

New Zealand

Exchange rate: US\$1.00 equals
1.28 New Zealand dollars (NZ\$).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1898 (old-age pension), 1911 (widow's pension), 1924 (blind person's pension), and 1936 (disability pension).

Current law: 2001 (New Zealand superannuation).

Type of program: Universal and social assistance system.

Note: All net benefits reflect the primary tax rate applied.

Coverage

All persons residing in New Zealand.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Old-age pension (New Zealand superannuation): Age 65 with at least 10 years of residence after age 20, including 5 years after age 50; no income or retirement test (except for a married pensioner with an unqualified spouse).

The pension is payable abroad for up to 26 weeks if the beneficiary is not abroad for more than 30 weeks. A reciprocal agreement is required for the full payment of the pension if the beneficiary is abroad for longer than 30 weeks; otherwise, partial payment is made up to 50% (100% for certain Pacific countries).

Assistance benefits (old-age): Other benefits may be provided.

Disability pension (invalids' benefit): The insured is assessed with a permanent and severe restriction in working capacity or total blindness and has resided in New Zealand for at least 2 years. The benefit is income-tested (the personal earnings of totally blind persons are exempt). The beneficiary must be a New Zealand citizen or reside permanently in New Zealand and be age 16 or older.

The disability benefit may be paid abroad temporarily, depending on individual circumstances.

Assistance benefits (disability): Other benefits may be provided.

Survivor pension (widow's benefit, orphan's benefit, unsupported child's benefit): Paid to a widow or carer of orphans or unsupported children. The widow, carer, orphan, or unsupported child must reside in New Zealand. The widow's (carer's) benefit is income-tested. For orphan and unsupported child benefits, there is an income test on the child's nonpersonal income (such as money from trusts).

The survivor pension may be paid abroad temporarily, depending on individual circumstances.

Domestic purposes benefit: Paid to single women living alone or single parents with dependent children.

Funeral grant: Paid as a lump sum to assist with funeral expenses. There is an income and asset test based on the deceased's circumstances before death.

Assistance benefits (survivors): Other benefits may be provided.

Old-Age Benefits

Old-age pension (New Zealand superannuation):

NZ\$285.87 (net) a week is paid for a single person living alone, NZ\$263.88 (net) if sharing accommodation, or NZ\$439.80 (net) for a married or civil-union couple living together and both spouses qualify for the pension.

The pension is not income-tested, but may be reduced if the beneficiary is receiving a benefit or pension from an overseas government.

A married pensioner with a spouse younger than age 65 may receive half the married rate (NZ\$219 [net] a week) with no income test (the spouse receives no payment), or a special married couple rate (NZ\$419.36 [net] a week) with an income test.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year, with a further adjustment according to the net average ordinary time weekly earnings rate if required. Average ordinary time weekly earnings (employees) are determined by the quarterly employment survey published by Statistics New Zealand.

Assistance benefits: Other assistance benefits available to old-age pensioners (some needs-tested) include an accommodation supplement, a disability allowance, and special needs grants.

Permanent Disability Benefits

Disability pension (invalid's benefit): Up to NZ\$186.28 (net) a week is paid for a single person aged 16 or 17; NZ\$230.19 (net) for a single person aged 18 or older; NZ\$191.83 (net) for each member of a married or civil-union couple, with or without children; NZ\$302.40 (net) for a single person with children.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360. The personal earnings of totally blind persons are exempt.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Assistance benefits: Other assistance benefits available to disability pensioners (some needs-tested) includes an accommodation supplement, a family tax credit, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a temporary additional benefit, and special needs grants.

Survivor Benefits

Survivor pension

Widow's benefit: Up to NZ\$191.83 (net) is paid a week for a single woman without children whose partner has died; NZ\$263.87 (net) for a single parent with dependent children.

Orphan's benefit: Up to NZ\$157.92 (net) is paid a week, according to age, for each full orphan younger than age 18 (not taxable). The benefit is not income-tested, except for the child's nonpersonal income (such as money from trusts).

Unsupported child's benefit: Up to NZ\$157.92 (net) is paid a week, according to age, for each unsupported child younger than age 18 (not taxable). The benefit is not income-tested, except for the child's nonpersonal income (such as money from trusts).

Domestic purposes benefit: NZ\$191.83 (net) a week for a single woman with no dependent children; NZ\$263.87 (net) for a single parent with dependent children.

Funeral grant: Up to NZ\$1,760.57 is paid to the surviving partner or dependent child for funeral costs (not taxable but income- and asset-tested).

