



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
2025 Review of Retirement Income Policy***

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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 2025 and compares this with provision in March 2019 and March 2022 to provide a comparison with previous Reviews.
- 2 This report includes other forms of social assistance that are accessed by older people under the Social Security Act 2018 and a brief summary of its recent amendments under the New Zealand Superannuation and Veteran's Pension Legislation (NZSVPL) 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 (MSD).

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.
- 5 There are a number of benefits to the current design of NZS, including that:
 - 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 the Consumers Price Index and average wage growth maintains its relativity with incomes of the general population.

NZS: an overview

- 6 NZS/Veterans Pension (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. To be eligible for NZS a person must meet the following criteria:
 - be aged 65 years or older
 - be a New Zealand citizen or permanent resident
 - 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)
 - for those who turned 65 before 1 July 2024, they need to 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
 - for those who turn 65 from 1 July 2024 onwards, the residency requirement is increasing gradually from 10 to 20 years resident and present in New Zealand, of

which five years or more must be since the age of 50 (discussed further at paragraphs 31-33)

- where the residency requirements are not met, another country may be used to meet these requirements if it is a country that has a Social Security Agreement with New Zealand (discussed further at paragraph 42).
- 8 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/VP¹ 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 (NQP). The NZSVPL Amendment Act 2020 removed this option from 9 November 2020. Those who had applied for this special rate before 9 November 2020 can still receive this rate as a grandparented NQP. If an NZS/VP client opts to have their NQP excluded from their payments, or their partner loses their entitlement at any time after this date, they cannot re-apply as a NQP.²
 - 11 People aged 65 and over who do not meet the qualifying criteria for NZS or VP may qualify for other main benefits, as explained further in paragraphs 44 to 49. These can include Jobseeker Support, Supported Living Payment, or Sole Parent Support. Where a person does not qualify for a main benefit, they may be able to receive an Emergency Benefit (EB). Unlike NZS/VP, social security benefits available to those aged 65 and over are income tested.
 - 12 Table 1 illustrates the number of people receiving NZS/VP and other benefits in March 2025 compared to March 2019 and 2022.

¹ NZS/VP refers to all recipients of either NZS or VP. Except where stated, this includes grandparented non-qualified partners (those usually under the age of 65 who receive NZS/VP because they are a partner of a qualified recipient).

² This change is discussed in further detail at para 22-23.

Table 1. Number of clients aged 65 and over³ receiving NZS, VP or any other main benefit as at end of March 2025*					
Description	End March 2019	End March 2022	End March 2025	Change from 2019 to 2022 absolute numbers	Change from 2022 to 2025 absolute numbers
NZS	761,508	840,882	927,726	10%	10%
NZS NQP	13,231	1,146	807	-91%	-30%
Total NZS	774,651	842,028	928,533	9%	10%
VP and VP NQP	7,108	5,607	4,836	-21%	-14%
Total VP	7,108	5,607	4,836	-21%	-14%
EB	3,269	3,381	3,225	3%	-5%
Other main benefit ⁴	2,332	2,979	3,069	28%	3%
Total main benefit	5,601	6,360	6,294	14%	-1%
Total	787,360	853,9954	939,663	8%	10%

Source: MSD administrative data

* Includes 69,528 recipients of NZS and VP, as at 28 March 2025, who are being paid overseas under social security agreements, or general portability or special portability.

³ Note: The 2019 data in 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 NQP of qualified people. Some applied for NZS/VP in anticipation of turning 65 within the next six months. Yet, the 2022 and 2025 data only covers people who are aged 65 and over, which reflects a change in data recording practices. This is because the special rate of NZS for superannuitants who could previously include their under-65 NQP has been legally removed since 9 November 2020.

⁴ Currently includes Jobseeker Support, Supported Living Payment, and Sole Parent Support.

Recipients of NZS/VP

- 13 Table 2 illustrates the number of people receiving the various rates of NZS/VP, broken down by gender, as at 31 March 2025.

