



8 March 2023

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Tēnā koe Lance O'Riley

On 20 December 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- 1a: All Internal correspondence including emails regarding requesting a 52 Week income summary*
- 1b: Official processes and guidelines for requesting a 52 week income summary*
- 1c: All internal documentation about why a 52 week income summary should be requested*
- 2a: What is the internal process for calculating the amount of an overpayment*
- 2b: What circumstances can an overpayment be written off when it results from a genuine oversight or error from a client rather than an intentional act.*

For Questions 3a onwards please provide this data by month for the last 15 years and broken down by region, age range, benefit type and ethnicity.

(Age range can be interpreted anyway you chose, so long as it is reasonable and in line with commonly used age brackets)

- 3a: The number of times a 52 week income summary has been requested*
- 3b: The number of times a 52 week income summary has resulted in an underpayment*
- 3c: The number of times a 52 week income summary has resulted in an overpayment*
- 3d: How many times was a 52 week income summary requested when a client was self-disclosing a possible overpayment.*

- 4a: For all underpayments, what is the average amount that has been underpaid*
- 4b: For all overpayments, what is the average amount that has been overpaid*
- 4c: For all overpayments, how was this amount calculated*
- 4d: For all overpayments, how many have had a review of decision requested*
- 4e: For all review of decisions, how many resulted in the overpayment amount being found to be an error*
- 4f: For all overpayments being found to be an error, what was the average amount that was calculated incorrectly.*
- 4g: For all overpayments being found to be an error, what is the reason for the error*
- 4h: For all overpayments being found to be an error, how many were written off as a result of said error*
- 5a: For all overpayments, how many were found to be intentional and/or fraudulent*
- 5b: For all overpayments, how many were found to be non-intentional*
- 5c: For all overpayments found to be non-intentional, how many were written off under section 208*
- 5d: For all overpayments found to be non-intentional, and were later repaid, why were these not written off as per Section 208*
- 6a: For interpreting the criteria noted in Section 208, please provide internal documentation discussing this, including emails and policy guidelines.*

On 2 February 2023, the Ministry emailed you to advise that more time was required to respond to your request. In accordance with section 15(1) and 15A of the Act, the Ministry's decision will be with you no later than 8 March 2023. The reason for the extension is that the consultations necessary to make a decision are such that a proper response cannot be provided within the original time limit.

I will address your questions in the following categories: policy and guidelines for requesting an income summary, overpayments, underpayments and the debt write-off criteria. As a result, some of your questions will not appear in the order that you have chronologically numbered them.

Policy and guidelines for requesting an income summary

1a: All Internal correspondence including emails regarding requesting a 52 Week income summary

Your request for all internal correspondence is very broad, and substantial manual collation would be required to locate and prepare all documents within scope of your request. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

1b: Official processes and guidelines for requesting a 52 week income summary

The Ministry may request a review of financial assistance at any time that it is required, which can include a review of income inside a 52-week period. This information is required to ensure that we are paying clients the full entitlement(s) that they are eligible for.

The reasons that a review may be requested are provided for in Section 304 of the Social Security Act 2018, available here:

www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783773.html.

When the Ministry completes an income review, clients may be asked to provide verification for all income earned during the period being assessed. Please note that the period being assessed will depend on the individual circumstances of the client. The Ministry uses income reviews to ensure that a client has been receiving the correct rate of payment throughout the period being assessed.

1c: All internal documentation about why a 52 week income summary should be requested

The Ministry has interpreted your request for internal documents, processes and guidelines to be specific to income summaries only. As such, the Ministry has identified the following processes and guidelines on our Intranet in scope of your request. Please find these attached:

- *Income and Asset Details*
- *Review of Annual Income*
- *Review of Annual Income – client groups*

Please note that a review of Annual Income is different to a 52-week income summary. The Ministry has included this information as we believe that it addresses the intent of your request.

An Annual Review includes both a review of circumstances and a review of income. The review of circumstances occurs 26 weeks after the commencement date of the client's benefit and the review of income occurs 52 weeks after the commencement date of the client's benefit. These reviews together are the Annual Review. This is different to requesting verification of income for a specified period for clients receiving other payment types, which can be requested at any time.

Manuals and Procedures (MAP) is an internal website used by Ministry staff when interpreting and applying Ministry policies. There is a public version of MAP on the Work and Income website which is a copy of the internal website.