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Assistance benefits: Other assistance benefits available to pensioners (some needs-tested) include an accommodation supplement, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, and special needs grants.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers pensions and benefits through its local offices.

Sickness and Maternity

Regulatory Framework

First law: 1938.

Current laws: 1964 (social security), implemented in 1965, with 2001 amendment; and 1987 (parental leave and employment protection), with 2002 amendment.

Type of program: Universal and social assistance system.

Coverage

Cash sickness benefits: Persons temporarily incapacitated for full-time work.

Cash maternity benefits: Single women.

Paid parental leave: All persons residing in New Zealand, according to employment and self-employment history.

Medical benefits: All persons residing in New Zealand.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Cash sickness and maternity benefits: Aged 18 or older; or aged 16 or 17 if married or in a civil union with a dependent child or pregnant, or if undergoing treatment in an approved rehabilitation program. Must reside in New Zealand with at least 2 years of continuous residence. Benefits are income-tested.

For persons with less than 2 years of residence in New Zealand, an income- and asset-tested benefit is possible in cases of hardship.

Paid parental leave: The recipient must have been employed by the same employer for at least 6 months before the expected date of childbirth or the adoption of a child younger than age 5 and have worked at least 10 hours a week, including at least 1 hour a week or 40 hours a month. Self-employed persons must have been employed for at least 6 months and have worked at least 10 hours a week prior to the birth or intended adoption.

Medical benefits: Must reside or have a stated intent to remain in New Zealand for at least 2 years. There is no income test.

Sickness and Maternity Benefits

Sickness benefit: Up to NZ\$184.17 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$153.46 (net) if between ages 20 and 24, or if aged 18 or 19 and living away from home; NZ\$122.17 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$263.78 (net) a week is paid for a single beneficiary with children; up to NZ\$153.46 (net) for each member of a married or civil-union couple with or without children.

The benefit is paid after a waiting period of up to 2 weeks, depending on previous income.

There is no limit on the period of eligibility for sickness benefit (unless paid because of pregnancy or a pregnancy-related medical complication, see below). The beneficiary must provide an ongoing medical assessment.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Maternity benefit: The benefit is normally paid to a single pregnant woman at the sickness benefit rate (see above) after the 26th week of pregnancy. Payment can continue for up to 13 weeks after childbirth.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Paid parental leave: Paid leave is provided for up to 14 weeks to one parent or shared between both parents if they are both eligible. The paid leave replaces 100% of previous earnings, up to NZ\$407.36 of gross earnings a week. Self-employed persons who earn less than the equivalent of 10 hours a week at the highest rate of the minimum wage, receive the minimum rate of NZ\$120 a week.

Benefit adjustment: The maximum benefit rate is adjusted annually on April 1, according to the increase in average ordinary time weekly earnings. Average ordinary time weekly earnings (employees) are determined by the quarterly employment survey published by Statistics New Zealand. The minimum benefit rate is adjusted annually on July 1, according to the highest rate of the minimum wage.

Workers' Medical Benefits

Subsidies are provided for those using health care. Free services include inpatient care in public hospitals, general practitioner care for children up to age 6, maternity services,

and most laboratory services. Costs for care in a private hospital are not subsidized.

Cost sharing: Approved prescribed medicines are subsidized at various levels, depending on income.

Families with low income have access to a Community Services Card (CSC) that reduces prescription charges from a maximum of NZ\$15 per item to a minimum of NZ\$3 per item. If a family has paid for 20 items in a year, the charge falls to zero for CSC holders and NZ\$2 per item for other persons. There is no reimbursement for CSC holders for dental treatment, physiotherapy, treatment for a work-related injury, or for expenses for eyeglasses for children younger than age 6.

A government prescription charge applies for prescription items that are subsidized by the government. In certain cases, a premium must be paid if the cost of manufacture is more than the government subsidy. There is no government prescription charge on items for children younger than age 6. Some items have an unsubsidized manufacturer's charge.

Dependents' Medical Benefits

Same as for the family head, with special subsidies for low-income families (defined according to predetermined annual gross family income levels and the number of family members) or those who need intensive medical care.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers cash benefits through its service centers.

Ministry of Social Development (Community Services Card Service Center) administers Community Services Cards.

Ministry of Health (HealthPac) (<http://www.moh.govt.nz/moh.nsf>) administers medical benefits.

The Inland Revenue Department (<http://www.ird.govt.nz>) administers statutory paid parental leave benefits.

Work Injury

Regulatory Framework

First law: 1908.

Current law: 2001 (injury prevention, rehabilitation, and compensation), implemented in 2002, with amendments.

Type of program: Universal and employer-liability (with a public carrier) system. Employers may self-manage claims.