Table 2. Number of recipients (all ages) of NZS and VP, broken by gender and rate of payment, as at end of March 2025						
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	18	253,026	307,833	630	2,040	563,547
NQP in a married, civil union or de facto couple	3	3,696	558	21	0	4,275
Single Living Alone	30	154,578	83,310	840	585	239,343
Single Sharing	12	86,109	46,617	459	291	133,488
Total	63	497,427	438,351	1,950	2,961	940,704

Source: MSD administrative data

- 14 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 2025 with the same date in 2019 and 2022.

Table 3. Female recipients of NZS or VP (including NQP) by age group and rate type as at end of March 2019, 2022, and 2025

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	NQP in a married, civil union or de facto couple	Female Total
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
March 2025	<65	414	147	1,563	3,126	5,250
	65-69	34,428	17,460	85,845	312	138,048
	70-74	32,853	17,541	72,819	168	123,387
	75-79	32,904	16,599	55,002	72	104,586
	80-84	26,439	13,950	27,159	27	67,575
	85-89	18,060	10,989	9,399	6	38,454
	90+	10,323	9,882	1,869	0	22,074
	Total	155,421	86,571	253,656	3,717	499,377

Source: MSD administrative data

* Includes people under 65, other than NQPs, who have applied for NZS in anticipation of turning 65 within the next six months.

Table 4: Male recipients of NZS or VP (including non-qualified partners) by age group and rate type as at end of March 2019, 2022, and 2025

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	NQP in a married, civil union or de facto couple	Male Total
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
March 2025	<65	294	99	1,353	339	2,085
	65-69	25,986	11,988	91,575	42	129,609
	70-74	20,529	11,304	82,881	57	114,774
	75-79	16,506	9,654	69,399	60	95,625
	80-84	10,647	6,564	40,734	39	57,987
	85-89	6,267	4,275	18,102	12	28,656
	90+	3,669	3,021	5,829	6	12,525
	Total	83,895	46,905	309,873	558	441,264

Source: MSD administrative data

- * Includes people under 65, other than NQPs, 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 NZSRI Act 2001 and Part 6 of the Veterans' Support Act 2014.
- 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.⁵
- 17 After this adjustment, the net⁶ weekly amount of NZS/VP payable to a married couple (where both qualify) must be at least 66 percent of the net average wage but cannot be greater than 72.5 percent of the net average wage.
- 18 If the net married couple rate after the CPI adjustment is less than 66 percent of the net average wage, a further adjustment is made to bring the rate up to this level.⁷ 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.
- 19 Table 5 outlines the fortnightly net payment rates of NZS/VP from 1 April 2025, 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.

Table 5: Fortnightly rates of NZS and VP from 1 April 2025⁸

Rate type	Net rate based on M tax code	Gross rate
Married, civil union, de facto couple (each)	\$828.34	\$952.94
Single sharing accommodation	\$994	\$1,153.60
Single living alone	\$1,076.84	\$1,254.28

Source: MSD

⁵ The process for adjusting the rates of payment for VP, described under the War Veterans' Support Act 2014, mirrors that for NZS.

⁶ After tax at the standard 'M' rate.

⁷ Note: This year (2025) due to the growth in the CPI, a further adjustment was required to keep the net married couple rate at a minimum of 66 percent of the net average wage.

⁸ The rate of payment is slightly lower for a person who is Married or in a civil union or de facto relationship, with a grandparented NQP included on or after 1 October 1991. For more information see: [New Zealand Superannuation and Veterans Pension rates \(current\) - Map](#).

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 NZSRI Act 2001 and the Veterans' Support Act 2014 was amended in 2020.⁹ 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 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 NQP). 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 NZSVPL Amendment Act 2020, the NQP 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'.
- 24 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.
- 25 Closing the NQP provision to new applicants reflects broader societal changes.
 - 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.
 - 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

⁹ See: NZSVPL Legislation Amendment Act 2020 and the NZSRI (Fair Residency) Amendment Act 2021.

for NZS and VP, and this expectation has been an increasing focus of New Zealand's social security system. Closing the NQP provision to new applicants is a response to these societal changes.

