

[AS REPORTED FROM THE SOCIAL SERVICES COMMITTEE]

House of Representatives, 21 February 1991.

Words struck out are shown in italics within bold round brackets, or with black rule at beginning and after last line; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.

Hon. Jenny Shipley

FINANCE

ANALYSIS

Title	
1. Short Title	
PART I	
AMENDMENTS TO SOCIAL SECURITY ACT 1964	
2. This Part to be read with Social Security Act 1964	19. Payment of unmarried person's funeral expenses
3. Interpretation	20. Payment of lump sum on death of child, subject to income and means test
4. Interpretation of sections 27J to 27Z1	21. Provisions relating to children who continue education
5. Orphans' benefits	22. Special provisions where compensation or damages recoverable by applicant
6. Unsupported child's benefits	23. Limitation where applicant receiving another benefit or war pension
7. Abolition of family benefit	24. Limitation where applicant entitled to claim under Family Protection Act 1955 or Maori Affairs Act 1953
8. Handicapped child's allowance	25. Limitation in certain other cases
9. Handicapped child's allowance not payable with other benefit or pension	26. Persons unlawfully resident or present in New Zealand
10. Person to whom handicapped child's allowance payable	27. Beneficiaries in hospital
11. Subsidy on earnings of blind beneficiaries	28. Effect of absence of beneficiary from New Zealand
12. Unemployment benefits	29. Commencement and payment of benefits
13. Commencement of unemployment benefit, etc.	30. Duty to advise change of circumstances affecting entitlement to benefit
14. Job search allowance	31. Review of benefits
15. New sections inserted	32. Benefits to be inalienable
60h. Effect of refusal to seek or accept employment	33. Recovery of payments made in excess of authorised rates
60r. Certain persons not entitled to certain supplementary benefits	34. Altering rates of certain benefits on and after 1 April 1991
16. Director-General may grant emergency benefit in cases of hardship	35. Sixth Schedule amended
17. Interpretation	36. Eighth Schedule amended
18. Payment of lump sum subject to income and means test	37. Ninth Schedule amended
	38. Twentieth Schedule amended

No. 8—2

Price
incl. GST \$2.20

PART II	46. Repayment of advances
AMENDMENTS TO OTHER ACTS CONSEQUENTIAL TO ABOLITION OF FAMILY BENEFIT	PART III
<i>War Pensions</i>	VALIDATION AND CONFIRMATION OF ORDER
39. Sections to be read with War Pensions Act 1954	47. Validation and confirmation of order
40. Interpretation	PART IV
<i>Family Benefits (Home Ownership)</i>	AMENDMENT TO PUBLIC FINANCE ACT 1989
41. Sections to be read with Family Benefits (Home Ownership) Act 1964	48. This Part to be read with Public Finance Act 1989
42. Interpretation	49. Commencement of certain provisions deferred Schedule
43. Repayment of advances	
44. Death of both parents of child	
45. Resumption of payment of benefit	

A BILL INTITULED

**An Act to amend the Social Security Act 1964, the Social
Welfare (Transitional Provisions) Act 1990, and
various other Acts, to validate and confirm an order,
and to amend the Public Finance Act 1989**

5

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Finance Act 1990.

PART I

AMENDMENTS TO SOCIAL SECURITY ACT 1964

10

2. This Part to be read with Social Security Act 1964—

(1) This Part of this Act and the Schedule to this Act shall be read together with and deemed part of the Social Security Act 1964* (in this Part of this Act referred to as the principal Act).

(2) **Sections 3 (3), 12 to 16, 22, 26, 29, 31, and 37 ((1) (a) and) (2)** of this Act shall come into force on the 1st day of March 1991.

15

New

(2A) Section 37 (1) (a) of this Act shall come into force on the 2nd day of March 1991.

(3) Except as provided in **(subsection (2)) subsections (2) and (2A)** of this section, this Part of this Act and the Schedule to this Act shall come into force on the 1st day of April 1991.

20

*R.S. Vol. 13, p. 403

Amendments: 1983, No. 138; 1984, No. 8; 1984, No. 19; 1985, No. 111; 1985, No. 159; 1986, No. 39; 1987, No. 106; 1988, No. 197; 1989, No. 13 (Part V); 1989, No. 58; 1990, No. 5; 1990, No. 74

3. Interpretation—(1) Section 3 (1) of the principal Act is hereby amended by repealing the proviso to the definition of the term “beneficiary”.

5 (2) The said section 3 (1) is hereby amended by repealing the definitions of the terms “child” and “dependent child” and inserting, in their appropriate alphabetical order, the following definitions:

“‘Child’ means an unmarried person under the age of 18 years, other than a person who is—

10 “(a) Aged 16 years or 17 years; and

“(b) Financially independent:

“‘Dependent child’, in relation to any person, means a child—

15 “(a) Whose care is primarily the responsibility of that person; and

“(b) Who is being maintained as a member of that person’s family; and

“(c) Who is financially dependent on that person; and

20 “(d) Who is not a child in respect of whom payments are being made under section 363 of the Children, Young Persons, and Their Families Act 1989—

New

25 but, for the purposes of the Third, Sixth, Eighth, Ninth, and Sixteenth to Eighteenth Schedules to this Act, does not include a child in respect of whom an orphan’s benefit or an unsupported child’s benefit is being paid:

30 “‘Financially independent’, in relation to a person, means—

“(a) In full employment; or

35 “(b) In receipt of a basic grant or an independent circumstances grant under the Student Allowances Regulations 1988 (S.R. 1988/308); or

“(c) In receipt of payments under a Government-assisted scheme which the Director-General considers analogous to a benefit; or

40 “(d) In receipt of a benefit under this Part of this Act.”.