Coverage

The accident compensation scheme provides coverage for work injury and occupational disease for all New Zealand citizens and residents.

Note: The scheme also provides coverage for medical malpractice and certain criminal injuries for all New Zealand citizens and residents and temporary visitors to New Zealand including children and nonworking adults. In return, people do not have the right to sue for a personal injury covered by the scheme, other than for damages exceeding the amount needed for simple compensation.

Source of Funds

Insured person

Work injury: None.

Nonwork injury: Contributes for nonwork-related injuries.

Contribution rates are set each year based on the actual cost of injuries that have occurred, according to the schedule in law.

Self-employed person

Work injury: Contributes for work injuries.

Nonwork injury: Contributes for nonwork-related injuries.

Contribution rates are set each year according to a schedule in law that is based on the actual cost of injuries.

Employer: Contributes for employee work injuries.

Contribution rates are set each year according to a schedule in law that is based on the actual cost of injuries.

Government

Work injury: Special earmarked taxes, including gas and motor vehicle licensing fees; contributes as an employer.

Nonwork injury: General revenues fund the program for nonearners.

Note: All of the above contributions are assigned to one of seven accounts. The type of injury claim determines from which account the compensation will be funded.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Nonwork-related injury benefits: There is a 1-week waiting period.

Survivor benefits

Spouse: Payments continue until the latest of the following: the end of 5 consecutive years from the date on which the entitlement first became payable, the date the deceased's youngest child reaches age 18, the date the spouse no longer provides care for the deceased's children younger than age 18, or the date the spouse no longer provides care for any other qualifying dependent. (The spouse can choose between survivor benefits under superannuation or work injury.)

Orphan: Payments continue until the end of the calendar year in which he or she reaches age 18; the end of full-time study or age 21, whichever is earliest. A disabled orphan who was dependent on the deceased is eligible for weekly compensation after the end of the calendar year in which he or she reaches age 18 if his or her average earnings are less than or equal to the minimum full-time earner rate.

Other dependents: Average weekly earnings over a 12-month period must not be greater than the minimum full-time earner rate, regardless of age.

Temporary Disability Benefits

Temporary disability benefit (weekly compensation): 80% of the worker's average weekly earnings is paid until he or she is able to return to work. Weekly earnings are calculated under prescribed rules according to the worker's earnings in the period before the incapacity began. For work-related personal injuries, the employer pays for the first week of incapacity. (For nonwork-related personal injuries, there is a 1-week waiting period.) The benefit is paid for as long as a certified incapacity lasts or until age 65 (at which point New Zealand superannuation is paid). Claimants aged 65 or older can receive the benefit for up to 2 years.

Must be substantially unable to perform the usual job as a result of the injury. A medical practitioner must provide a medical certificate. Medical certificates are normally valid for 13 weeks. If incapacitated after 13 weeks, the worker must be reassessed by a registered medical practitioner and be given another medical certificate.

The minimum weekly benefit for incapacitated full-time earners is NZ\$384 (gross) a week if aged 18 or older; NZ\$384 (gross) if younger than age 18.

The maximum weekly benefit is NZ\$1,638.04 (gross).

Earnings test: If a worker receives income from work during a period of incapacity, weekly compensation is reduced proportionately. No deduction is made for the first NZ\$69.56 of earnings; NZ\$0.24 is deducted for every dollar of earnings exceeding NZ\$69.56 a week but less than NZ\$111.23 a week; NZ\$0.56 is deducted for every dollar of earnings exceeding NZ\$111.23 a week. Thresholds are adjusted annually through indexation. A further reduction is applied if total weekly earnings plus the adjusted weekly benefit are greater than the pre-incapacity weekly earnings. The total earnings that a worker can receive from work and benefits are equal to the level of pre-incapacity earnings.

Employers may make an additional weekly payment to increase the employee's income during incapacity to the level of his or her normal wage. The additional payment is exempt from the benefit reduction.

Benefit adjustment: Benefits are increased annually according to changes in the labor cost index.

Permanent Disability Benefits

Permanent disability pension

Lump-sum payment: A single nontaxable payment is provided to compensate for a permanent impairment resulting from an injury. Assessment for entitlement begins 2 years after the injury began, or once the injury stabilizes, whichever is earlier.

The worker must be assessed as having a permanent impairment of 10% or more. The lump sum ranges from NZ\$2,929.61 for an assessed impairment of 10% to NZ\$117,184.28 for an assessed impairment of 80% or more.