- 26 Now that the 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, a Supported Living Payment or an EB. The qualified partner receives the rate of NZS/VP for a person in a relationship.
- 27 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**

- 28 Formerly, based on the NZSRI Act 2001, the eligibility criteria to receive the single living alone rate of NZS, were limited to certain forms of residence.¹⁰
- 29 Now, following the NZSVPL 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 NZS or VP.
- 30 This is to modernise the legislation, adjust the meaning of living alone based on 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**

- 31 The NZSRI (Fair Residency) Amendment Act 2021 is raising the minimum residency qualification for NZS and VP from 10 to 20 years after age 20, to ensure fairness to longer-term residents who have sustained, and continue to sustain, New Zealand and its economy, and to ensure the sustainability of NZS.
- 32 Following the passage of the Bill, the start of the phased increase in residence requirements was delayed by 2 years, to mean fewer people would face delays to their NZS and VP entitlement in the near term, and reduce the delays faced by people in the medium term.
- 33 A phased increase by birthdate in the requirement for residence after age 20 has now been introduced and implemented since 1 July 2024, as follows:

¹⁰ The list of places of residence to 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
- a) a hotel room or motel unit
- b) a room in a boarding house
- c) a unit of accommodation in a caravan park.

Period during which a person was born	Total time requirement
On or before 30 June 1959	10 years
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

International aspects of eligibility to NZS/VP and modernisation

- 34 Section 187 of the Social Security Act 2018 states that a payment that meets the following criteria is considered an overseas pension:
- forms part of an overseas programme that provides pensions, benefits and periodical allowances for any of the circumstances for which New Zealand benefits and pensions would be paid (including old age, invalidity, death of a spouse)
 - is administered by or on behalf of the Government of the country from which the pension, benefit or periodical allowance originates
 - excludes an overseas pension or any part of it that has been gained from voluntary contributions made by the person.¹¹
- 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 an overseas pension, 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 receiving an overseas 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 NZS or VP
 - the net rate of any other New Zealand benefit.
- 37 There is also provision for those who are eligible to receive an overseas pension from certain social security agreement partner countries 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 was amended in 2020

¹¹ [Social Security Act 2018 No 32 \(as at 01 April 2025\), Public Act 187 Interpretation – New Zealand Legislation](#)

by the NZSVPL Amendment Act.¹² These amendments to the Social Security Act 2018, NZSRI Act 2001 and Veteran's Support Act 2014 removed the spousal deduction of overseas pensions, when both clients qualify for NZS in their own right, (as discussed in paragraphs 23-24).

- 39 For those who applied for a NQP rate before 9 November 2020, the direct deduction of 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 overseas pension.
- 40 Table 6 illustrates the number of recipients of NZS/VP who have overseas pension deductions.

Table 6: Overseas pension deductions from recipients of NZS and VP			
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
2025	93,987	9.6%	\$6,350

Source: MSD data

- 41 NZS/VP can also be paid to New Zealanders living or travelling overseas¹³ 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 core¹⁴ 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, Republic of Ireland, Jersey, Guernsey, Greece, Malta, the Netherlands, and South Korea. 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

¹² Section 39 of the New Zealand Superannuation and Veteran Pension Amendment Act 2020

¹³ Includes 69,528 recipients of NZS and VP, as at 28 March 2025, who are being paid overseas under social security agreements, or general portability or special portability.

¹⁴ 'Core rate' does not include the Living Alone Payment, the non-qualified partner rate and supplementary payments such as the Disability Allowance.

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 NZS from the Cook Islands, Niue or Tokelau without returning to New Zealand.¹⁵ 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. However, this time will not be classified as residence in New Zealand when calculating the payable rate.
- **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.¹⁶

NZS/VP: expenditure

- 42 Table 7 illustrates the expenditure on both NZS and VP for the year ended March 2025 compared to the years ended March 2010, 2013, 2016, 2019, 2020 and 2021.

