

# Supplementary Analysis Report: Cost of Living Payments

## Coversheet

Purpose of Document	
Decision sought:	Note the analysis in the report
Advising agencies:	Inland Revenue
Proposing Ministers:	Minister of Finance, Minister of Revenue
Date finalised:	4 May 2022
Problem Definition	
<p>The Government is concerned about the adverse effects of increases in the costs of living on the wellbeing of low to middle income households. Low to middle income households are disproportionately affected by the cost-of-living impact caused by current inflation, and many of these households have not had the benefit of recent increases in income support and will not be receiving the Winter Energy Payment over the winter period.</p>	
Executive Summary	
<p><b>Background</b></p> <p>This Supplementary Analysis Report considers options to provide short-term financial support to low-to middle-income households to address the impacts of cost-of-living increases driven by the recent spike in inflation. The report focuses on the Government's preferred option, which is a payment like the Winter Energy Payment (WEP) to certain people earning less than \$70,000 per annum and who would not be entitled to the WEP in 2022.</p> <p>Owing to the narrow scope of the commissioning, including timeframes for developing officials' advice, the range of options considered in this analysis is limited.</p> <p><b>Development of preferred option</b></p> <p>The initial commissioning was for a payment to low-middle income individuals earning under \$70,000 per annum who were not receiving WEP. During the policy development process various design decisions were considered and ruled out, including:</p> <ul style="list-style-type: none"> <li>• delivering the payment as a lump sum assessed at a single point in time based on an individual's finalised 2021-22 tax assessment (Inland Revenue's preferred delivery option), and</li> <li>• imposing a minimum income level to be eligible for the payment.</li> </ul> <p>The Ministry of Social Development (MSD) also provided a range of more targeted options for extending the scope of WEP. These included extending WEP to non-beneficiary clients of MSD and providing a lump-sum payment to existing non-beneficiary clients. However, Ministers decided that the options proposed would not meet the Government's objectives because of the limited range of potential recipients.</p>	

The Treasury recommended against progressing a broad-based payment, instead recommending investigating a more targeted form of support to lower-income households like what was proposed by MSD (refer to section 2). Some of the concerns the Treasury noted were:

- Inflation has risen over the past year and is expected to be widespread and to persist in the future. This makes a one-off payment a poor mechanism for supporting households with a longer-term problem.
- A broad-based one-off payment of this magnitude would add to inflationary pressures in the short-term, although the risk to longer-term inflationary pressures is relatively small assuming any interventions of this nature were temporary.
- There are other Government priorities that could be pursued using the funding for this payment, for example, initiatives that more directly impact on interim child poverty targets.

However, the Treasury also advised that if Ministers wished to proceed with the payment, that Inland Revenue should be the delivery agency as they would be the agency best placed to deliver such a broad payment in the short term.

Inland Revenue recommended against being the delivery agency for the proposed new payment. This was because it would have critical operational impacts on Inland Revenue s 18(c)(i) [REDACTED], while delivering the current COVID-19 economic supports at the same time. The advice Inland Revenue provided about how a new payment could be structured was heavily influenced by these concerns.

### **Cost of Living payment parameters (Ministers' preferred option)**

The preferred option would be a one-off payment of \$350 made in three periodic instalments paid in August, September, and October 2022. The proposed payment would be paid to eligible individuals who:

- earned up to \$70,000 in the 2021-22 tax year,
- are aged 18 or over,
- are not eligible to receive the WEP during the payment period,
- are New Zealand tax residents and present in New Zealand,
- currently hold a New Zealand bank account, and
- are not incarcerated or deceased.

### **Potential eligible population**

Inland Revenue estimates that approximately 2,136,000 individuals would be eligible for the proposed payment. This information was used to cost the proposal.

Inland Revenue was not able to accurately forecast the number of eligible individuals for the 2021-22 tax year. The estimate above is based on Inland Revenue's administrative data from the 2019-20 tax year, the latest year for which Inland Revenue has completed tax assessments, which indicated that 2,081,700 individuals could be eligible. The table in Appendix 1 shows the income distribution of the population of those earning up to \$70,000 (net income) using this data. This figure was then adjusted for forecast labour force participation growth of 2.6%, which increased the estimated eligible population to 2,136,000 individuals (rounded).

Based on the Treasury's modelling analysis,<sup>1</sup> the payment would be somewhat targeted to middle income households with around 55% of the total payments going to the middle 40% of households, with 20% going to the bottom 30% and 25% going to the top 30%. 478,000 households with children and 610,000 households without children would receive the payment.

Around 60% of potentially eligible recipients have family incomes below \$70,000, 10% have family incomes between \$70,000 and \$100,000, and 30% have family incomes over \$100,000.