You can view information about situations where a 52-week income summary may be required for main benefits and supplementary assistances at the following links:

- Accommodation Supplement
 - www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/changes-and-reviews-accommodation-supplement/change-in-income-01.html
- Disability Allowance
 - www.workandincome.govt.nz/map/income-support/extra-help/disability-allowance/changes-and-reviews-disability-allowance/changes-and-reviews.html
- Emergency Benefit
 - www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/changes-and-reviews-emergency-benefit/changes-and-reviews.html
- Emergency Maintenance Allowance
 - www.workandincome.govt.nz/map/income-support/main-benefits/emergency-maintenance-allowance/changes-and-reviews-emergency-maintenance-allowance/changes-and-reviews.html
- Jobseeker Support:
 - www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/changes-and-reviews-jobseeker-support/changes-and-reviews.html
- New Zealand Superannuation

- www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/changes-and-reviews-new-zealand-superannuation/changes-and-reviews.html
- Orphan's Benefit and Unsupported Child Benefit
 - www.workandincome.govt.nz/map/income-support/main-benefits/orphans-benefit-and-unsupported-childs-benefit/changes-and-reviews-ob-and-ucb/changes-and-reviews.html
- Sole Parent Support
 - www.workandincome.govt.nz/map/income-support/main-benefits/sole-parent-support/changes-and-reviews-sole-parent-support/changes-and-reviews.html
- Supported Living Payment
 - www.workandincome.govt.nz/map/income-support/main-benefits/supported-living-payment/changes-and-reviews-supported-living-payment/changes-and-reviews.html
- Temporary Additional Support
 - www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/changes-and-reviews-temporary-additional-support/change-in-income-01.html
 - www.workandincome.govt.nz/map/income-support/extra-help/temporary-additional-support/changes-and-reviews-temporary-additional-support/change-in-assets-01.html
- Veteran's Pension
 - www.workandincome.govt.nz/map/income-support/main-benefits/new-zealand-superannuation/changes-and-reviews-new-zealand-superannuation/changes-and-reviews.html

Please note that the information provided is not only limited to current circumstances and eligibility. A review can be completed for both past and present entitlement. This can include situations where the Ministry receives information from another agency.

3a: The number of times a 52 week income summary has been requested

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested.

I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

Overpayments

An overpayment debt is established when a client received more than what they were entitled to.

This can happen in situations where:

- Income was not declared or recorded correctly before the payment was received.
- There is a change in income.
- A change in circumstances occurs, such as entering employment or a new relationship, going overseas, or other circumstances affecting benefit entitlement.

2a: What is the internal process for calculating the amount of an overpayment

4c: For all overpayments, how was this amount calculated

An overpayment or underpayment is calculated by comparing what a client would have been eligible and entitled to receive (for either each week or over the annual period to be assessed) against the actual amount paid to the client for the same period.

When calculating an overpayment or underpayment resulting from a person's income, the Ministry calculates the income they received and determines the income abatement threshold specific to their type of assistance. More information about charging income can be found on the public version of MAP on the Work and Income website. As an example, information about charging income for Jobseeker Support can be found here: www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/charging-income-01.html. This link is for Jobseeker Support, but similar pages are available for each benefit type.

If you are interested in viewing an example of a weekly income deduction calculation, the Ministry has made examples available on the Work and Income website. I have provided you with the following links to examples for single or couple clients receiving Jobseeker Support:

- www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/weekly-income-example-single-clients-and-couples-01.html.

- www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/single-clients-and-couples-charging-income-01.html

Please note that the income limits and abatement thresholds are dependent on a client's individual circumstances.

Once the client's correct entitlement for the review period has been determined, the Ministry measures this against the actual amount the client received.

The outcome is calculated using the following equation:

- Actual amount paid to the client – client's entitlement for the period = outcome (no change to entitlement, underpayment, or overpayment).

The Ministry uses the above income calculation to determine whether a client was paid correctly, underpaid, or overpaid.

3c: The number of times a 52 week income summary has resulted in an overpayment

3d: How many times was a 52 week income summary requested when a client was self-disclosing a possible overpayment.

4b: For all overpayments, what is the average amount that has been overpaid

4f: For all overpayments being found to be an error, what was the average amount that was calculated incorrectly.