(3) The said section 3 (1) is hereby amended by inserting, in their appropriate alphabetical order, the following definitions:

New

“ ‘Ceased’, in relation to an applicant’s employment, means the date on which the applicant’s salary or wages (including holiday pay) from employment ceased: 5

“ ‘Net average wage’ means, at any given time, the average ordinary time weekly earnings (all sectors, male and female combined) after deduction of standard tax, revealed in the most recently published Department of Statistics survey of salaries and wages: 10

“ ‘Ordinarily resident’, in relation to any person, does not include being unlawfully resident in New Zealand:

“ ‘Redundancy payment’ means any payment made, after the deduction of any income tax, in relation to termination of employment (other than holiday pay); and includes a severance payment: 15

“ ‘Resident’, in relation to any person, does not include being unlawfully resident in New Zealand: 20

“ ‘Salary or wages’ includes commission, and any other remuneration from employment:

New

“ ‘Strike’ has the same meaning as in section 231 of the Labour Relations Act 1987: 25

“ ‘Temporary employment’ means full employment for a period of less than 13 weeks:

New

“ ‘Union’ has the same meaning as in section 2 of the Labour Relations Act 1987:” 30

(4) So much of section 2(1) of the Social Security Amendment Act (No. 2) 1990 as relates to the definition of the term “dependent child” is hereby repealed.

4. Interpretation of sections 27J to 27Z1—(1) Section 271(5) of the principal Act is hereby repealed. 35

(2) Section 4 (2) of the Social Security Amendment Act 1983 is hereby consequentially repealed.

5. Orphans' benefits—The principal Act is hereby amended by repealing section 28 (as substituted by section 11 (1) of the Social Security Amendment Act (No. 2) 1990), and substituting the following section:

“28. A person who is a principal caregiver in respect of a dependent child shall be entitled to receive an orphan's benefit in respect of that child if—

“(a) Each of the child's natural or adoptive parents is dead, or cannot be found, or suffers a serious long-term disablement which renders him or her unable to care for the child; and

“(b) The applicant is likely to be the principal caregiver in respect of the child for at least 1 year from the date of application for the benefit; and

“(c) The applicant is aged 18 years or over; and

Struck Out

“(d) Either—

“(i) The child was born in New Zealand or is likely to lawfully remain permanently in New Zealand; or

“(ii) The applicant has been both resident and present in New Zealand or is likely to lawfully remain permanently in New Zealand.”

New

“(d) Either—

“(i) The child is both resident and present in New Zealand; or

“(ii) The applicant has been both resident and present in New Zealand for a continuous period of 12 months at any time.”

6. Unsupported children's benefits—The principal Act is hereby amended by repealing section 29 (as so substituted), and substituting the following section:

“29. A person who is a principal caregiver in respect of a dependent child shall be entitled to receive an unsupported child's benefit in respect of the child if—

- “(a) That person is not the natural parent, adoptive parent, or step-parent of the child; and
- “(b) Because of a breakdown in the child’s family, no natural parent, adoptive parent, or step-parent of the child is able to care for the child or to provide fully for the child’s support; and 5
- “(c) The applicant is likely to be the principal caregiver in respect of the child for at least 1 year from the date of application for the benefit; and
- “(d) The applicant is aged 18 years or over; and 10

Struck Out

- “(e) Either—
- “(i) The child was born in New Zealand or is likely to lawfully remain permanently in New Zealand; or
- “(ii) The applicant has been both resident and present in New Zealand or is likely to lawfully remain permanently in New Zealand.” 15

New

- “(e) Either—
- “(i) The child is both resident and present in New Zealand; or 20
- “(ii) The applicant has been both resident and present in New Zealand for a continuous period of 12 months at any time.”

7. Abolition of family benefit—(1) The principal Act is hereby amended by repealing sections 32 to 39 and the Fifth Schedule. 25

(2) Section 61H(1)(b) of the principal Act (as enacted by section 3(1) of the Social Security Amendment Act 1990) is hereby amended by omitting the words “Third to Ninth”, and substituting the words “Third, Fourth, Sixth to Ninth”. 30

(3) The following enactments are hereby consequentially repealed:

- (a) Section 5 of the Social Security Amendment Act 1974:
- (b) Section 9 of the Social Security Amendment Act (No. 2) 1977: 35
- (c) Section 8 of the Social Security Amendment Act 1978:

- (d) Section 7 of the Social Security Amendment Act 1983 and so much of the Second Schedule to that Act as relates to the Fifth Schedule to the principal Act:
- 5 (e) Section 2 of the Social Security Amendment Act (No. 2) 1984:
- (f) Section 6 of the Social Security Amendment Act (No. 2) 1985:
- (g) Section 8 of the Social Security Amendment Act 1986:
- 10 (h) Sections 20 and 21 of the Social Security Amendment Act 1987:
- (i) Sections 12 and 13 of the Social Security Amendment Act (No. 2) 1988:
- (j) Section 3 of the Social Security Amendment Act 1989:
- 15 (k) Section 37 (4) and (5) of the Social Welfare (Transitional Provisions) Act 1990:
- (l) Section 13 of the Social Security Amendment Act (No. 2) 1990:

(m) **Sections 2 and 3 of the Social Security Amendment Act (No. 3) 1990.**
 (4) Notwithstanding the provisions of this section, where any
 20 person has properly received an advance payment of family benefit under section 36 of the principal Act in respect of any period ending after the 1st day of April 1991, family benefit in respect of the child shall be deemed to have continued for the period in respect of which the benefit was advanced.

25 **8. Handicapped child's allowance**—Section 39A of the principal Act (as inserted by section 9 (1) of the Social Security Amendment Act 1978) is hereby amended by omitting the words “child in respect of whom a family benefit or orphan's benefit is payable under this Part of this Act, or in respect of
 30 whom a war pension is payable under the War Pensions Act 1954, and”, and substituting the words “dependent child”.

9. Handicapped child's allowance not payable with other benefit or pension—Section 39D (a) of the principal Act (as so inserted) is hereby amended by omitting the words
 35 “a family benefit”, and substituting the words “an unsupported child's benefit”.

10. Person to whom handicapped child's allowance payable—The principal Act is hereby amended by repealing section 39E (as so inserted), and substituting the following
 40 section:

“39E. The Director-General may, in his or her discretion, pay a handicapped child's allowance granted under section 39A of

this Act to the person who is the principal caregiver in respect of the child or, if there is no such person, to the person for the time being having the care and control of the child.”

11. Subsidy on earnings of blind beneficiaries—

(1) Section 43 of the principal Act is hereby amended by omitting from the proviso the words “(other than a family benefit and an additional benefit for a dependent child or children)”.

(2) Section 12 of the Social Security Amendment Act 1972 is hereby consequentially repealed.