### **Fiscal cost**

The fiscal cost of the payments is expected to be \$747.600 million. This is based on a payment of \$350 to an estimated 2,136,000 recipients. That estimate is highly uncertain because the size of the eligible population is unknown. The estimated population has been based on 2019/20 tax year data adjusted for population growth. Given this, \$800.000 million was sought due to the uncertainty of the estimated cost.

The cost to implement and administer this payment is \$16.000 million, with Inland Revenue self-funding \$2.000 million of this cost.

### **Equity concerns**

There are aspects of the design which may raise equity concerns, such as:

- Using the individual's 2021-22 tax assessment: this may not reflect a person's current position and impact their eligibility.
- Using individual income, instead of household income: this may result in different outcomes for households with the same income level.
- Requiring an income tax assessment: this will mean some people who have no income but are still experiencing increased costs of living will be excluded (those who have no income and who are not receiving Working for Families (WFF)) while others will be included (people with no income who are receiving WFF).
- Imposing a requirement that the recipient be 18 or over: this may exclude individuals who are impacted by increased costs of living (for example, if they are supporting themselves independent of family).

### **Administrative impacts**

While Inland Revenue can administer the payment, doing so will significantly impact their services to its customers. The addition of this payment to their portfolio of services Inland Revenue already delivers will compromise Inland Revenue's already stretched workforce and affect the taxpayer population, including the families and individuals that this payment would be intended to support.

This payment would require Inland Revenue to devote a significant number of their frontline staff to deliver the payment and manage contacts from people seeking support about the payment in Inland Revenue's busiest period. Inland Revenue anticipates that contact would begin as soon as the announcement is made and peaking to approximately 750 FTEs being required in the weeks of 1 August, 1 September, and 1 October when the

---

<sup>1</sup> The Treasury modelling uses different data to Inland Revenue's administrative data, so the total number of people who would receive the payment will be different. The modelling was prepared using HEFU21 forecasts.

payments are made, and decreasing to approximately 250 FTE in the week before a payment being made. From November to March 2023, ongoing support of approximately 30 FTE per week would be required for IR3 filers.

Inland Revenue has sought funding to hire additional temporary staff to support this payment. Further information on the implementation difficulty is discussed in section 3.

### Limitations and Constraints on Analysis

The original commissioning for advice was narrow in scope and the advice needed to be provided within very compressed timeframes. The Minister of Finance originally sought urgent advice on options for a payment like the WEP to certain individuals earning less than \$70,000 per year and who would not be entitled to the WEP in 2022. The Minister of Finance also indicated that the payment should be made at a similar time to the 2022 WEP,<sup>2</sup> or shortly thereafter. Additionally, the Minister of Finance indicated that the payment should be aimed at short term financial support to people who might be heavily impacted by the recent increases in cost of living and who might also be less likely to have benefited from income support changes on 1 April 2022 (e.g., increases to main benefit rates, Working for Families rates, and the increase in the minimum wage).

Given the narrow scope of the commissioning and the speed at which advice was produced, the advice does not include consideration of the full range of options for addressing the issue of increased costs of living for many New Zealanders. Because of these constraints, it is also possible that the problem definition has not been fully analysed by officials. Owing to the very compressed timeframes and budget sensitivities, no consultation outside of government agencies has taken place. There is a risk that significant issues with the resulting proposal have not been identified.

The distributional analysis is based on Treasury modelling, which uses data that is different to the administrative data used by Inland Revenue to assess eligibility for the payment. Accordingly, the total number of people who receive the payment will be different. These results assume that people's incomes and family situations do not change significantly between the 2021-22 tax year and the payment periods in tax year 2023. The input data does not provide any information to exclude individuals who do not file a tax assessment, who will be excluded when this policy is implemented. These results were prepared using HEFU21 forecasts, as Treasury are currently finalising incorporating BEFU22 forecasts into their modelling.

The administrative data provided by Inland Revenue to estimate the potential number of recipients was based on the 2019-20 tax year. As the data are from the 2019-20 tax year, they reflect limited effects from the COVID-19 pandemic (if any), which began late in that tax year. Therefore, these figures are an indication of the potential size of the population and are not precise.

This Supplementary Analysis Report has been produced under extremely tight time constraints without consultation or the benefit of robust data, and accordingly there is a risk that the analysis is incomplete. It represents Inland Revenue's best assessment of the option identified by the Government in the time available.

---

<sup>2</sup> WEP is paid during the winter period – from May to October each year.

**Responsible Manager(s) (completed by relevant manager)**

Kerryn McIntosh-Watt  
 Policy Director  
 Policy and Regulatory Stewardship  
 Inland Revenue

s 9(2)(a)

4 May 2022

**Quality Assurance (completed by QA panel)**

Reviewing Agency: Inland Revenue

Panel Assessment & Comment:

The Inland Revenue Quality Assurance Panel has reviewed the *Cost of living payments Supplementary Analysis Report (SAR)* prepared by Inland Revenue and considers that the information and analysis summarised in the SAR **partially meets** the quality assurance criteria.