	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
Year ended March 2025	\$22,820,512	\$130,888	\$22,951,400

Source: Ministry of Social Development administrative data

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

- 43 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 EB) are not obliged to transfer to NZS when they reach the age of eligibility or meet the relevant criteria, but in most cases it is financially beneficial to do so.

¹⁵ This only applies if the client is already a resident of the Cook Islands, Niue or Tokelau at the time of application.

¹⁶ If someone is travelling through a social security agreement country, but remains ordinarily resident in New Zealand during the time they are overseas, they will be paid the proportional rate of NZS.

¹⁷ Any inflation effects are reflected in the average wage and CPI on which the NZS annual adjustment is based.

- 44 The number of people aged 65 and over receiving EB or another main benefit is shown in Table 8.¹⁸ Current main benefits received by people aged 65 and over include Jobseeker Support, Supported Living Payment, and Sole Parent Support.

Emergency Benefit

- 45 EB 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 2025, 3,225 people aged 65 and over were receiving EB (compared to 933,369 on NZS/VP).
- 46 The most common reason people aged 65 and over receive EB is that they do not meet the residency criteria for NZS/VP. To qualify for NZS/VP or another main benefit a person must have continuously lived in New Zealand for 2 years or more since becoming a New Zealand citizen or permanent resident. This residency requirement does not apply for EB. To qualify for EB a person must:
- be unable to earn sufficient income for themselves (and any dependent family)
 - be unable to receive another social security benefit
 - be experiencing hardship (as determined by an income and cash asset test).
- 47 The EB rate is lower than NZS/VP and is generally paid at the same rate as Jobseeker Support, which is \$361.32 a week after tax ('M') for a single person aged 25 and over. Payment rates vary based on a clients age, relationship status, and whether they have dependent children. As outlined in paragraph 19 the net rate of payment for NZS/VP for a single person living alone ('M') is \$1,076.84 a fortnight or \$538.42 a week.
- 48 Unlike working aged people, those aged 65 and over receiving EB are not expected to earn an income, although those who are willing and able to work are able to access help from MSD with obtaining employment.

Table 8: Number of people aged 65 and over receiving main benefits (other than NZS and VP)			
Benefit	As at end March 2019	As at end March 2022	As at end March 2025
EB	3,269	3,381	3,225
Job Seeker Support	493	807	648
Supported Living Payments related	1,832	1,380	1,473
All Other Main Benefits	7	792	951
Total	5,601	6,360	6,291

Source: MSD administrative data

Supplementary social assistance payments to older people in need

- 49 Supplementary assistance is available on the basis of need, including people receiving NZS/VP or a main benefit. Supplementary assistance is means-tested and assessed weekly, and includes:
- Disability Allowance

¹⁸ Welfare Reforms in July 2013 replaced existing benefits with three new main benefits, Jobseeker Support, Sole Parent Support, and Supported Living Payment, with new eligibility criteria and obligations.

- Accommodation Supplement
- Special Benefit
- Temporary Additional Support.

50 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 2019, 2022 and 2025.¹⁹ The number of people aged 65 and over receiving supplementary assistance as at the end of March 2025 has increased both in absolute terms since 2019 and as a proportion of the total population aged 65 and over.

Table 9: Total recipients of supplementary assistance aged 65 and over								
	As at end March 2019		As at end March 2022		As at end March 2025		Change from 2019 to 2022 absolute numbers	Change from 2022 to 2025 absolute numbers
	Number	Proportion of total population 65+ *	Number	Proportion of total population 65+ *	Number	Proportion of total population 65+ *		
Total recipients	147,853	19.2%	152,340	18.2%	191,145	21.9%	+3.0%	25.5%

Source: MSD administrative data

* Estimated resident population by age and sex.

- 51 Table 10 shows the number of people receiving different types of supplementary assistance at the end of March in 2019, 2022, and 2025. This analysis is limited to those aged 65 and over who receive NZS/VP or other main benefits (the table excludes supplementary assistance provided to NZS/VP NQPs under 65).
- 52 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.

¹⁹ 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 2019, 2022, and 2025.