Struck Out

12. Unemployment benefits—(1) Section 58 (1) of the principal Act is hereby amended by repealing paragraphs (b) and (c).

(2) Section 31 of the Finance Act 1989 is hereby consequentially repealed.

New

12. Repealing provisions relating to commencement of sickness benefit—(1) Section 57 of the principal Act is hereby repealed.

(2) Section 7 of the Social Security Amendment Act 1982 is hereby consequentially repealed.

12A. Unemployment benefits—(1) Section 58 (1A) of the principal Act is hereby repealed.

(2) Section 12 (2) of the Social Security Amendment Act 1978 is hereby consequentially repealed.

12B. Rates of unemployment benefits—Section 59 (1) of the principal Act is hereby amended by omitting the word “The”, and substituting the words “Except as provided in section 60L of this Act, the”.

13. Commencement of unemployment benefit, etc.—

(1) The principal Act is hereby amended by repealing section 60, and substituting the following section:

Struck Out

“60. (1) In this section—

5 “‘Average income’, in relation to an applicant, means the average, during the 26 weeks immediately preceding the date on which the applicant’s employment ceased, of the applicant’s weekly income:

10 “‘Benefit’ means an independent youth benefit under section 60F of this Act, a job search allowance under section 60D of this Act, or an unemployment benefit under section 58 of this Act:

15 “‘Ceased’, in relation to an applicant’s employment, means the date on which the applicant’s salary or wages (including holiday pay) from employment ceased.

“ (2) Except as otherwise provided in this Act or in this section, the payment of a benefit shall commence on—

20 “(a) The 14th day after the date of receipt of the application for the benefit; or

“ (b) The 15th day after the date on which the applicant’s employment ceased—
whichever is the later date.

25 “ (3) Except in any case to which **subsection (4) or subsection (5) or subsection (6) or subsection (7)** of this section applies, where the Director-General considers the applicant would otherwise suffer serious hardship, the Director-General may determine to commence payment of a benefit 1 week earlier than the date on which it would otherwise commence under **subsection (2)** of this section.

30 “ (4) If—

“ (a) An applicant for a benefit has lost his or her employment for any reason not referred to in **subsection (5) or subsection (6)** of this section; and

“ (b) The applicant’s average income exceeded the net average wage plus \$50—

35 the payment of a benefit shall be postponed for a period commencing on the date on which it would otherwise commence pursuant to **subsection (2)** of this section, that period to be calculated as follows:

40 “ (c) One week, if that average income exceeded the net average wage by \$50 or more but less than \$100:

“ (d) Two weeks, if that average income exceeded the net average wage by \$100 or more but less than \$150:

Struck Out

“(e) Four weeks, if that average income exceeded the net average wage by \$150 or more but less than \$200:

“(f) Six weeks, if that average income exceeded the net average wage by \$200 or more but less than \$250: 5

“(g) Eight weeks, if that average income exceeded the net average wage by \$250 or more:

“Provided that, where the applicant applied for the benefit on a date later than the 15th day after the date on which the applicant’s employment ceased, the period of postponement to be applied pursuant to this subsection shall be reduced by the period between that day and the date of application for the benefit. 10

“(5) If an applicant for a benefit has—

“(a) Lost his or her employment because of redundancy or the permanent closure of his or her place of employment; and 15

“(b) Received a redundancy payment as a result— the payment of the benefit shall be postponed for a period commencing on the date on which it would otherwise commence pursuant to **subsection (2)** of this section, that period being such number of weeks (rounded down to a whole number) as the amount of the redundancy payment is divisible by the weekly amount of benefit the applicant would otherwise be entitled to receive, but that period of postponement shall not exceed 24 weeks: 20 25

“Provided that where the applicant applied for the benefit on a date later than the 15th day after the date on which the applicant’s employment ceased, the period of postponement to be applied pursuant to this subsection shall be reduced by the period between that day and the date of application for the benefit. 30

“(6) If the Director-General is satisfied that an applicant for a benefit has voluntarily become unemployed without a good and sufficient reason, the payment of a benefit shall not commence until the expiry of a period of 24 weeks commencing on the date on which it would otherwise commence pursuant to **subsection (2)** of this section. 35

“(7) If the Director-General is satisfied that an applicant for a benefit has lost his or her employment because of misconduct as an employee, the Director-General, in his or her discretion, may postpone the commencement of the benefit for a period 40

Struck Out

of 24 weeks commencing on the date on which it would otherwise commence pursuant to **subsection (2)** of this section.”

New

5 “60. (1) In this section, ‘benefit’ means an unemployment benefit under section 58 of this Act, a job search allowance under section 60D of this Act, or an independent youth benefit under section 60F of this Act.

10 “(2) Except as otherwise provided in this Act or in this section, the payment of a benefit shall commence on—

“(a) The 14th day after the date of receipt of the application for the benefit; or

“(b) The 15th day after the date on which the applicant’s employment ceased—

15 whichever is the later date.

“(3) In any case to which **section 60H**, **section 60I**, or **section 60J** of this Act applies, the payment of a benefit shall commence on—

“(a) The day after the date on which the applicant became entitled to receive it; or

20 “(b) The day after the date on which the application was received—

whichever is the later date.

25 “(4) Except in any case to which **subsection (3)** of this section applies, where the Director-General considers the applicant would otherwise suffer serious hardship, the Director-General may determine to commence payment of a benefit 1 week earlier than the date on which it would otherwise commence under **subsection (2)** of this section.”

30 (2) Section 16 of the Social Security Amendment Act (No. 2) 1990 is hereby consequentially repealed.

Struck Out

35 **14. Job search allowance**—Section 60D (1) (b) of the principal Act (as inserted by section 17 (1) of the Social Security Amendment Act (No. 2) 1990 is hereby amended by omitting the expression “(b) to “(d)”, and substituting the expression “(d)”.

