.

Table 4 shows for the 1998 cohort, NZ-born emigrants of Middle Eastern, Latin-American, or African (MELAA) or Other ethnicities return to reside in NZ faster than returnee emigrants of other ethnicities, although by year 20 the same percentage of European emigrants have returned to reside in NZ. Similar trends are evident for the 2005 and 2010 cohorts (not shown). Aside from those with missing ethnicity information, for all three cohorts Pacific emigrants are the slowest to return to reside in NZ compared to all other emigrants with non-missing ethnicity information.

Figure 1. Percentage of emigrants that return to reside in NZ over time



Notes: These figures show the percentage of each emigrant sample that return to reside in NZ after each year from initial departure. The top graph is for the total emigrant sample. The bottom left graph is for emigrants aged 20-44 in the year of initial departure and the bottom right graph is for emigrants aged 45-64 in the year of initial departure. The 1998 cohort can be followed for a full 20 years, while the 2005 and 2010 cohort can only be followed for 13 and 8 years, respectively.

Table 3. Percentage of emigrants residing overseas over time, by sex

Cohort	Age group	Counts	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20
1998	Female	53238	100	86.63	73.79	65.28	62.36	60.38
	Male	80802	100	87.53	77.07	70.78	69.11	65.91
2005	Female	74898	100	87.13	75.53	68.58		
	Male	107586	100	89.17	80.81	75.46		
2010	Female	90216	100	89.13	77.98			
	Male	127293	100	91.31	81.99			

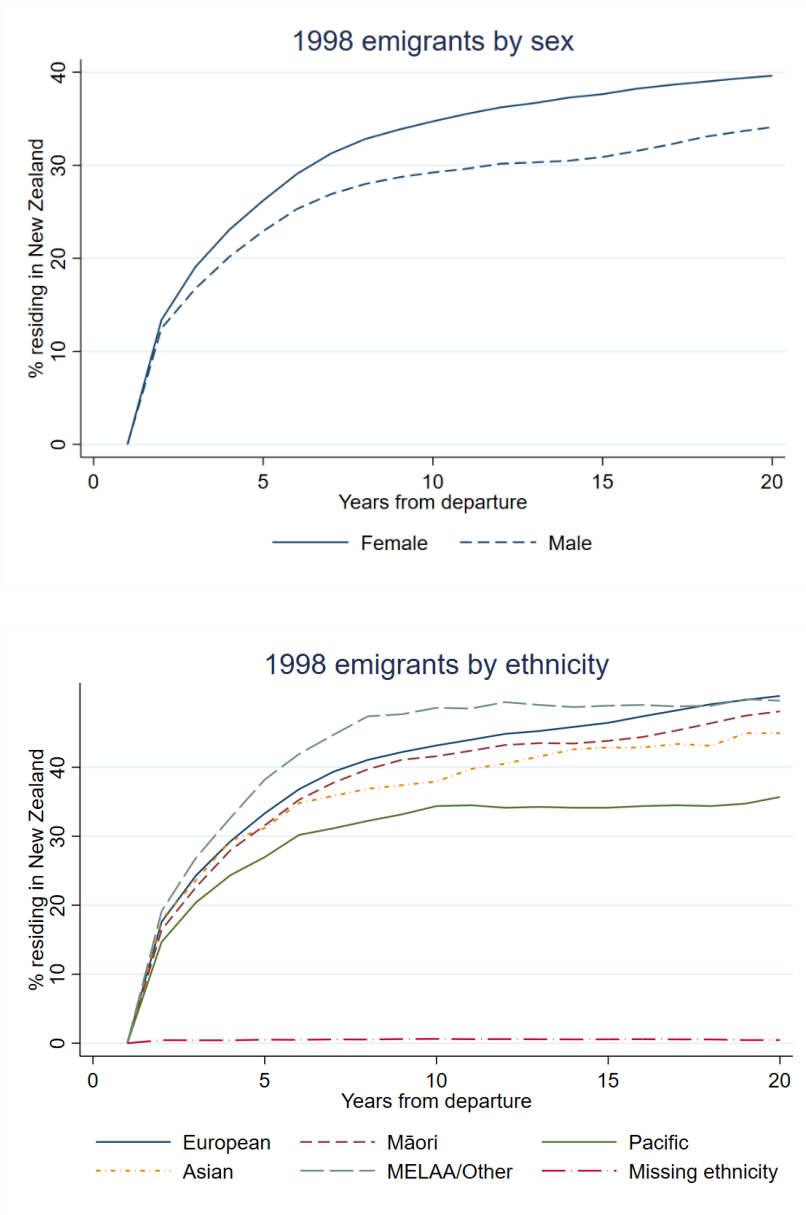
Notes: This table shows the percentage of each cohort, disaggregated by sex, who are residing overseas in each year from initial departure. The 1998 cohort can be followed for a full 20 years, while the 2005 and 2010 cohort can only be followed for 13 and 8 years, respectively. Percentages are rounded to 2 decimal places.

