

New Zealand Super settings and a globally mobile population

SUMMARY

This paper considers how the current policies related to New Zealand Superannuation (NZ Super) operate in the context of an increasingly globally mobile population, before, at, and after the age of eligibility. In particular, the paper focuses on two key legislative principles of “**resident and present**” and “**ordinarily resident**” that underpin current NZ Super settings. There have been a number of changes to the policy design features (settings) of NZ Super over the past few decades that reflect our change to a globally mobile population. These include improvements to portability settings and the modernisation work. However, there are further opportunities for improvement, both legislative and operational.

KEY POINTS

NZ Super is a universal non-contributory pension with specific eligibility criteria related to periods of residence. The heart of eligibility for NZ Super is a close connection and contribution to New Zealand.

- **Before age 65:** People are generally required to spend at least 10 years (rising to 20 years), including 5 years over the age of 50, being both resident and present in New Zealand before they become eligible to receive NZ Super. Some of this time can be spent in a Realm country, and the full time period may be spent in a Social Security Agreement (SSA) country.
- **At age 65:** A person must be ordinarily resident in New Zealand at the time of application for NZ Super, with specific exceptions for Realm countries and SSA countries. A person must also apply for overseas pensions, meeting specific criteria, to which they are entitled.
- **After age 65:** Superannuitants are required to be ordinarily resident in New Zealand to continue to receive NZ Super, with specific exceptions for both temporary and more permanent absences.
 - You can travel outside New Zealand for up to 26 weeks and still receive the full amount of NZ Super, provided you remain ordinarily resident in New Zealand.
 - You can travel or live outside New Zealand for more than 26 weeks and still receive some or all of your NZ Super (with the amount depending on how long you have lived in New Zealand) if you travel to or live in a specified Pacific country or non-SSA country.
 - You can travel or live outside New Zealand for more than 26 weeks and still receive a pension (which may be NZ Super, or a foreign pension, or a combination of both) if you travel to or live in an SSA country.



MAIN MESSAGE

The New Zealand retirement income legislation has evolved over time in response to an increasingly globally mobile population. Both the work to improve portability settings in the 1990s and 2000s, and the more recent modernisation work, have done much to ensure that the legislation accounts for a globally mobile population. However, recent events have highlighted that there is room for improvement, and that there should be sufficient flexibility to allow exceptions for unusual, unlikely, but impactful events such as pandemics and wars.

Amendments made to NZ Super legislation reflecting a global mobile population