15. New sections inserted—The principal Act is hereby amended by inserting, after section 60G, the following sections:

Struck Out

- “60H. **Effect of refusal to seek or accept employment**—
- (1) The Director-General shall suspend for 26 weeks any unemployment benefit, job search allowance, or independent youth benefit, if— 5
- “(a) The beneficiary fails without good and sufficient reason to undergo any work assessment required by the Director-General; or 10
- “(b) The Director-General is satisfied that the beneficiary could reasonably be expected to be in full employment, and either—
- “*(i)* Is making insufficient efforts to find full employment; or 15
- “*(ii)* Is not prepared to take up available opportunities for suitable employment (including temporary or seasonal employment); or
- “*(c)* Fails without good and sufficient reason to undertake work-related training or any other activity which the Director-General considers would increase the likelihood of the beneficiary obtaining employment. 20
- “*(2)* For the purposes of subsection (1) (b) of this section, and without limiting its provisions, a beneficiary who fails without good and sufficient reason to attend any job interview to which he or she is referred by the New Zealand Employment Service, shall be considered to be making insufficient efforts to find full employment. 25
- “*(3)* If the Director-General is satisfied that any person receiving an unemployment benefit, a job search allowance, or an independent youth benefit— 30
- “*(a)* Could reasonably be expected to undertake employment; and
- “*(b)* Has declined an offer of suitable employment (including temporary or seasonal employment) without good and sufficient reason after previously having declined such an offer without good and sufficient reason while receiving the benefit or allowance currently payable— 35
- the Director-General shall suspend the benefit or allowance for a period of 26 weeks. 40

Struck Out

“(4) In this section, ‘suitable employment’, in relation to any person, means employment determined by the New Zealand Employment Service as suitable for that person to undertake.

5 “**60I. Certain persons not entitled to certain supplementary benefits**—Any person whose entitlement to receive a benefit or allowance has been postponed, suspended, or cancelled under **section 60** or **section 60H** of this Act, or who has
10 been refused a benefit or allowance under **section 60H (1)** of this Act, shall not be entitled to receive—

 “(a) An emergency benefit under section 61 of this Act; or

 “(b) An accommodation benefit under section 61E of this Act;

 or

15 “(c) A special benefit under section 61G of this Act—
during the period of postponement or suspension or after the date of cancellation or refusal, as the case may be.”

New

20 “**60H. Further conditions of entitlement for unemployment benefit, etc.**—(1) In this section and in **sections 60I to 60K** of this Act, unless the context otherwise requires, ‘benefit’ means an unemployment benefit under section 58 of this Act, a job search allowance under section 60D of this Act, or an independent youth benefit under section 60F of this Act.

25 “(2) If the Director-General is satisfied that an applicant for a benefit—

 “(a) Has voluntarily become unemployed without good and sufficient reason; or

30 “(b) Has been in receipt of payments under a Government-assisted scheme which the Director-General considers analogous to a benefit and has voluntarily ceased to be part of that scheme without good and sufficient reason—

35 the applicant shall not be entitled to a benefit for a period of 26 weeks commencing on the date on which the applicant’s employment, or participation in that scheme, ceased, as the case may be.

New

“(3) If the Director-General is satisfied that an applicant for a benefit—

“(a) Has lost his or her employment because of misconduct as an employee; or 5

“(b) Has ceased to be part of a Government-assisted scheme which the Director-General considers analogous to a benefit by reason of any misconduct—

the Director-General, in his or her discretion, may determine that— 10

“(c) The applicant shall not be entitled to a benefit for a period of 26 weeks commencing on the date on which the applicant’s employment or participation in that scheme ceased; or

“(d) The applicant shall be entitled to a benefit on the condition that, if a Court, person, or body authorised by law to determine the matter determines the misconduct to be proved, the Director-General, in his or her discretion, may direct that any payments of the benefit made during the 26 weeks commencing on the date on which the applicant’s employment or participation in the scheme ceased, shall be repayable; and, if the Director-General so directs, those payments shall be recoverable under section 86 (1) of this Act as if they were instalments of a benefit in excess of the amount to which the beneficiary was entitled. 15 20 25

“60i. **Effect of redundancy payments, etc., on entitlement to benefits—**(1) In this section—

“‘Average income’, in relation to an applicant, means the applicant’s average weekly income, after the deduction of income tax, during the 26 weeks immediately preceding the date on which the applicant’s employment ceased: 30

“‘Income’ includes unemployment benefits, domestic purposes benefits, sickness benefits, invalids’ benefits, widows’ benefits, emergency benefits, job search allowances, independent youth benefits, and accommodation benefits paid under this Part of this Act, and family support paid under Part XIA of the Income Tax Act 1976. 35 40

New

“(2) If an applicant for a benefit has—

“(a) Lost his or her employment on or after the 1st day of March 1991 because of redundancy or the permanent closure of his or her place of employment; and

“(b) Received a redundancy payment as a result—
the applicant shall not be entitled to a benefit for a period commencing on the date on which the applicant’s employment ceased, that period being 2 weeks plus such number of weeks (rounded down to a whole number) as the amount of the redundancy payment is divisible by the weekly amount of benefit the applicant would otherwise be entitled to receive, but that period of non-entitlement shall not exceed 26 weeks.

“(3) If an applicant for a benefit—

“(a) Has lost his or her employment for any reason not referred to in **section 60H** of this Act; and

“(b) Had an average income exceeding the net average wage plus \$50—

the applicant shall not be entitled to a benefit for a period commencing on the date on which the applicant’s employment ceased, that period to be calculated as follows:

“(c) Three weeks, if that average income exceeded the net average wage by \$50 or more but less than \$100:

“(d) Four weeks, if that average income exceeded the net average wage by \$100 or more but less than \$150:

“(e) Six weeks, if that average income exceeded the net average wage by \$150 or more but less than \$200:

“(f) Eight weeks, if that average income exceeded the net average wage by \$200 or more but less than \$250:

“(g) Ten weeks, if that average income exceeded the net average wage by \$250 or more.