Table 10: Supplementary assistance provided to people aged 65 and over who are recipients of NZS, VP or another main benefit

	As at end March 2019			As at end March 2022			As at end March 2025		
Supplement type	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	44,661	5.8%	\$81	50,808	6.07%	\$88	52,494	6%	\$95
Disability Allowance	129,479	16.9%	\$25	129,522	15.4%	\$25	124,344	14.2%	\$28
Temporary Additional Support	7,003	0.9%	\$60	10,863	1.2%	\$83	14,067	1.6%	\$108
Special Benefit	58	0.01%	\$94	42	0.005%	\$140	42	0.005%	\$149

Source: MSD administrative data

Table 11: Expenditure on select supplementary assistance to recipients of NZS or VP²⁰

	Supplementary Assistance	NZS \$000	VP \$000
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 2022²¹	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
Year ended March 2025	Accommodation Supplement	\$237,129	\$909
	Disability Allowance	\$188,568	\$1,559
	Special Benefit	\$252	\$0
	Temporary Additional Support	\$71,255	\$40
	Total	\$497,204	\$2,509

Source: MSD administrative data.

Disability Allowance

53 Disability Allowance provides non-taxable assistance to people who have on-going, additional costs because of a disability. At the end of March 2025, Disability Allowance was being paid to 124,545 people aged 65 and over, a 3.8 percent decrease in numbers from 2022. But compared to the growing population of older people, the proportion is declining.

54 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).

²⁰ 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.

²¹ The numbers are 'estimated actual' rather than 'budgeted'.

Accommodation Supplement

- 55 An Accommodation Supplement is a non-taxable weekly payment that provides assistance towards a person's accommodation costs.
- 56 At the end of March 2025, an Accommodation Supplement was being paid to 52,494 people aged 65 and over, a 3 percent increase over March 2022.
- 57 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 they are not paying income related rent and the property is not owned or managed by Kāinga Ora²²
 - 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.
- 58 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.
- 59 Table 12 below illustrates the numbers of people aged 65 or over receiving an Accommodation Supplement by tenure type.

Table 12: People aged 65 or over receiving Accommodation Supplement by tenure type					
	As at end March 2019	As at end March 2022	As at end March 2025	Change from 2019 to 2022 absolute numbers	Change from 2022 to 2025 absolute numbers
Renting	32,539	37,821	40,056	16%	6%
Boarding	4,874	5,196	4,821	7%	-7%
Owning	7,248	7,788	7,620	7%	-2%
Total	44,661	50,808	52,494	13.8%	3%

Source: MSD administrative data

Winter Energy Payment

- 60 The Winter Energy Payment (WEP) was introduced to assist with the increased costs of living during the winter, including but not limited to the cost of heating homes. It is paid automatically (with an opt out option) and without a means test to recipients of NZS, VP or another main benefit.
- 61 In the 2025 year, WEP has been available from 1 May 2025 to 1 October 2025. The weekly payment rates are:
- \$20.46 (single with no dependent children)
 - \$31.82 (couple or sole parent).²³

²² Many Kāinga Ora tenants aged 65 and over receive accommodation assistance in the form of an Income-Related Rental Subsidy.

²³ There have been no changes in the WEP rates compared to 2022.

- 62 WEP is not available to people receiving the Residential Care Subsidy or the Residential Support Subsidy. If a beneficiary leaves New Zealand while WEP is being paid (and if they are still receiving their main benefit) WEP continues for the first four weeks and is stopped from the beginning of the fifth week. WEP will under no circumstances continue to be paid beyond 1 October.
- 63 WEP is non-taxable and not included as income in the assessment for Temporary Additional Support, Childcare Assistance, or other supplementary assistance.
- 64 The number of clients aged 65 and over who received WEP as at the end of June 2024 was 602,745.

Temporary Additional Support

- 65 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.
- 66 At the end of March 2025, Temporary Additional Support was being paid to 14,067 people aged 65 and over, a 29 percent increase over March 2022.
- 67 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
 - be a New Zealand citizen or permanent resident and generally be ordinarily resident in New Zealand.
- 68 A person does not have to be receiving NZS/VP or another main benefit to qualify for Temporary Additional Support.