Analysis of the problem and potential options has been significantly constrained by shortened timeframes, Ministerial direction on options and lack of stakeholder consultation outside Government. Given this, the panel considers that the information in the RIS is as complete as could reasonably be expected and identifies the main judgements, risks and uncertainties within the policy.

## Section 1: Diagnosing the policy problem

### What is the context behind the policy problem and how is the status quo expected to develop?

#### Inflation has risen sharply and has increased New Zealanders' costs of living

At the time the advice on options was provided to Ministers, the Treasury anticipated inflation to increase over the near term due to the war in Ukraine, which affected international supply chains and oil prices. This followed the increase in the headline Consumers Price Index (CPI) by 5.9% in 2021,<sup>3</sup> reflecting higher fuel, food, and housing-related costs.

Higher prices impact on people's ability to purchase goods and services and can disproportionately affect lower-income households. The Household Living-Costs Price Index (HLPI), which measures the change in costs of living for particular groups of individuals, increased similarly in magnitude in 2021, with an average of 5.2% across all groups. Highest-expenditure groups (5.4%) and Māori (5.3%) had somewhat higher increases. Superannuitant (5.0%), beneficiary (4.8%) and lowest-expenditure groups (4.9%) had somewhat lower costs of living increases.

Wage growth has been lower than inflation, although this is expected to be temporary. The Quarterly Employment Survey (December) showed annual nominal hourly wages rose 3.8% in 2021. The Treasury forecasts that CPI increases will average higher than wage growth for the June 2022 fiscal year.<sup>4</sup> However, that is the only fiscal year in the forecast period where CPI inflation will average higher than wage growth. The Treasury forecasts wages to grow faster than inflation in the fiscal years June 2023, 2024, 2025 and 2026, meaning the impact on real wages is expected to be short-lived.

#### Lower income households are the ones most impacted by increased inflation

The Treasury considers that inflation has a larger immediate effect on low or middle-income households, compared with higher income households based on analysis using IDI (Integrated Data Infrastructure) information. The increase in household expenditure owing to inflation has almost doubled the immediate impact on low- or middle-income households, compared with higher income households, as a proportion of current household income.

#### Inflation has become widespread and persistent

The Treasury has advised that strong aggregate demand, combined with constrained supply and a tight labour market, will result in inflation staying above target in the near term. In this context, an increase in the level of fiscal support would further exacerbate inflation. This is mitigated by the payment being a one-off temporary support measure. Furthermore, the payment does not add to forecast fiscal spending as it is funded from expected future underspends in the COVID-19 Response and Recovery Fund (CRRF).

#### Broader context - other support measures that will address cost of living increases for lower income households

The Government has already taken action to reduce fuel and public transport costs, and several income support changes were available on 1 April 2022. A summary of these changes and an assessment of whether those changes are larger than the CPI change are included in Appendix 3.

---

<sup>3</sup> This figure reflects the numbers as at the December 2021 quarter.

<sup>4</sup> Between 2018 and 2021, average ordinary time wage growth in New Zealand averaged 3.5%, outstripping CPI inflation, which averaged 2.2%.

## What is the policy problem or opportunity?

The Government sought advice on a temporary payment to support lower to middle income individuals that are likely to be disproportionately impacted by the increases in the costs of living because of the recent spike in inflation. This commissioning arose because the Government identified an equity issue where a specified group of lower to middle income individuals would be more likely to bear the burden of higher costs of living caused by inflation, without the benefit of receiving other forms of Government support.

As discussed above, the Treasury forecasts that CPI increases will average higher than wage growth for only the June 2022 fiscal year in the forecast period. As wages are forecast to grow faster than inflation in the fiscal years June 2023, 2024, 2025 and 2026, the impact of inflation on real wages is expected to be short-lived.

## What objectives are sought in relation to the policy problem?

The Government's objective is to provide temporary support to low-to-middle income individuals who:

- have been heavily impacted by the recent increase in costs of living,
- are less likely to have benefited from income support changes on 1 April, such as increases in main benefit rates, Working for Families, and the increase in the minimum wage, and
- will not be receiving the Winter Energy Payment (WEP) to support living costs over winter.

Owing to the requirement for a payment to be delivered in 2022, this would require a solution to be implemented quickly that would improve the financial position of low- and middle-income households, relative to high income households.

## Section 2: Deciding upon an option to address the policy problem

### What criteria will be used to compare options to the status quo?

The following criteria were used to assess the options:

1. Equity: the payment should be targeted to the Government's desired cohort of low- and middle-income households who are facing a spike in the costs of living and who are not eligible for the WEP.
2. Economic efficiency: the payment should be designed to minimise upward pressures on inflation by being targeted, timely, and temporary.
3. Administrative efficiency: the costs for the government in delivering and administering the payment should be minimised to the extent possible (including the payment should be implemented without significant pressure on the delivery agency's resources).
4. Compliance efficiency: the costs for individuals and households in accessing the payment should be minimised to the extent possible (including eligible persons should be able to receive the payment in a timely manner).
5. Alignment with fiscal cost strategy: the design of the payment should have regard to the Government's fiscal strategy and goal to maintain prudent levels.

