

## New Zealand

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

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1898 (old-age pension), 1911 (widows' 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 10 years' 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 paid for up to 26 weeks if the beneficiary is not going abroad for more than 30 weeks. A reciprocal agreement is required for the full payment of the pension if the beneficiary is going abroad for longer; in other instances, partial payment up to 50% (100% for certain Pacific countries).

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

**Disability pension (invalids' benefit):** Permanent and severe restriction in working capacity or total blindness and has resided in New Zealand for at least 10 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 pension may be paid for a limited period when the beneficiary is going abroad temporarily, depending on individual circumstances.

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

**Survivor pension (widows' 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 benefits for orphans and unsupported children, there is an income test on the child's nonpersonal income (such as money from trusts).

The survivor pension may be paid for a limited period when the beneficiary is going abroad temporarily, depending on individual circumstances.

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

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

#### Old-Age Benefits

**Old-age pension (New Zealand superannuation):**

NZ\$263.90 (net) a week is paid for a single person living alone, NZ\$243.60 (net) if sharing accommodation, or NZ\$406 (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\$203 [net] a week) with no income test (the spouse receives no payment), or a special married couple rate (NZ\$387.14 [net] a week) with an income test.

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

**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 (invalids' benefit):** Up to NZ\$175.91 (net) a week is paid for a single person aged 16 or 17; NZ\$217.38 (net) for a single person aged 18 or older; NZ\$181.16 (net) for each member of a married or civil-union couple, with or without children; NZ\$285.57 (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.

Dependent's supplement: Additional payments are provided for dependent children.

Benefit adjustment: Benefits are adjusted annually 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, a family support payment, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a special benefit, and special needs grants.

### Survivor Benefits

#### Survivor pension

**Widows' benefit:** Up to NZ\$181.16 (net) is paid a week for a single woman without children whose partner has died; NZ\$249.10 (net) if with children.

**Domestic purposes benefit:** NZ\$181.16 (net) a week for a single woman with no dependent children; NZ\$249.10 (net) for a single parent with dependent 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.

**Orphan's benefit:** Up to NZ\$133.05 (net) is paid a week, subject 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\$133.05 (net) is paid a week, subject 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).

**Funeral grant:** Up to NZ\$1,662.58 is paid for funeral costs (not taxable but income- and asset-tested).

Benefit adjustment: Benefits are adjusted annually 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 through its local offices.

## Sickness and Maternity

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### 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 (sickness benefit):** Persons temporarily incapacitated for full-time work.

**Maternity benefits (sickness benefit):** Single women.

**Paid parental leave:** All persons residing in New Zealand, subject to 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 (sickness benefit):** Aged 18 or older (aged 16 or 17 if married or in a civil union with a dependent child) with at least 24 months of continuous residence in New Zealand. Must reside in New Zealand. Benefits are income-tested.

For persons with less than 24 months 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 more than 12 months before the expected date of childbirth or the adoption of a child younger than age 5 and have worked a minimum of 10 hours a week, including at least 1 hour a week or 40 hours a month.

**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\$173.92 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$144.92 (net) if between ages 20 and 24, or if aged 18 or 19 and living away from home; NZ\$115.94 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$249.10 (net) a week is paid for a single beneficiary with children; up to NZ\$144.92 (net) for each member of a married or civil-union couple with or without children.

The benefit is paid after a waiting period of between 1 and 10 weeks, depending on previous income and family circumstances.

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).

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 according to changes in the consumer price index for the previous calendar year.

**Maternity benefit (sickness 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 according to changes in the consumer price index for the previous calendar year.

**Paid parental leave:** Paid leave is provided for up to 12 weeks to one parent or shared between both parents. The paid leave replaces 100% of previous earnings, up to NZ\$346.63 of gross earnings a week.

Benefit adjustment: Benefits are adjusted annually according to any percentage movement upward in average ordinary-time weekly earnings. Average ordinary-time weekly earnings (employees) are determined by the quarterly employment survey published by Statistics New Zealand.

### **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 branch and district offices.

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

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

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 2002 (employer levies; ancillary services) and 2005 (treatment of injuries; employer levies) 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 based on the actual cost of injuries that have occurred, according to the schedule in law.

**Employer:** Contributes for employee work injuries.

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

### **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\$328 (gross) a week if aged 18 or older; NZ\$262.40 (gross) if younger than age 18.