“**60J. Effect of refusal to seek or accept employment—**

(1) The Director-General shall cancel any benefit, and the beneficiary shall not be entitled to receive a benefit for a period of 26 weeks from the date of cancellation, if—

“(a) The beneficiary fails, without good and sufficient reason, to—

“(i) Undergo any work assessment required by the Director-General; or

New

- “(ii) Undertake work-related training or any other activity which the Director-General considers would increase the likelihood of the beneficiary obtaining employment; or 5
- “(b) The Director-General is satisfied that the applicant could reasonably be expected to be in full employment, and either—
- “(i) Is making insufficient efforts to find full employment (including temporary or seasonal employment); or 10
- “(ii) Has declined 2 offers of suitable employment (including temporary or seasonal employment) without good and sufficient reason while receiving the benefit currently payable; or 15
- “(iii) Without good and sufficient reason has failed to make himself or herself available for suitable employment (including temporary or seasonal employment).
- “(2) For the purposes of **subsection (1) (b) (i)** of this section, and without limiting its provisions, a beneficiary who fails without good and sufficient reason to attend 2 job interviews to which he or she is referred by the New Zealand Employment Service, while receiving the benefit currently payable, shall be considered to be making insufficient efforts to find full employment. 25
- “(3) In this section ‘suitable employment’, in relation to any person, means employment which the New Zealand Employment Service has determined as suitable for that person to undertake. 30
- “**60K. Effect of undertaking full employment**—If a person who is not entitled to receive a benefit due to the application of any of the provisions of **section 60H** or **section 60J** of this Act undertakes full employment for not less than a total of 6 weeks during the period of non-entitlement, the remainder of that period of non-entitlement shall lapse, and any subsequent application for a benefit by that person shall be treated as a new application for a benefit. 35
- “**60L. Effect of sections 60H to 60J on entitlement to supplementary benefits and on spouses**—(1) Any person who is not entitled to a benefit due to the application of any of 40

New

the provisions of section 60H or section 60I or section 60J of this Act shall not be entitled to receive—

- 5 “(a) An emergency benefit under section 61 of this Act; or
 “(b) An accommodation benefit under section 61E of this Act;
 or

 “(c) A special benefit under section 61G of this Act—
 during that period of non-entitlement.

- 10 “(2) If an applicant for an unemployment benefit—
 “(a) Is unemployed; and
 “(b) Has a spouse who is unemployed but who is not entitled
 to a benefit due to the application of paragraph (b)
 of the proviso to section 58 (1) or of section 60H or
 section 60J of this Act—

- 15 the rate of unemployment benefit that the applicant shall be
 entitled to receive during the period of non-entitlement of the
 spouse shall be the appropriate rate specified in clause 5 of the
 Ninth Schedule to this Act.

- 20 “(3) The spouse of a person who is unemployed but who is
 not entitled to a benefit due to the application of section 60I of
 this Act shall not be entitled to receive any benefit under this
 Part of this Act to which his or her spouse is not entitled.”

- 25 **16. Director-General may grant emergency benefit in
 cases of hardship**—Section 61 (1) of the principal Act is
 hereby amended—

- (a) By omitting from paragraph (b) the words “(other than a
 family benefit)”;
 (b) By omitting from the first and second provisos the words
 “or an unemployment benefit” wherever they occur,
 30 and substituting in each case the words “an
 unemployment benefit, an independent youth
 benefit, or a job search allowance”.

- 35 **17. Interpretation**—(1) Section 61D (1) of the principal Act
 (as inserted by section 9 (1) of the Social Security Amendment
 Act 1982) is hereby amended by repealing the definition of the
 term “child”, and substituting the following definition:

 “‘Child’ means a dependent child in respect of whom a
 deceased person was the principal caregiver
 immediately before that person’s death.”

(2) Section 8 of the Social Security Amendment Act (No. 2) 1985 is hereby consequentially repealed.

18. Payment of lump sum subject to income and means test—(1) Section 61DC of the principal Act (as so inserted) is hereby amended by repealing subsection (4), and substituting the following subsection: 5

“(4) Notwithstanding anything in section 61D of this Act, the Director-General may make a payment under this section in respect of a child of a deceased person who was born after that person’s death if— 10

“(a) That child is a dependent child; and

“(b) The Director-General considers that the deceased person would have been the principal caregiver of that child had he or she survived.”

(2) Section 14 of the Social Security Amendment Act (No. 2) 1988 is hereby consequentially repealed. 15

19. Payment of unmarried person’s funeral expenses—Section 61DD of the principal Act (as so inserted) is hereby amended by repealing paragraph (a), and substituting the following paragraph: 20

“(a) That person was not a dependent child;”.

20. Payment of lump sum on death of child, subject to income and means test—(1) The principal Act is hereby amended by repealing section 61DE, and substituting the following section: 25

“61DE. (1) On the death of a dependent child, the Director-General may in his or her discretion pay the sum of \$795 to the person who was the principal caregiver in respect of the child on the date of death if—

“(a) Section 81 of the Accident Compensation Act 1982 does not apply in respect of the child; and 30

“(b) The annual income of the principal caregiver is such that it would not prevent the payment of an invalid’s benefit to him or her if he or she was otherwise entitled to receive it; and 35

“(c) The assets of the principal caregiver do not exceed \$10,000.

“(2) For the purposes of this section a child who is stillborn after not less than 28 weeks’ gestation shall be treated as a dependent child, and the person whom the Director-General considers would have been the principal caregiver had the child survived shall be treated as a principal caregiver.” 40

(2) The following enactments are hereby consequentially repealed:

- (a) Section 11 of the Social Security Amendment Act (No. 2) 1985:
- 5 (b) Section 23 of the Social Security Amendment Act 1987:
- (c) Section 15 (3) of the Social Security Amendment Act (No. 2) 1988.
- (3) Clause 2 (3) of the Social Security (Miscellaneous Rates) Order 1990 (S.R. 1990/258) is hereby consequentially revoked.

10 **21. Provisions relating to children who continue education**—The principal Act is hereby amended by inserting, after section 63, the following section.

- 15 “63A. Where a child aged 18 years or over is not financially independent and is attending school or a tertiary educational establishment, the Director-General may, in his or her discretion, as if the child had not attained the age of 18 years, grant or continue to pay an orphan’s benefit or an unsupported child’s benefit in respect of the child, or pay any other benefit at the appropriate rate that includes that child as a dependent child of the beneficiary, for such period or periods as the Director-General determines, expiring not later than the pay day immediately after the 31st day of December in the year in which the child attains the age of 18 years.”

25 **22. Special provisions where compensation or damages recoverable by applicant**—Section 71 (1) of the principal Act is hereby amended by inserting, after the words “or disease”, the words “or due to wrongful or unjustifiable dismissal”.