Special Benefit

- 69 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 2025, Special Benefit was being paid under grandparenting provisions to 42 people aged 65 and over, no change since March 2022.

Hardship or emergency payments to older people

- 70 In addition to supplementary assistance payments, Special Needs Grants, Advance Payment of Benefit and Recoverable Assistance Payments 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.
- 71 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.

Table 13: Hardship or emergency payments to people aged 65 and over			
	Year ended March 2019	Year ended March 2022	Year ended March 2025
	Number granted	Number granted	Number granted
Special Needs Grant	35,147	57,810	75,582
Advance Payment	38,076	46,689	46,878
Total	73,233	104,496	122,463

Special Needs Grant

- 72 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.
- 73 In the year ended March 2025, 75,582 SNGs were paid to people aged 65 or over.²⁴
- 74 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
 - purchase goods and services from an approved supplier when there is an arrangement in place.
- 75 A person does not need to be receiving NZS/VP or a main social security benefit to qualify for a SNG.
- 76 For people aged 65 or over, the average value for a SNG in the year ended March 2025 was \$365, with the total value \$27.6 million.
- 77 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.

²⁴ 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.

Table 14: Number of Special Needs Grants paid for clients aged 65 or over

Reason group	Year ended March 2019	Year ended March 2022	Year ended March 2025
Ambulance Subscription Fees	240	222	246
Driver Licence	27	45	51
Effluent Treatment	105	111	123
Emergency Housing	1,271	4,383	1,761
Food	23,335	42,375	47,055
Health Related	385	426	483
Housing Support Product Rent Arrears		57	1,119
Impounded Car Fees		3	6
Medical and Associated Costs	5,964	6,282	13,494
Other Emergency Situations	980	1,278	8,469
People Affected by Benefit Stand Downs	27	6	15
Re-Establishment Accommodation Element	12	6	15
Re-Establishment Grants	144	111	168
Security Deposits for Emergency and Transitional Housing		12	117
Student Allowance Transfer Grant		3	3
Transfer to NZS	2,648	2,481	2,454
Youth Transition	9	3	3
Total	35,147	57,810	75,582

Source: MSD administrative data

Advance payment of NZS/VP or other main benefit

- 78 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 2025, the number of advances made to people aged 65 or over totalled 46,881.²⁵
- 79 To receive an Advance Payment of Benefit a person must:
- be receiving a benefit or pension
 - 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.
- 80 For the year ended March 2025, the average advance value was \$721. The total amount paid for advances was \$33.8 million.
- 81 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.

²⁵ 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.

Table 15: Number of Advances Payment of Benefit paid for clients aged 65 or over as at March 2025

Reason		Year ended March 2019	Year ended March 2022	Year ended March 2025
Advances		1,234	2,094	2,892
Ambulance Subscription Fees		43	33	30
Medical and Associated Costs		10,147	10,566	14,286
Other Emergency Situations (SNG)	Accommodation	2,046	2,352	n/a ²⁶
	Bedding	129	342	552
	Beds, Table, Chairs	757	1,017	1,599
	Bonds, Tenancy	2,278	2,136	n/a
	Car Repairs	3,836	4,563	5,892
	Clothing, Car restraints, Safety Helmets	720	1,572	1,758
	Electricity, Gas	1,803	2,001	2,037
	Fire Loss, Burglary	14	9	21
	Funeral, Tangihanga	333	423	603
	Other	9,909	14,541	12,186
	Rent Arrears	775	900	n/a
	Stranded Travel	315	444	537
	Telephone Installation	15	6	9
	Washing Machines, Fridge	2,670	2,820	3,375
School Education Costs		382	243	285
Urgent House Repairs and Maintenance		670	639	819
Total		38,076	46,686	46,881