These criteria used are traditional tax policy principles, given the time constraints there was not sufficient time to assess the options against the He Ara Waiora or the living standards framework.

### What scope will options be considered within?

The scope of the options presented was determined by the original commissioning and directions from the Government.

Given the time frames, limited data were able to be obtained and analysed.

In addition, no stakeholder engagement has taken place outside Government agencies because of extremely compressed timeframes and budget sensitivity. These factors might have had the effect of limiting the range of options considered.

After considering officials' initial advice, Ministers narrowed the scope for final design decisions.

#### Potential eligible population

Inland Revenue estimates that approximately 2,136,000 individuals would be eligible for the proposed payment. This information was used to cost the proposal.

Inland Revenue was not able to accurately forecast the number of eligible individuals for the 2021-22 tax year. The estimate above is based on Inland Revenue's administrative data from the 2019-20 tax year, the latest year for which Inland Revenue has completed tax assessments, which demonstrated 2,081,700 individuals would be eligible. The table in Appendix 1 shows the income distribution of the population of those earning up to \$70,000 (net income) using this data. This figure was then adjusted for forecast labour force participation growth of 2.6%, which increased the estimated eligible population to 2,136,000 individuals (rounded).

The payment would be targeted to middle income households, around 55% of the total payments would go to the middle 40% of households, with 20% to the bottom 30% and 25%



to the top 30%. Around 478,000 households with children and 610,000 households without children would receive the payment.

### Design parameters

Ministers indicated a preference for a payment similar to the WEP. This influenced the advice provided about the options for the amount of the payment. The two main options considered were the single rate for the WEP (\$450) or half of the couple rate (\$350). The \$350 rate was proposed as it was broadly aligned to the WEP rate and reflected that a large proportion of the potential recipients were expected to be living in households with more than one eligible person (around 50 percent, based on Treasury's modelling).

One of the design criteria is to align with the fiscal strategy and ensure that spending levels remain prudent. Along with the payment rate, the income parameters for the proposed payment would have a significant impact on the fiscal cost of the proposal. Officials therefore provided some illustrative scenarios to show how income parameters and payment rate would impact the cost of the proposed payment. These are included in Table 1 below.

**Table 1. Indicative costs with different design settings.**

Example income parameters for payment	Potential number of payment recipients	Indicative cost at Half-couple rate (\$350)	Indicative cost at Single rate (\$450)
<i>Between \$20k and \$40k</i>	~ 440,000	\$150 million	\$200 million
Either: <i>Up to \$40k, or Between \$20k and \$60k</i>	~ 1-1.2 million	\$370-\$410 million	\$475-\$525 million
Either: <i>Up to \$50k, Between \$1 and \$60k, or Between \$20k and \$70k</i>	~ 1.3-1.6 million	\$450-\$560 million	\$580-\$720 million
<i>Up to \$70k</i>	~ 2 million	\$710 million	\$920 million

### More targeted options - delivered by MSD

MSD initially provided advice on targeted options for extending the scope of the WEP. These options were narrower in scope than Ministers' preferred option and targeted a cohort of existing clients not currently eligible for WEP.

The options presented were:

- Extending WEP eligibility to a broader cohort of people receiving supplementary assistance.
- Providing a lump sum payment to existing MSD non-beneficiary clients and child support recipients.
- Providing a new payment based on a high trust model to new clients.

These options were not progressed further as part of the payment proposal as they did not meet Ministers' objectives. They had limited reach in terms of the potential number of

recipients or, for the new payment based on a high trust model, were complex and potentially not able to be delivered in the required time frame.

## What options are being considered?

Three options were considered: the status quo, a lump sum payment and periodic payments with no income floor.

### Option One – *Status Quo*

Option One is the status quo and assumes that no additional financial support is provided to low- to middle-income households.

### Option Two – *Lump sum payment*

Option Two is the introduction of a one-off payment of \$350 (half of the couple rate for the WEP), to individuals who:

- Earn up to \$70,000 per annum (on an individual, rather than a household basis)
- Are not eligible to receive the WEP during the payment period
- Are aged 18 or over
- Present in New Zealand and tax resident for payment period
- Are not incarcerated or deceased

Entitlement to the lump sum would be assessed at a single point in time, with the income criterion based on an individual's 2021-22 tax assessment.

The payment would be:

- Tax exempt (exempt income)
- Not included as income for the purposes of entitlements for Working for Families or other social policies
- Not offset against other liabilities owed to Inland Revenue
- Not considered income or a cash asset for income support paid by MSD

Inland Revenue proposed that the lump sum payment could not be made earlier than late July 2022. This was to align with when most of the annual income tax assessments for the 2022 tax year would be completed.