30 **23. Limitation where applicant receiving another benefit or war pension**—Section 72 (a) of the principal Act (as substituted by section 21 (1) of the Social Security Amendment Act 1978) is hereby amended by repealing the proviso.

35 **24. Limitation where applicant entitled to claim under Family Protection Act 1955 or Maori Affairs Act 1953**—Section 73 (1) of the principal Act (as amended by section 23 of the Social Security Amendment Act 1976) is hereby amended by omitting the words “a miner’s widow’s benefit, or a family benefit”, and substituting the words “or a miner’s widow’s benefit”.

40

25. Limitation in certain other cases—Section 74 (a) of the principal Act is hereby amended by omitting the words “(or, in the case of a family benefit, the father or the mother of the child)”.

26. Persons unlawfully resident or present in New Zealand—The principal Act is hereby amended by inserting, after section 74, the following section: 5

- “74A. (1) A person who is—
- “(a) Unlawfully resident or present in New Zealand; or
 - “(b) Lawfully resident or present in New Zealand but only by virtue of— 10
 - “(i) A visitor’s permit; or
 - “(ii) A temporary work permit; or
 - “(iii) A permit to be in New Zealand for the purposes of study at a New Zealand school or university or other tertiary educational establishment— 15

shall not be entitled to receive a benefit under this Part of this Act, but the Director-General may grant an emergency benefit under section 61 of this Act or a special benefit under section 61G of this Act to any such person if the Director-General is satisfied that the person is in the process of applying for a residence permit under section 17 (2) of the Immigration Act 1987, and is either— 20

- “(a) A person applying for refugee status in New Zealand; or 25
- “(b) Compelled to remain in New Zealand through some other unforeseen circumstance.

“(2) Notwithstanding anything in any other provision of this Act or in any Schedule to this Act—

- “(a) Any benefit granted to an applicant who is lawfully resident or present in New Zealand, but who is married to a person who is unlawfully resident or present in New Zealand, shall not be granted at the rate for an applicant who is married but shall be granted at the appropriate rate as if the applicant was not married; but 30 35
- “(b) The income and assets of both the applicant and the spouse of the applicant shall be taken into account as the applicant’s income and assets in determining the rate of benefit payable to the applicant.” 40

27. Beneficiaries in hospital—Section 75 (2) of the principal Act (as substituted by section 12 (1) of the Social Security Amendment Act 1982) is hereby amended by omitting

the words “a family benefit”, and substituting the words “an unsupported child’s benefit”.

5 **28. Effect of absence of beneficiary from New Zealand**—Section 77 (7) (a) of the principal Act (as enacted by section 2 of the Social Security Amendment Act 1985) is hereby repealed.

10 **29. Commencement and payment of benefits**—(1) The principal Act is hereby amended by repealing section 80, and substituting the following section:

10 “80. (1) Except as provided in **subsections (4), (6), and (7)** of this section, every widow’s benefit, domestic purposes benefit, sickness benefit, and invalid’s benefit shall commence on—

15 “(a) The 14th day after the date on which the applicant became entitled to receive it; or

15 “(b) The 14th day after the date on which the application was received—

whichever is the later date:

New

20 “Provided that, where the Director-General is satisfied that an applicant for a widow’s benefit, a sickness benefit, or an invalid’s benefit could not reasonably have made an application for that benefit on the date he or she became entitled to it, the Director-General may, in his or her discretion, treat an application for that benefit lodged within 28 days after the date of entitlement as having been made on that date of entitlement.

30 “(2) Where the Director-General considers that the applicant would otherwise suffer serious hardship, the Director-General may determine that the benefit shall commence 1 week earlier than the date on which it would otherwise commence under **subsection (1)** of this section.

35 “(3) Except as otherwise provided in **subsection (1)** of this section or elsewhere in this Act or in the Social Welfare (Transitional Provisions) Act 1990, every benefit shall commence on—

35 “(a) The day on which the applicant became entitled to receive it; or

“(b) The day on which the application was received—
whichever is the later date.

“(4) Where any person, while in receipt of a benefit, becomes eligible for and is granted another benefit instead, the other benefit shall commence from the day on which it was granted.

“(5) Where any person who is in receipt of a benefit accepts an offer of temporary employment which would otherwise result in the cancellation of the benefit, the benefit shall be suspended and shall recommence on the day after the temporary employment ceases, unless that person is no longer entitled to that benefit. 5

Struck Out 10

“(6) Where any person who has been in receipt of payments under a Government-assisted scheme which the Director-General considers analogous to a benefit becomes entitled to receive a benefit, payment of the benefit shall commence on—

“(a) The day on which the applicant became entitled to receive it; or 15

“(b) The day on which the application was received— whichever is the later date, unless that person—

“(c) Voluntarily ceased to be part of that scheme without good and sufficient reason; or 20

“(d) Ceased to be part of that scheme by reason of any misconduct—

in which case payment of that benefit shall not commence until 26 weeks after the date on which payment of the benefit would otherwise have commenced under this subsection. 25

New

“(6) Where any person who has been in receipt of payments under a Government-assisted scheme which the Director-General considers analogous to a benefit becomes entitled to receive a benefit, payment of the benefit shall commence on— 30

“(a) The day on which the applicant became entitled to receive it; or

“(b) The day on which the application was received— whichever is the later date.

“(7) Where any person becomes a resident in a programme providing treatment or care and would be required to pay for all or part of that treatment or care from a benefit, the Director-General may, in his or her discretion, commence payment of any benefit on a date earlier than the date on 35

which it would otherwise commence, but not so as to commence payment on a date earlier than the date on which the applicant entered into residence under the programme or the date the applicant qualified for the benefit, whichever is the later.