Independence allowance: Paid for any long-term impairment resulting from an injury suffered before April 1, 2002. The allowance is paid on a quarterly basis for as long as the worker remains eligible. The allowance is paid in addition to other cash assistance.

The worker must be assessed as having a permanent impairment of 10% or more. The allowance per quarter ranges from NZ\$143.13 for an assessed impairment of 10% to NZ\$858.78 for an assessed impairment of 80% or more. The allowance is nontaxable.

Medical practitioners assess the degree of impairment.

Benefit adjustment: Benefits may increase if the initial assessed level of impairment increases.

Workers' Medical Benefits

Medical benefits

Medical care: A minimum contribution must be made for entitlement to medical care and physical rehabilitation, as specified in legislation. In some cases, the minimum contribution may be the full cost. The cost of benefits that are not specified is paid in full. The full cost of elective surgery is generally fully funded.

Social rehabilitation: Provided without limit and includes attendant care, household help, child care, assistive devices and appliances, modification of motor vehicles or residential premises, and travel-related costs.

Vocational rehabilitation: Provided for up to 3 years to those entitled to compensation for loss of earnings and potential earnings, or to those who could be entitled if they did not receive vocational rehabilitation.

Attendant care: Provided to assist the worker to achieve a maximum level of independence and rehabilitation. An assessor recommends the level and duration of individual care required.

Survivor Benefits

Survivor pension: If the deceased was an earner at the time of death, the weekly benefit is based on a percentage of the deceased's earnings. The benefit is paid to a surviving spouse, child, or other dependent.

Spouse's benefit: The benefit is equal to 60% of the weekly compensation rate that would have been paid to the deceased.

Orphan's benefit (younger than age 18): The benefit is equal to 20% of the weekly compensation rate that would have been paid to the deceased; 40% for a full orphan.

Other dependents: The benefit is equal to 20% of the weekly compensation rate for a total incapacity that would have been paid to the deceased.

All survivor benefits combined must not exceed 80% of the deceased's weekly earnings, subject to a maximum.

Survivor's grant: NZ\$5,653.66 is paid to a spouse; NZ\$2,826.84 to each child younger than age 18 or other dependent.

Child care (weekly compensation): NZ\$168.31 a week is paid for one child; a total of NZ\$158.79 a week for three or more children. The benefit is nontaxable.

Funeral grant: A grant of up to NZ\$5,273.30 is paid to the deceased's personal representative.

Administrative Organization

Department of Labor (<http://www.dol.govt.nz>) administers the legislation; purchases health services and monitors their use.

Accident Compensation Corporation (<http://www.acc.co.nz>) administers benefits.

Unemployment

Regulatory Framework

First law: 1930.

Current law: 1964 (social security), implemented in 1965.

Type of program: Social assistance system.

Coverage

Unemployment benefit: All persons older than age 18 who meet the residency criteria and who are unemployed and actively seeking employment.

Independent youth benefit: Single persons aged 16 or 17 who are not living with and cannot be supported by their parents. Must be in secondary education, in training, unemployed, sick, injured, disabled or pregnant.

Exclusions: Superannuation pensioners, full-time students, and striking workers.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Unemployment benefit: Aged 18 or older (aged 16 or 17 and married with a dependent child) and has resided in New Zealand for at least 2 years. The benefit is income-tested. If the person has resided in New Zealand for less than 2 years, an income- and asset-tested hardship or emergency benefit is possible at the same rate as the unemployment benefit. The person must be available for and actively seeking full-time work.

The benefit is not paid if unemployment was voluntary or due to dismissal for serious misconduct or involvement in an industrial dispute. The beneficiary must comply with the work test, which includes acceptance of any offer of suitable employment. The benefit may be withheld for up to 13 weeks in cases of voluntary unemployment or the failure to meet employment-related obligations.

Independent youth benefit: Single persons aged 16 or 17 who are not living with and cannot be supported by their parents. Must have lived continuously in New Zealand for at least 24 months and must be in secondary education, in training, unemployed, sick, injured, disabled or pregnant.

Unemployment Benefits

Up to NZ\$184.17 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$153.46 (net) if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$122.77 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$263.78 (net) a week is paid for a single beneficiary with children; up to NZ\$153.46 (net) for each member of a married or civil-union couple, with or without children.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

The benefit is paid after a waiting period of between 1 and 2 weeks, depending on previous income and family circumstances.

There is no maximum period for which the unemployment benefit can be paid.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Independent youth benefit: Up to NZ\$153.46 (net) a week is paid.

Income test: The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

Benefit adjustment: Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers benefits through its service centers.

Family Allowances

Regulatory Framework

Current laws: 1973 (social security), 1978 (social security), 1999 (taxation), and 2007 (income tax and tax credits).