### *Point in time assessment*

The point in time assessment results in fairness issues for some individuals who move into or out of WEP eligibility after this specific date, but before the end of the 2022 WEP payment period. The level of impact would depend on the date chosen to do the point in time eligibility check.

Those impacted would have included people who are eligible for the WEP at the specific point in time when eligibility for the payment is assessed but later become ineligible (e.g., beneficiary who becomes employed). This could mean some people would either:

- miss out on the proposed payment entirely, while only receiving the WEP for part of the winter period (e.g., ceases benefit after the eligibility check but during the WEP period)
- miss out on both the proposed payment and the WEP (e.g., cease benefit the day after the point in time eligibility check but before the WEP period).

There would also be some people who are not eligible for the WEP at the specific point in time but become eligible after (e.g., those who turn 65 after the point in time) and they would receive both the proposed payment and the WEP.

This option did not meet Ministers' objectives and further advice on the option was not provided.

### Option Three – *Periodic payment*

This option is similar to option two, but differs in two main aspects:

- The \$350 total entitlement would be split across three-monthly payments, with the first payment being made on 1 August
- Eligibility would be checked separately for each monthly payment (rather than at a single point in time).

The proposed design features of each option are summarised below in Table 2. The highlighted rows indicate where Options 2 and Option 3 differ.

**Table 2. Option two and option three design features.**

Features	Description Option two – lump sum payment	Description Option three – periodic payment
Application	Applications not required – Inland Revenue to determine eligibility based on information it holds.	Same as option two.
Payment window	Lump sum single payment to be made in late July 2022 at the earliest.	Three monthly payments. First payment 1 August. Lump sum and “catch up” payments made for those whose assessments are completed after the main payment window.
Payment amount and treatment	The payment would not be: <ul style="list-style-type: none"> <li>- subject to income tax or included as income for social policy products.</li> <li>- recoverable unless Inland Revenue has determined the information provided was fraudulent (based on its integrity work).</li> <li>- offset against other tax liabilities</li> </ul>	Same as option two
Income criteria	The payment would be based on the 2021-22 net assessed income (income less allowable deductions of the year, before losses from a previous year) and eligibility would be dependent on there being an income tax assessment.	Same as option two.
Qualifying benefit (e.g., NZ Super, Veteran's Pension, or Benefit) receipt	The payment would be based on benefit or NZ Super receipt at a single point in time.	Benefit receipt status would be checked each month based on most recent employer information. This means some new individuals would get it (e.g., people who go off benefit), and some previous individuals would not (e.g., people who go on benefit or NZ Super).
Other eligibility criteria (age, tax residency, not deceased or incarcerated, NZ bank account)	Eligibility for the payment would be based on assessment at a single point in time.	Other eligibility criteria would be checked each month at payment approval date. This means some new individuals would get it (e.g., who people who turn 18), and some previous individuals would not (e.g., people who leave NZ).

Time limits for payment scheme	<p>31 March 2023 – Final approval date (only income tax assessments filed his date will be considered for eligibility).</p> <p>31 March 2024 – Payment scheme close date (no payment will be made after this date &amp; any unused appropriation or unissued credits will be returned to the Crown).</p>	Same as option two.
--------------------------------	--	---------------------

*Monthly checks*

Under Option Three, eligibility for each monthly payment would be checked shortly before each payment date, based on the information Inland Revenue holds.

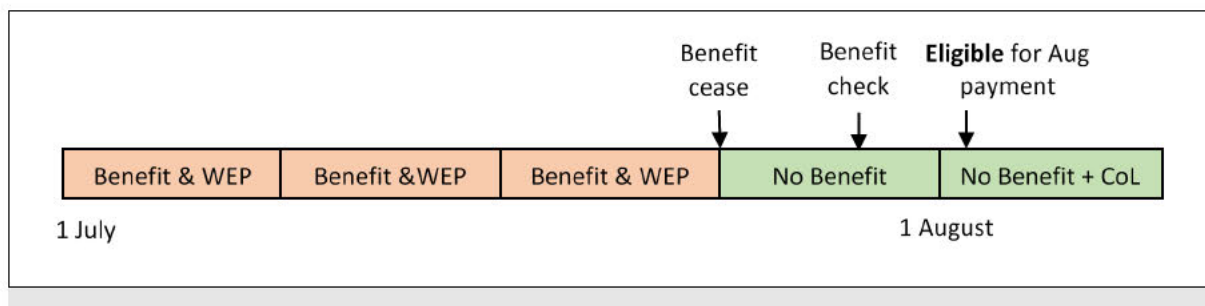
These checks would mean that recent changes could be considered when determining eligibility. This check would mitigate issues that a point-in-time check would create by completely excluding people who go off benefit.