Source: MSD administrative data

Service Delivery

- 82 “Our Commitment to You” is a publicly available document that reflects MSD’s service commitments and what MSD are doing to strengthen our service culture. Mana Manaaki – a positive experience every time, underpins our commitments to those who engage with MSD.
- 83 In 2020, MSD made changes to the Front of House area in Service Centres to create a safe, warm, and welcoming space that supports the diverse abilities of people who access MSD services. To ensure that changes reflected the needs of clients, whānau and community, MSD worked with a wide range of people and organisations who visit in a co-design process.
- 84 All MSD regions have dedicated Senior Services Case Managers who provide a face-to-face service to Seniors clients and all Senior Services Case Managers, alongside processing teams in Centralised Services, operate as a national team to manage requests from Seniors clients to process these and/or offer a phone appointment to meet needs.
- 85 MSD 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 MSD via our 0800 number for a range of assistance, including

²⁶ There have been changes since 2022 to the way MSD records data relating to Advance Payment of Benefits. Accommodation, Car Repairs, and Rent Arrears are no longer recorded as separate reasons and have been reflected in other categories listed above for data recording purposes.

general enquiries, applying for financial assistance, and making changes to their information.

- 86 The Work and Income website and Services for Seniors brochure is updated regularly so that people can access relevant information easily.
- 87 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, Grey Power and Work and Income service centres. People can also ask for a copy to be sent to them.

SuperGold Card

- 88 The SuperGold Card was introduced in August 2007. It is a discount and concession card managed by MSD. 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.
- 89 As at the end of May 2025, the number of SuperGold Card holders was 904,791.
- 90 In regard to businesses participating in the SuperGold programme, as at the end of May 2025 there were 5,716 participating businesses represented by 10,680 outlets. From 1 July 2024 to 31 May 2025, 497 new businesses have joined the SuperGold programme. In October 2019 a new SuperGold website and mobile app were launched. Since then, there have been over 650,000 (cumulative) SuperGold app downloads.
- 91 The SuperGold Card can also be used at participating Seniors Card businesses in participating states in Australia.

Community Services Card

- 92 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 NQP 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, unless they are coming off a NQP payment. A Community Services Card is granted automatically to clients receiving Accommodation Supplement, a Residential Care Subsidy, Residential Support Subsidy, and those residing in social housing. 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.
- 93 As at the end of 29 May 2025, the number of NZS recipients who have a combined SuperGold and Community Services Card was 345,777.

Appeals process

- 94 A person can apply for a review of decision by a Benefits Review Committee (BRC) if they are unhappy with a decision made by MSD under the Social Security Act 2018, or Part 1 of the NZSRI Act 2001, or Part 6 of the Veterans' Support Act 2014, with the exception of decisions referenced to under section 175(2) of the Veteran's Support Act 2014.
- 95 A client has no right of appeal to the Social Security Appeal Authority (and therefore no right to apply for a Review of Decision):

- 95.1 for a decision made on medical grounds for Supported Living Payment (health condition, injury or disability), Jobseeker Support (health condition, injury or disability), Child Disability Allowance or Veterans Pension
- 95.2 for a decision to decline entitlement to a Veteran's Pension on the basis that the service is not qualifying operational service - though Veterans' Affairs can be asked to review that decision.
- 96 Administratively, an internal review may be undertaken as an initial phase of the review process. Depending on the outcome of an internal review, the matter will automatically progress to a BRC, unless the client ends the process by voluntarily withdrawing their review. An MSD client has the right of appeal to the Social Security Appeal Authority (SSAA) post-BRC, but not MSD. Both MSD and the client have the right of appeal on any question of law post-SSAA to the High Court, Court of Appeal and Supreme Court.
- 97 In relation to the number of review applications related to NZS and VP, in the period between 1 April 2024 to 1 April 2025, a total of 759 reviews were received, of which 754 related to NZS and five related to VP.
- 98 In relation to the number of review cases resolved by a Benefits Review Committee, for NZS and VP 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

- 99 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

- 100 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 MSD.

Residential Care Loans

- 101 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. MSD administers the loan scheme.