5 “(8) Every benefit shall continue to be payable while the beneficiary remains entitled to receive it and shall cease on such date as the Director-General determines (being not earlier than the pay day before the date on which entitlement ceased and not later than the pay day after that date):

10 “Provided that—

15 “(a) Where a beneficiary in receipt of guaranteed retirement income or of a veteran’s pension or of a widow’s, domestic purposes, invalid’s, miner’s, sickness, independent youth, training, or unemployment benefit (or of a job search allowance, or), or of a related emergency benefit, dies leaving a spouse or child not entitled to a lump sum payment under section 82 of the Accident Compensation Act 1982, the Director-General shall continue to pay instalments of the benefit covering the period of 4 weeks following the date of death:

20 “(b) Where a person in receipt of a veteran’s pension or guaranteed retirement income (to whom paragraph (a) of this proviso does not apply) dies, the benefit shall cease on the day following the pay day immediately preceding the date of death:

25 “(c) In any other case where a beneficiary dies, the benefit shall cease on the date of death of the beneficiary or such later date as the Director-General determines, being not later than 4 weeks following the date of death:

30 “(d) Where a beneficiary in receipt of a domestic purposes benefit or a widow’s benefit no longer qualifies for that benefit because—

35 “(i) There ceases to be a child in respect of whom the benefit is payable; or

40 “(ii) In the case of a benefit under section 27G of this Act the patient has died or been admitted to hospital—

the Director-General shall continue to pay instalments of the benefit covering the period of 8 weeks following the date on which the beneficiary ceased to qualify:

“(e) If a child in respect of whom an unsupported child’s benefit or an orphan’s benefit is payable ceases to be entitled to the benefit, the benefit shall cease on such date as the Director-General determines, being a date not earlier than the date on which entitlement ceased and not later than 4 weeks after that date.” 5

(2) The following enactments are hereby consequentially repealed:

- (a) Section 37 (7) of the Social Welfare (Transitional Provisions) Act 1990: 10
- (b) Section 19 of the Social Security Amendment Act (No. 2) 1990:
- (c) **Section 4 of the Social Security Amendment Act (No. 3) 1990.**

30. Duty to advise change of circumstances affecting entitlement to benefit—Section 80A (2) of the principal Act (as inserted by section 7 of the Social Security Amendment Act 1984) is hereby repealed. 15

31. Review of benefits—Section 81 of the principal Act (as substituted by section 37 (8) of the Social Welfare (Transitional Provisions) Act 1990) is hereby amended by adding the following subsection: 20

“(3) If, after reviewing a benefit under subsection (1) of this section, the Director-General considers the beneficiary is more appropriately entitled to receive some other benefit, the Director-General may, in his or her discretion, cancel the benefit the beneficiary was receiving and grant that other benefit commencing from the date of cancellation.” 25

32. Benefits to be inalienable—Section 84 (3) of the principal Act is hereby repealed. 30

33. Recovery of payments made in excess of authorised rates—Section 86 (10) of the principal Act is hereby repealed.

34. Altering rates of certain benefits on and after 1 April 1991—(1) Each provision of the principal Act specified in the first column of the Schedule to this Act is hereby amended by omitting every expression set out opposite to it in the second column of that Schedule, wherever that expression occurs, and substituting in each case the expression set out opposite to it in the third column of that Schedule. 35

(2) The Social Security (Rates of Benefits) Order 1990 (S.R. 1990/64) is hereby amended by revoking so much of the Schedule as relates to those provisions of the principal Act set out in the Schedule to this Act.

5 **35. Sixth Schedule amended**—The Sixth Schedule to the principal Act (as substituted by section 36 (1) of the Finance Act 1989) is hereby amended by repealing the second proviso to clause 1.

10 **36. Eighth Schedule amended**—(1) Clause 1 of the Eighth Schedule to the principal Act (as so substituted) is hereby amended by inserting, after paragraph (a), the following paragraph:

“(aa) To an unmarried beneficiary of or over the age of 18 years and under the age of 25 years without dependent children	\$129.81 a week diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.”
---	---

(2) The said clause 1 (as so substituted) is hereby amended by repealing the proviso.

15 **37. Ninth Schedule amended**—(1) The Ninth Schedule to the principal Act (as so substituted) is hereby amended—

(a) By repealing clause 1 (a) (i) and (ii);

(b) By repealing the proviso to clause 1.

20 (2) The said Ninth Schedule (as so substituted) is hereby amended by adding the following clauses:

“4. Special rate of training benefit for an unmarried beneficiary under the age of 18 years without dependent children	\$86.14 a week, diminished by 30¢ for each complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for each complete \$1 of such income in excess of \$80 a week.
--	--

New

“5. Special rate of unemployment benefit for persons to whom section 60L (2) of this Act applies	\$108.17 a week diminished by 15¢ for each complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for each complete \$1 of such income in excess of \$80 a week.”
--	---

38. Twentieth Schedule amended—(1) Clause 1 of the Twentieth Schedule to the principal Act (as substituted by section 29 (1) of the Social Security Amendment Act 1987) is hereby amended by repealing the definition of the term “weekly income”, and substituting the following definition: 5

“‘Weekly income’, in relation to a liable parent, means the liable parent’s weekly income calculated in accordance with section 64 (2A) and (3) of this Act, with the necessary modifications; and includes the weekly amount of any monetary benefit payable to the liable parent under Part I of this Act, other than an orphan’s benefit or an unsupported child’s benefit.” 10

(2) Section 27 of the Social Security Amendment Act (No. 2) 1988 is hereby consequentially repealed. 15

PART II

AMENDMENTS TO OTHER ACTS CONSEQUENTIAL TO ABOLITION OF FAMILY BENEFIT

War Pensions 20

39. Sections to be read with War Pensions Act 1954— (1) This section and section 40 of this Act shall be read together with and deemed part of the War Pensions Act 1954* (in section 40 of this Act referred to as the principal Act).

(2) This section and section 40 of this Act shall come into force on the 1st day of April 1991. 25

*R.S. Vol. 15, p. 725

Amendments: 1985, No. 75; 1986, No. 20; 1986, No. 70; 1988, No. 148; 1990, No. 6

40. Interpretation—(1) Section 2 (1) of the principal Act is hereby amended by repealing the definition of the term “dependent child”, and substituting the following definition:

“ ‘Dependent child’, in relation to a member of the forces or any other person claiming a pension or allowance under this Act, means a child who is being cared for as a member of the family of the member of the forces or other such person.”

5 (2) Section 2 of the War Pensions Amendment Act (No. 3) 1986 is hereby consequentially repealed.

Family Benefits (Home Ownership)

10 **41. Sections to be read with Family Benefits (Home Ownership) Act 1964**—(1) This section and sections 42 to 46 of this Act shall be read together with and deemed part of the Family Benefits (Home Ownership) Act 1964* (in sections 42 to 46 of this Act referred to as the principal Act).