This would mean that people who are moving on or off benefit during a month could:

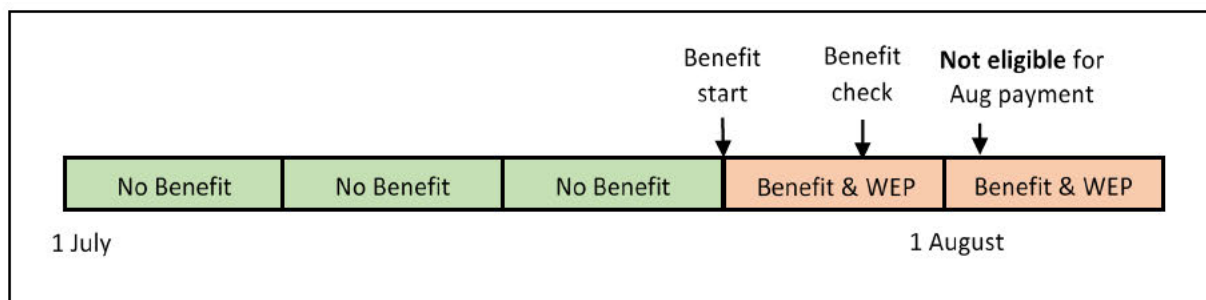
- receive some WEP as well as the payment (e.g., individuals who cease benefit partway through the month would show as not in receipt of a benefit at the monthly check); or
- receive WEP for part of the month but no payment (e.g., start benefit near the end of the month so would show as in receipt of benefit at the monthly check).

Figures 1 and 2 below illustrate these scenarios.

**Figure 1. Effect of ceasing a benefit during a month**



**Figure 2. Effect of starting benefit in a month**



In addition to the monthly payment, Inland Revenue would run regular 'catch up' runs up to 31 March 2023 to identify eligible recipients who have since completed their income tax

assessments for 2021-22 and those whose information has been updated, such as the eligibility criteria discussed earlier.

#### Other advice – an income floor

Inland Revenue and the Treasury also provided advice on including an “income floor” to exclude people who have individual income below a certain amount. Officials considered that no minimum threshold should be required given the variety of characteristics of the individuals at the bottom of the income distribution and the trade-offs.

An income floor would address the issue where individuals could be eligible for the payment because of having low or no income but might not need the payment to meet an increase in their living costs (for example, a stay-at-home parent in a high-income household, or a young person living at home with their parents).

However, adding an income floor could adversely impact other groups such as self-employed individuals who after calculating their allowable deductions against their income, might fall underneath the income floor.

Table 3 shows the potential number of recipients within different combinations of income caps (between \$40,000 and \$70,000) and floors (none, \$1 and \$20,000). This was prepared to indicate how a minimum income threshold could change the number of recipients.

**Table 3. Potential number of payment recipients within different income parameters**

(Based on 2019/20 income data, rounded to nearest 10,000)	No income floor	\$1 floor	\$20,000 floor
<b>Up to \$40,000</b>	1,160,000	980,000	440,000
<b>Up to \$50,000</b>	1,480,000	1,290,000	750,000
<b>Up to \$60,000</b>	1,780,000	1,590,000	1,050,000
<b>Up to \$70,000</b>	2,030,000	1,850,000	1,310,000

Ministers decided that no minimum income threshold or floor was required.

For context, the table in Appendix 2 illustrates how individuals with assessed net income less than \$5,000 in the 2019-20 tax year were distributed.

## How do the options compare to the status quo?

	Option One – Status Quo	Option Two – Lump sum payment	Option Three – Periodic payment
<b>Equity</b>	0	<p style="text-align: center;">+</p> <p><i>Likely to reach the Government’s targeted population. There might be instances, however, where an individual’s situation changes between their 2021-22 assessment and their actual position in August, September, and October 2022 (such as income change or eligibility for WEP changing).</i></p> <p style="text-align: center;">-</p> <p><i>Single point in time assessment would reduce the ability to target the intended population. Changes in benefit and NZ Super status after the point in time assessment, for example, would not be able to be considered</i></p>	<p style="text-align: center;">+</p> <p><i>Likely to reach the Government’s targeted population. There might be instances, however, where an individual’s situation changes between their 2021-22 assessment and their actual position in August, September, and October 2022.</i></p>
<b>Economic efficiency: targeted, timely, temporary</b>	0	<p style="text-align: center;">+</p> <p><i>Provides support to many recipients based on readily accessible data, without the requirement to apply. There would, however, be some individuals who receive this payment after winter, owing to their tax filling situations.</i></p> <p style="text-align: center;">-</p> <p><i>A broad-based payment of this magnitude would add to inflationary pressures in the short-term, but this is mitigated by the temporary nature of the payment.</i></p>	<p style="text-align: center;">+</p> <p style="text-align: center;">Same as Option Two</p> <p style="text-align: center;">-</p> <p style="text-align: center;">Same as Option Two.</p>
<b>Administrative efficiency</b>	0	<p style="text-align: center;">-</p> <p><i>This option would add considerable operational pressure for Inland Revenue, but it would be simpler to</i></p>	<p style="text-align: center;">--</p> <p><i>This option would add considerable operational pressure for Inland Revenue with a negative flow on effect to customers. This</i></p>