Table 4. Percentage of 1998 emigrants residing overseas over time, by ethnicity

Ethnicity	Counts	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20
NZ European	78678	100	82.41	66.69	56.85	53.56	49.66
Māori	12507	100	83.57	68.43	58.41	56.18	51.91
Pacific	2514	100	85.32	73.03	65.63	65.87	64.32
Asian	1155	100	82.08	68.83	62.08	57.14	55.06
MELAA/Other	2913	100	80.84	61.79	51.39	51.08	50.36
Missing Ethnicity	36270	100	99.55	99.49	99.37	99.44	99.55

Notes: This table shows the percentage of the 1998 cohort, disaggregated by prioritised ethnicity, who are residing overseas in each year from initial departure. Percentages are rounded to 2 decimal places.

Figure 2. Percentage of 1998 emigrants that return to reside in NZ over time, by sex and ethnicity



3.3 How many years before emigrants first returning to reside in New Zealand?

Another angle to this research question is to estimate the average number of years it takes for each migrant cohort to return to reside in NZ. Table 5 presents these results for each cohort separately, both in total and disaggregated by age group.

For 1998 cohort, for those that returned to reside in NZ within 20 years of departure, it takes 5.9 years, on average, for emigrants to first do so. Returnee emigrants aged 20-44 take an average of 5.7 years to first return to reside in NZ while returnee emigrants aged 45-64 take longer with an average of 6.7 years.

For the 2005 cohort, we can only follow emigrants for 13 years after departure. For those that returned to reside in NZ within these 13 years, it takes just less than 5 years, on average, for emigrants to first do so. Like the 1998 cohort, the younger returnee emigrants first return to reside in NZ faster than the older returnee emigrants (4.76 years versus 5.49 years).

Finally, for the 2010 cohort, for those that returned to reside in NZ within the 8-year follow-up period, it takes only 4 years for emigrants to first do so. There is little variation by age group for the 2010 cohort, with the older returnee emigrants taking only 0.22 years longer to first return to reside in NZ than the younger returnee emigrants.

Table 5. Average number of years it takes for emigrants to first return to reside in NZ

Cohort	Follow-up years	Age group	Years to first return to reside in NZ
1998	20	Total	5.88
		Ages 20-44	5.72
		Ages 45-64	6.65
2005	13	Total	4.94
		Ages 20-44	4.76
		Ages 45-64	5.49
2010	8	Total	4.06
		Ages 20-44	4.00
		Ages 45-64	4.22

Notes: This table shows the average number of years it takes for emigrants to first return to reside in NZ, given they returned to reside in NZ during the follow-up period. The average number of years statistics is rounded to 2 decimal places.

3.4 A final consideration: Where are NZ's diaspora?

As mentioned, we cannot analyse where long-term emigrants go when they leave NZ within the IDI due to a lack of departure card information. However, this is a potentially important consideration for the NZ Superannuation residency eligibility changes since years living in some countries is equivalent to years living in NZ for some countries, namely: Australia, Canada, Greece, Ireland, Jersey and Guernsey, the Netherlands, South Korea, and the United Kingdom. The change to the NZ residency length to qualify for NZ Super will not impact those who are residing in these countries then return to NZ.