The maximum weekly benefit is NZ\$1,535.65 (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\$65.21 of earnings; NZ\$0.24 is deducted for every dollar of earnings exceeding NZ\$65.21 a week but less than NZ\$104.28 a week; NZ\$0.56 is deducted for every dollar of earnings exceeding NZ\$104.28 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 onset of injury, 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\$2,763.90 for an assessed impairment of 10% to NZ\$110,555.80 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\$139.49 for an assessed impairment of 10% to NZ\$837.07 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 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 are 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 achieve a maximum level of independence and rehabilitation. An assessor recommends the level of individual care required and the duration of the level of care. Up to NZ\$3,000 a week is paid, subject to individual needs.

### **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.

The maximum total weekly compensation payable to survivors is equal to 80% of the deceased's weekly earnings, subject to a maximum.

**Survivor's grant:** NZ\$5,333.86 is paid to a spouse; NZ\$2,666.94 to each child younger than age 18 or other dependent.

**Child care (weekly compensation):** NZ\$113.42 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\$4,975.01 is paid to the deceased's personal representative.

### **Administrative Organization**

Department of Labor (<http://www.dol.govt.nz>) provides a purchasing and monitoring function and administers the legislation.

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 are unemployed and actively seeking employment.

**Independent youth benefit:** Single persons aged 16 or 17 who are not living with their parents and who cannot be supported by their parents. Must be unemployed and actively seeking employment.

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 24 months. The benefit is income-tested. If the person has resided in New Zealand for less than 24 months, an income- and asset-tested hardship or emergency benefit is possible at an equivalent rate to the unem-

ployment benefit. The person must be registered at a labor office and actively seeking 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, parents. Must have lived continuously in New Zealand for at least 24 months; be available for and actively seeking full-time work; be in training; be sick, injured, or disabled; or be in school.

### Unemployment Benefits

Up to NZ\$173.92 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$144.92 (net) if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$115.94 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$249.10 (net) a week is paid for a single beneficiary with children; up to NZ\$144.92 (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 10 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 according to changes in the consumer price index for the previous calendar year.

**Independent youth benefit:** Up to NZ\$144.92 (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 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 branch and district offices.

## Family Allowances

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### Regulatory Framework

**Current laws:** 1973 (social security), 1978 (social security), and 1999 (taxation).

**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 on the grounds 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:** Persons caring for children with physical or mental disabilities at home.

**Family support:** Working and beneficiary families with dependent children.

**In-work payment:** Working families with dependent children.

**Family tax credit:** Working families with dependent children.

**Parental tax credit:** Working families with dependent children.

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

**Emergency maintenance allowance:** As a substitute for the domestic purposes benefit, paid to single parents experiencing hardship and who do not meet the residence criteria for domestic purposes benefit; or the single parent is aged 16 or 17, has never been married or in a civil union, and cannot be supported by his or her parents.

**Child disability allowance:** The allowance is paid to a parent or guardian of a dependent child with serious disabilities and living at home.

**Family support:** Paid to families with dependent children aged 17 or younger (age 18 if a student) and not receiving other benefits. Qualifying income depends on the number of children in the family.

**In-work payment:** Paid to families with dependent children aged 17 or younger (age 18 if a student). 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. Eligibility also requires that no parent is receiving superannuation or income-tested benefits.

**Family tax credit:** Paid to families with children aged 17 or younger (age 18 if a student) with annual income less than NZ\$17,680 (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. Eligibility also requires that no parent is receiving 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\$249.10 (net) a week is paid for single parents. The benefit is paid after a waiting period of between 1 and 10 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\$249.10 (net) a week is paid for single parents. The benefit is paid after a waiting period of between 1 and 10 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\$38.46 a week is paid. There is no income test and the benefit is not taxable.

**Family support:** Up to NZ\$85 a week is paid for the first child and NZ\$75 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 payment:** 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.

**Family tax credit:** A guaranteed net income for working families of NZ\$17,680 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 support, the child 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:** Benefits, except the in-work payment, are adjusted according to changes in the consumer price index for the previous year. The in-work payment is 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 branch and district offices. It also administers family support payments to 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 payment, family tax credit, and parental tax credit, as well as family support for families whose gross annual income is greater than NZ\$35,000 or who do not receive a benefit.