		<i>implement a point in time assessment for a one-off payment than Option Three.</i>	<i>option would have administrative costs of \$16 million for Inland Revenue, of which Inland Revenue will self-fund \$2 million.</i>
<b>Compliance efficiency</b>	0	<i>- Eligible recipients would need to ensure they have a valid bank account with Inland Revenue and have submitted their 2020/21 tax assessment to receive the payment.</i>	<i>- Same as Option Two.</i>
<b>Fiscal cost</b>	0	<i>- This option would have an estimated fiscal cost of \$747.600 million.</i>	<i>- Same as Option Two</i>
<b>Overall assessment</b>	0	<i>This option is likely to meet most of the intended objectives (but would be less targeted given the inability reflect changes in qualifying criteria). However, it will add inflationary pressure in the short-term, carry a fiscal cost and will impose a significant administrative impact for Inland Revenue.</i>	<i>This option is likely to meet the intended objectives, but it would add inflationary pressure in the short-term, carry a fiscal cost and would impose a significant administrative impact for Inland Revenue.</i>

**Example key for qualitative judgements:**

- ++** much better than doing nothing/the status quo/counterfactual
- +** better than doing nothing/the status quo/counterfactual
- 0** about the same as doing nothing/the status quo/counterfactual
- worse than doing nothing/the status quo/counterfactual
- much worse than doing nothing/the status quo/counterfactual



## Option One – status quo

Maintaining the status quo would not achieve the Government's objectives. The status quo would not require Inland Revenue to administer a payment (carrying no administrative costs, would not impose compliance costs or pose any implementation difficulty) and would have no fiscal cost.

## Option Two – lump sum payment

### *Equity*

This option would provide temporary support of \$350 lump sum to low to middle income eligible recipients.

Inland Revenue estimates that approximately 2,136,000 individuals would be eligible for the proposed payment. This information was used to cost the proposal.

Inland Revenue was not able to accurately forecast the number of eligible individuals for the 2021-22 tax year.<sup>5</sup> The estimate above is based on Inland Revenue's administrative data from the 2019-20 tax year, the latest year for which Inland Revenue has completed tax assessments, which demonstrated 2,081,700 individuals would be eligible. The table in Appendix 1 shows the income distribution of the population of those earning up to \$70,000 (net income) using this data. This figure was then adjusted for forecast labour force participation growth of 2.6%, which increased the estimated eligible population to 2,136,000 individuals (rounded).

While the payment would be targeted to some extent toward low to middle income households, it may also go to higher income households because it is based on individual income rather than household income. Preliminary distributional modelling shows that close to a quarter of the payments would go to households with incomes in the top 30%. Under the current criteria, there are likely to be many individuals who would be eligible for the payment because of tax structuring under the \$70,000 threshold or because they are the secondary earner in a high-income household.

There is potential for individuals (particularly those with non-salary and wage income) to rearrange their incomes on their tax return to just below the income cap. Inland Revenue is unable to estimate this risk; however, those returns would be subject to normal integrity checks as part of the year end assessment.

There are also other aspects of the design that could raise equity concerns such as:

- using the individual's 2021-22 tax assessment,
- point in time assessment (specific to option two),
- using individual income, instead of household income,
- requiring assessable income, and
- imposing a requirement that the recipient be aged 18 or over.

---

<sup>5</sup> There are factors that would increase this number such as population growth, and factors that would decrease it such as income growth. In costing this proposal, officials have taken the conservative approach of adjusting the number of eligible recipients up using the BEFU forecast labour force population growth of 2.6% to the 2021/22 March year. This increases the estimated eligible population to 2,136,000 individuals (rounded).

### Using the individuals 2021-22 tax assessment

There is a risk this payment could be inequitable, as some people's circumstances might have changed since the end of the 2021-22 tax year, and this could impact their eligibility for the payment.

The fact that delivering this payment would require using historical income information means that the target population of this payment might not perfectly match everyone's current circumstances. For example, this payment would not be provided to someone who was earning over \$70,000 last tax year but has suffered a recent decrease in income. However, the payment would be provided to someone who earned less than \$70,000 in the last tax year but has recently had an increase in income over \$70,000.

### Point in time assessment (specific to option two)

The design of the payment would require assessing at a specific point in time whether an individual is eligible for the WEP. This would result in fairness issues for some individuals who move into or out of WEP eligibility after this specific date, but before the end of the 2022 WEP payment period.