NZ agencies do not have records on where NZ diaspora live. However, it can be gleaned from information collected by the statistical agencies of other countries on their foreign-born populations. As such, it is difficult to get a complete picture covering all possible countries. However, the OECD collates data on the foreign-born population in OECD countries. Table 6 presents the NZ-born population living abroad in OECD countries with available data in 2015/16 by sex and age.

There are three main caveats interpreting Table 6 as a measure of where NZ diaspora live. First, some OECD countries are noticeably missing this list, such as Germany and South Korea, the latter of which NZ has a social security agreement with that allows for totalisation. For example, Bryant & Law (2004) reported that about 1,600 NZ citizens (rather than NZ-born individuals) lived in Germany in 2001, which, based on Table 6, suggests that Germany may be in the top 10 OECD countries for NZ-born residents. Second, non-OECD countries may host a significant number of NZ-born residents, such as Pacific nations. Third, some large non-OECD Asian countries, such as China, India and the Philippines, now account for a large share of NZ's inward migration. Therefore, these countries may also have a number of NZ-born residents, which may also increase over time given the resulting demographic changes to NZ's population.

In total across the 24 OECD countries examined, there are over 640,000 NZ-born residents. The top five overseas OECD countries with the largest NZ-born populations are: Australia, the UK, the USA, Canada and Japan. NZ does not have a social security agreement with two out of these five countries: the USA and Japan. In terms of total number of overseas residents, Australia accounts for the vast majority of overseas New Zealanders living in OECD countries (81%), followed by the UK (about 9%). The five OECD countries that NZ has a social security agreement that allows totalisation account for almost 92% of New Zealanders living abroad in OECD countries with available data.

In terms of the age distribution, the picture is even less complete due to the information being unavailable for some countries, albeit countries with relatively small numbers of NZ-born residents (e.g. Switzerland and Turkey). In addition, the available age breakdowns do not line up with the age of our population of interest (20-64 years). Among young adults aged 15-24, 88% of those living in the OECD countries with available data are in Australia, compared with 80% for those aged 25-64 years. Just 4% of those aged 15-24 live in the UK, compared with 10% of those aged 25-64 years. About 80% of men living in one the OECD countries with available data are in Australia, compared with 84% of women. About 10% of men are living in the UK compared with 7% of women.

Table 6. NZ-born population living in other OECD countries in 2015/16

	Age				Sex		Total	
	0-14	15-24	25-64	65+	Men	Women	Count	Share
Australia*	47,344	59,231	351,145	60,732	261,358	257,094	518,452	80.81
UK*	5,314	2,526	43,170	4,411	32,959	22,462	55,421	8.64
USA	3,493	2,773	22,995	6,052	19,701	15,612	35,313	5.50
Canada*	955	795	7,890	2,800	6,710	5,730	12,440	1.94
Japan	201	652	2,689	273	2,796	1,019	3,815	0.59
The Netherlands	179	269	2,732	8	1,531	1,657	3,188	0.50
France	335	192	1,552	293	1,187	1,185	2,372	0.37
Ireland*	306	172	1,478	101	1,176	881	2,057	0.32
Switzerland	-	-	-	-	-	-	1,467	0.23
Sweden	75	85	865	25	745	305	1,050	0.16
Spain	112	81	648	75	530	386	916	0.14
Denmark*	65	150	594	45	512	342	854	0.13
Italy	-	-	-	-	-	-	789	0.12
Norway	76	49	457	53	372	263	635	0.10
Greece	8	15	460	28	166	345	511	0.08
Austria	85	59	310	29	263	220	483	0.08
Belgium	51	38	279	16	195	189	384	0.06
Turkey	-	-	-	-	-	-	253	0.04
Poland	18	68	144	-	136	94	230	0.04
Finland	29	9	178	10	168	58	226	0.04
Israel	-	-	-	-	-	-	211	0.03
Czech	5	9	168	10	146	46	192	0.03
Hungary	83	14	79	8	104	80	184	0.03
Chile	-	-	-	-	-	-	137	0.02
Total	58,734	67,187	437,833	74,969	330,755	307,968	641,580	100

Source: OECD, Database on Immigrants in OECD Countries, 2015/16.

Notes: * indicates that NZ has a social security agreement with this country that allows for totalisation. 'Total' row is based on non-missing information.

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