15 (2) This section and sections 42 to 46 of this Act shall come into force on the 1st day of April 1991.

*R.S. Vol. 16, p. 139
Amendment: 1986, No. 40

20 **42. Interpretation**—(1) Section 2 (1) of the principal Act is hereby amended by omitting from the definitions of the terms “beneficiary”, “child”, and “pay period” the words “is payable” wherever they occur, and substituting in each case the words “was payable”.

(2) The said section 2 (1) is hereby amended by repealing the definition of the term “family benefit”, and substituting the following definition:

25 “ ‘Family benefit’ means the benefit of that name that was, until the 31st day of March 1991, payable under the Social Security Act 1964 in respect of a child under 16 years of age.”

30 **43. Repayment of advances**—(1) Section 15 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

35 “(1) Subject to subsection (2) of this section and to sections 18 and 19 of this Act, where an advance was made to a beneficiary under this Act, that advance shall continue to be repayable until the child in respect of whom family benefit was payable attains the age in respect of which the capitalised value of the benefit was calculated for the purposes of the advance. On attainment of that age by the child the advance, to the extent to which it was made in respect of that benefit, shall be deemed to have been repaid.”

40 (2) Section 4 (1) of the Family Benefits (Home Ownership) Amendment Act 1982 is hereby consequentially repealed.

44. Death of both parents of child—Section 16 of the principal Act is hereby amended by inserting, after the words “orphan’s benefit” in both places where they occur, the words “or an unsupported child’s benefit”.

45. Resumption of payment of benefit—Section 17 of the principal Act is hereby repealed. 5

46. Repayment of advances—Section 19 (2) (a) of the principal Act is hereby amended by inserting, after the words “benefit was payable”, the words “or the abolition of family benefit”. 10

PART III

VALIDATION AND CONFIRMATION OF ORDER

47. Validation and confirmation of order—(1) As required by section 61H of the Social Security Act 1964, the Social Security (Miscellaneous Rates) Order 1990 (S.R. 1990/258) is hereby validated and confirmed. 15

(2) Section 5 of the Finance Act (No. 3) 1990 is hereby repealed.

PART IV

AMENDMENTS TO PUBLIC FINANCE ACT 1989 20

48. This Part to be read with Public Finance Act 1989—This Part of this Act shall be read together with and deemed part of the Public Finance Act 1989* (in this Part of this Act referred to as the principal Act).

*1989, No. 44

Amendment: 1990, No. 48

49. Commencement of certain provisions deferred—Section 1 of the principal Act is hereby amended by repealing subsections (2) and (3), and substituting the following subsections: 25

“(2) Except as provided in this section, this Act shall be deemed to have come into force on the 1st day of July 1989. 30

“(3) Sections 9 (6) and 32 of this Act shall come into force on the 1st day of July 1991.

“(3A) Section 27 (3) and Part V of this Act shall come into force on the 1st day of July 1992.”

SCHEDULE

Section 34

AMENDMENTS TO SOCIAL SECURITY ACT 1964 ALTERING RATES OF CERTAIN BENEFITS ON AND AFTER 1 APRIL 1991

Provisions amended	Expressions Omitted	Expressions Substituted
Third Schedule (as substituted by section 36 (1) of the Finance Act 1989 and amended by clause 2 of the Social Security (Rates of Benefits) Order 1990)—		
Clause 1 (a)	\$11,083.28	\$9,668.36
Clause 1 (b)	\$11,901.24	\$10,547.16
Clause 2	\$8,437.52	\$7,031.44

New

Sixth Schedule (as so substituted and amended)—		
Clause 1 (e)	\$6,632.08	\$7,031.44
Clause 1 (g)	\$6,632.08	\$7,031.44
Clause 1 (i)	\$6,632.08	\$7,031.44

Eighth Schedule (as so substituted and amended)—		
Clause 1 (a)	\$131.30	\$108.17
Clause 1 (b)	\$162.26	\$135.22
Clause 1 (c)	\$213.14	\$185.93
Clause 1 (d)	\$228.87	\$202.83
Clause 1 (e)	\$127.54	\$122.93
Clause 1 (f)	\$135.22	\$122.93
Clause 1 (g)	\$127.54	\$122.93
Clause 1 (h)	\$135.22	\$122.93
Clause 1 (i)	\$127.54	\$122.93
Clause 1 (j)	\$135.22	\$122.93

Ninth Schedule (as so substituted and amended)—		
	20 years	25 years
Clause 1 (a) (iii)	\$114.86	\$108.17
Clause 1 (b)	\$143.57	\$129.81
Clause 1 (c)	\$213.14	\$185.93
Clause 1 (d)	\$228.87	\$202.83
Clause 1 (e)	\$127.54	\$114.94
Clause 1 (f)	\$111.61	\$108.17
Clause 1 (g)	\$127.54	\$114.94
Clause 1 (h)	\$111.61	\$108.17
Clause 1 (i)	\$127.54	\$114.94
Clause 1 (j)	\$111.61	\$108.17

Sixteenth Schedule (as so substituted and amended)—		
Clause 1 (a)	\$11,083.28	\$9,668.36
Clause 1 (b)	\$11,901.24	\$10,547.16
Clause 2	\$8,437.52	\$7,031.44

SCHEDULE—*continued*AMENDMENTS TO SOCIAL SECURITY ACT 1964 ALTERING RATES OF CERTAIN
BENEFITS ON AND AFTER 1 APRIL 1991—*continued*

Provisions amended	Expressions Omitted	Expressions Substituted
Seventeenth Schedule (as so substituted and amended)—		
<i>Struck Out</i>		
Clause 1	18 years	25 years
	\$6,827.60	\$6,750.12
Clause 3	\$11,083.28	\$9,668.36
Clause 4	\$11,901.24	\$10,547.16
Clause 5	\$6,632.08	\$7,031.44
Clause 7	\$6,632.08	\$7,031.44
Clause 9	\$6,632.08	\$7,031.44
Twenty-sixth Schedule (as added by section 23 of the Social Security Amendment Act (No. 2) 1990—		
Clause 1	\$114.86	\$108.17
Clause 2	\$114.86	\$108.17
Clause 3	\$114.86	\$108.17