Type of program: Universal and social assistance system.

Coverage

Domestic purposes benefit: Single parents caring for a dependent child younger than age 18 or a person caring for someone (other than a spouse) who would otherwise be hospitalized.

Emergency maintenance allowance: Single parents who do not qualify for domestic purposes benefit because of residency or age or who are experiencing hardship. The allowance is paid at the same rate as the domestic purposes benefit.

Child disability allowance: Principal caregiver of a dependent child with a serious disability.

Family tax credit: Working and beneficiary families with dependent children.

In-work tax credit: Working families with dependent children.

Minimum Family tax credit: Working families with dependent children.

Parental tax credit: Working families with dependent children not receiving any other pensions or income-tested benefits.

Note: It is possible to be eligible for more than one tax credit and allowance.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is financed from general revenues.

Qualifying Conditions

Family allowances

Domestic purposes benefit: Paid to single parents aged 18 or older or to parents who have been married or were in a civil union. The parent must reside in New Zealand if the

dependent child was born in New Zealand; one of the parents must satisfy the residence criteria if the child was born overseas.

Emergency maintenance allowance: Emergency benefit paid to single parents experiencing hardship and who do not meet the specific criteria for the domestic purposes benefit or widow's benefit and are not eligible for any other benefit.

Child disability allowance: Paid to the principal caregiver of a dependent child with a serious disability.

Family tax credit: Paid to families with dependent children aged 17 or younger (age 18 if a student) and not receiving other benefits. Subject to a family income test and a residence test to be met by the principal caregiver or the child.

In-work tax credit: Paid to families with dependent children aged 17 or younger (age 18 if a student). A two-parent family must work jointly more than 30 hours a week; single parents must work more than 20 hours a week. No eligible parent may receive superannuation, an income-tested benefit, a student allowance, or a parental allowance under the War Pensions Act 1954.

Minimum family tax credit: Paid to families with children aged 17 or younger (age 18 if a student) with annual income less than NZ\$18,460 (net). A two-parent family must be working jointly more than 30 hours a week; single parents must be working more than 20 hours a week. No eligible parent may receive superannuation or income-tested benefits.

Parental tax credit: Families with income under a certain level (depends on the number of children) on the birth of a child and not receiving superannuation or income-tested benefits.

Family Allowance Benefits

Family allowances

Domestic purposes benefit: NZ\$263.78 (net) a week is paid for single parents. The benefit is paid after a waiting period of between 1 and 2 weeks, depending on previous income and family circumstances.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

Emergency maintenance allowance: NZ\$263.78 (net) a week is paid for single parents. The benefit is paid after a waiting period of between 1 and 2 weeks, depending on previous income and family circumstances.

Income test: The benefit is reduced by NZ\$0.30 for each dollar of gross earned income exceeding NZ\$4,160 a year and by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$9,360.

Child disability allowance: NZ\$40.73 a week is paid. There is no income test and the benefit is not taxable.

Family tax credit: Up to NZ\$95 a week is paid for the first child and NZ\$85 a week for each additional child, depending on the age of the children.

Income test: The benefit is reduced by NZ\$0.20 for each dollar of gross earned income exceeding NZ\$35,000.

In-work tax credit: Up to NZ\$60 is paid a week for up to three children and NZ\$15 a week for each additional child.

Income test: The benefit is reduced by NZ\$0.20 for each dollar of gross earned income exceeding an income threshold determined by the number of dependent children in the family.

Minimum family tax credit: A guaranteed net income for working families of NZ\$18,460 a year.

Parental tax credit: The credit is paid to working families for the first 8 weeks after the birth or adoption of a child. The parental tax credit is available to families who qualify for family tax credit, the in-work tax credit, or both. The parental tax credit is NZ\$150 (net) a week per qualifying child, and the maximum parental tax credit is NZ\$1,200 per child per year.

Benefit adjustment: The domestic purposes benefit, the emergency maintenance allowance and the child disability allowance are adjusted on April 1, according to changes in the consumer price index for the previous year. The family tax credit is adjusted when there has been a 5% increase in the consumer price index. The in-work tax credit and the parental tax credit are subject to periodic review and adjusted at the discretion of the government.

Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers allowances through its service centers. It also administers tax credits for people with gross annual income below NZ\$35,000 who receive a benefit.

Inland Revenue Department (<http://www.ird.govt.nz>) administers the in-work tax credit, minimum family tax credit, and parental tax credit, as well as family tax credit for families whose gross annual income is greater than or equal to NZ\$35,000 or who do not receive a benefit.