Residential Support Subsidies

- 102 A Residential Support Subsidy is available to people with physical, sensory, intellectual, psychiatric disabilities (including drug and alcohol rehabilitation) or disabling chronic health conditions who are receiving residential support services. An RSS is available for, but not exclusively to people aged 65 and over. Clients with age-related disabilities are not paid Residential Support Subsidy but may be eligible to receive a Residential Care Subsidy as discussed above.

Funeral Grants

- 103 A Funeral Grant is a non-taxable lump sum payment of up to \$2,616.12 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

- 104 The Rates Rebate Scheme is a form of financial relief for low-income people of all ages who own their own home or live within a retirement village. The rebate partially refunds rates paid to their local council. The Department of Internal Affairs is responsible for the rates rebate scheme and reimburses local authorities.
- 105 Through Budget 2025 the Government has introduced a new income abatement threshold to assist SuperGold Cardholders from 1 July 2025. The income abatement threshold to be eligible for the maximum rebate for SuperGold Cardholders and their households will be lifted from \$32,210 to \$45,000 – about the rate for a couple receiving superannuation. The maximum rebate for the scheme will also increase from \$790 to \$805.

New Zealand's retirement income policy: future context

- 106 Population ageing is a world-wide phenomenon. Increasing numbers of people will become eligible for NZS/VP each year. In 2024, 17 percent of the New Zealand population were aged 65 and over (0.87 million). The proportion of the population aged 65+ has a 90 percent probability of increasing to between 21 and 24 percent in 2051 (between 1.44 and 1.55 million), and to between 25 and 33 percent in 2078 (between 2.04 and 2.45 million).²⁷ Increasing life expectancy is contributing to an increase in the number of super annuitants.
- 107 Maintaining policies that encourage people to make adequate provisions 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

- 108 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.
- 109 Based on Stats NZ projections, the labour force will grow and grey.²⁹ In 2043, it is expected that between 7 and 11 percent of the labour force will be aged 65+, compared with 6 percent in 2020. By 2073, between 7 and 15 percent of the labour force will be aged 65+. ³⁰ Labour force participation is defined as regularly working one or more hours per week or actively seeking work.
- 110 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.

²⁷ Statistics New Zealand. (4 June 2025). *National population projections: 2024(base)–2078*. www.stats.govt.nz/information-releases/national-population-projections-2024base2078/

²⁸ Generally regarded as those born between 1946 and 1964.

²⁹ Statistics New Zealand. (10 June 2021). *Labour forced projected to grow and grey*. www.stats.govt.nz/news/labour-force-projected-to-grow-and-grey

³⁰ Statistics New Zealand. (10 June 2021). *National Labour Force Projections: 2020(base) –2073*. www.stats.govt.nz/information-releases/national-labour-force-projections-2020base-2073/

- 111 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.
- 112 In addition to these policy settings, a number of other factors may influence a person turning 65 to stay in work. 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.
- 113 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.³¹

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

- 114 Recent research³² 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 research³³ highlights, using the dollar values applicable in 2021, that:
- older New Zealanders' earnings from paid employment are projected to rise from \$5.9 billion in 2021 to around \$30.7 billion in 2071
 - the amount of tax paid by older New Zealanders is projected to increase from about \$15 billion in 2021 to \$69 billion by 2071
 - the value of unpaid and voluntary work undertaken by older people could rise from between \$15 and \$20 billion per year in 2021 to between \$99 and \$114 billion per year by 2071

³¹ Ministry of Social Development. (September 2009). *To Work, or Not to Work?* www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/turning-65/to-work-or-not-to-work-findings-from-survey-of-65-yr-olds.pdf

³² New Zealand Institute of Economic Research. (July 2024). *Business of ageing: 2023 update NZIER report to the Office for Seniors*. <https://officeforseniors.govt.nz/our-work/ageing-research/>

- The total value of expenditures by older people is projected to increase from \$31 billion per year in 2021 to \$176 billion per year in 2071.

Conclusion

- 115 This report has outlined the public provision of retirement income in 2025 and compared this with 2016, 2019 and 2022. MSD looks forward to being of any further assistance to the Retirement Commissioner in completing the 2025 Review.