4g: For all overpayments being found to be an error, what is the reason for the error

4h: For all overpayments being found to be an error, how many were written off as a result of said error

5a: For all overpayments, how many were found to be intentional and/or fraudulent

5b: For all overpayments, how many were found to be non-intentional

5c: For all overpayments found to be non-intentional, how many were written off under section 208

5d: For all overpayments found to be non-intentional, and were later repaid, why were these not written off as per Section 208

The information you have requested about the amount overpaid, the cause of the overpayment itself, whether a debt write-off was the result of an error,

and how many overpayments were or were not written off under regulation 208 is not centrally recorded by the Ministry.

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

4d: For all overpayments, how many have had a review of decision requested

Please see the attached **Excel spreadsheet** which contains the following data tables:

- **Table 1:** The number of Review of Decisions lodged with the Benefit Review Committee where action reviewed relates to Overpayments from 1 July 2006 to 30 June 2022, by financial year ending June and action reviewed
- **Table 2:** The number of Review of Decisions lodged with the Benefit Review Committee where action reviewed relates to Overpayments from 1 July 2006 to 30 June 2022, by financial year ending June, and client gender
- **Table 3:** The number of Review of Decisions lodged with the Benefit Review Committee where action reviewed relates to Overpayments from 1 July 2006 to 30 June 2022, by financial year ending June, client age range
- **Table 4:** The number of Review of Decisions lodged with the Benefit Review Committee where action reviewed relates to Overpayments from 1 July 2006 to 30 June 2022, by financial year ending June, and client Benefit type
- **Tables 5a to 5g:** The number of Review of Decisions lodged with the Benefit Review Committee where action reviewed relates to Overpayments from 1 July 2008 to 30 June 2022, by financial year ending June, and total response ethnicity

4e: For all review of decisions, how many resulted in the overpayment amount being found to be an error

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

Underpayments

3b: The number of times a 52 week income summary has resulted in an underpayment

4a: For all underpayments, what is the average amount that has been underpaid

The information you have requested about the amount underpaid and the reason for underpayment is not centrally recorded by the Ministry.

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

Debt write-off criteria

2b: What circumstances can an overpayment be written off when it results from a genuine oversight or error from a client rather than an intentional act.

Every debt established on or after 26 September 2002 must be checked against the debt write-off criteria to decide if the debt or part of the debt is recoverable. You can view the debt write-off criteria on the Work and Income website, including where debt is the result of an error or a client did not intentionally contribute to the debt, here: www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-write-off-criteria.html.

6a: For interpreting the criteria noted in Section 208, please provide internal documentation discussing this, including emails and policy guidelines.

You can view guidelines for debt write-offs under regulation 208 of the Social Security Act 2018 on the Work and Income website. The 'Current client debt' page contains information in scope of your request, available here: www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/index.html.

You may also be interested in the 'Establishing debt' and 'Changing and reviewing debts' pages also available in the above link.

The Ministry also identified communication on the Ministry's intranet titled 'What's New for December 2021'. As only one section of this update refers to the criteria noted in regulation 208 of the Social Security Act 2018, I have provided the following excerpt. The rest of the document is withheld as it is outside of the scope of your request.

What's New for December 2021 – Debt write off under regulation 208

"Clients often review debts that have been established by the Ministry. Every debt must be checked against the criteria of regulation 208 of the Social Security Regulations 2018 to decide if the debt, or part of the debt is recoverable. All the criteria under regulation 208 must be met for a debt, or part of the debt to be not recoverable.

At a BRC [Benefit Review Committee] hearing for a panel to find that a debt is not recoverable, it must have tested the debt against all the criteria set out in regulation 208 and must be satisfied that each of those criteria have been met. The BRC must consider:

- was the debt the result of an error made by the Ministry
- the client did not intentionally contribute to the error
- the client received the money in good faith
- the client changed their position that they were entitled to the money
- that it is inequitable in all circumstances to require repayment

www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-the-result-of-an-error-01.html

https://www.legislation.govt.nz/regulation/public/2018/0202/latest/LM_S96767.html."

The Ministry is unable to provide all internal correspondence regarding regulation 208, as the scope of this part of your request is very broad, and substantial manual collation would be required to locate and prepare all documents within scope of your request. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding 52-week income summaries and overpayments, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

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