People who are eligible for the WEP at the specific point in time when eligibility for the payment is assessed but later become ineligible (e.g., a beneficiary who becomes employed) would miss out on the payment entirely, while only receiving the WEP for part of the winter period.

People who are not eligible for the WEP at the specific point in time but become eligible after that time (e.g., those who turn 65 after the point in time) would receive both the payment and the WEP.

### Using individual income, instead of household income

Providing a payment based on individual income would also lead to different outcomes for households with the same level of income, which may be perceived as unfair. For example, a household with two earners making \$60,000 would get two payments (a total of \$700), while a two-adult household with one earner on \$120,000 and a stay-at-home parent would get one or zero payments (depending on if the stay-at-home parent had some level of non-wage income). Inland Revenue does not hold information on household income and therefore must use individual income.

### Requiring assessable income

When designing the payment, the Government decided individuals with no assessed income would not be eligible for the payment. These individuals may still be impacted by the increased cost of living but would be ineligible for this payment. This decision was supported by Inland Revenue due to the data constraints and extra compliance costs it would add to these individuals to have to apply and supply all income information to Inland Revenue. For context, Inland Revenue has no information on individuals who have no assessed income reported or do not interact with Inland Revenue (for example, those who sleep rough or adults who do not work or receive any social policy support). However, despite the choice to exclude individuals with no assessed income, WFF recipients who have no other income will

still be eligible for the payment. This is because a tax assessment is automatically completed for them to assess their eligibility for WFF payments.

#### Imposing a requirement that the recipient be 18 or over

The payment would also only be available to people aged 18 or over. This may exclude individuals who may be impacted by increased costs of living, for example, if they are living out of home or may be supporting themselves independent from family support. Inland Revenue would use the birthdate information it holds to check individuals' age before the payment (i.e., August, September, and October in the case of option three). This could lead to arbitrary outcomes if an individual turns 18 after the relevant date.

#### *Economic efficiency*

##### Timely

The payment would be automatically paid to the eligible population as assessed at a determined date. This is provided the eligible person has a bank account number recorded<sup>6</sup> and has submitted a 2021-22 tax assessment. This meets Ministers objectives to broadly align the payment window with the WEP window (May to October). However, eligibility would be based on a finalised 2021-22 tax assessment and the window for filing some assessments does not close until 31 March 2023. This means some people would not receive their payments until after 31 March 2023.

##### Temporary

The payment would be time-limited, with eligibility ending on 31 March 2023. The proposed payment is temporary to assist during the June 2022 fiscal year, where CPI is averaging higher than wage growth.

##### Inflationary impact

The Treasury has advised that strong aggregate demand, combined with constrained supply and a tight labour market, will result in inflation staying above target in the near term. In this context, an increase in the level of fiscal support would further exacerbate inflation. This is mitigated by the proposed payment being a one-off temporary support measure. Furthermore, the payment would not add to forecast fiscal spending as it will be funded from expected future underspends in the COVID-19 Response and Recovery Fund (CRRF).

#### *Administrative efficiency*

Option Two would be simpler for Inland Revenue to administer, compared to Option Three, because it would be based on assessing eligibility at single point in time rather than three times. However, option two would still have critical operational impacts on Inland Revenue

---

<sup>6</sup> Inland Revenue holds this information for 79.4% of potentially eligible recipients, other recipients would need to update their details in myIR in order to receive a payment.

§ 18(c)(i) while also delivering the current COVID-19 supports.

Some of the information Inland Revenue holds may not be up to date. This would mean some people who should receive the payment may not, and conversely, some people who received the payment should not have. § 18(c)(i)

While Inland Revenue can administer the payment, doing so would severely impact their services to taxpayers. The addition of this payment to their portfolio of services Inland Revenue already delivers would severely compromise Inland Revenue's already stretched workforce and negatively impact the taxpayer population, including the families and individuals that this payment would be intended to support.

This payment would require Inland Revenue to devote a significant number of their frontline staff to deliver the payment and manage contacts from people seeking support about the payment in Inland Revenue's busiest period. § 18(c)(i)

To minimise but not eliminate the risks identified associated with delivering this payment, Inland Revenue would reprioritise existing staff and is investigating hiring additional temporary staff. Further information on the implementation difficulty is discussed in section 3.

This option was not assessed for administrative funding purposes.

#### *Compliance efficiency*

Customers may be required to update their details held by Inland Revenue (such as their bank account or birthdate information) and may try to contact Inland Revenue for more clarification about this payment. The payment window for the proposed payment occurs within the filing period for the 2021-22 tax year. If the customer has not completed their tax assessment by the time of the payment, this would delay eligible persons receiving their payment on-time.

#### *Fiscal cost*

This option was forecast to cost \$747.600 million based on a payment of \$350 to an estimated 2,136,000 recipients.<sup>8</sup> This estimate is highly uncertain because Inland Revenue does not currently know the size of the eligible population and officials have had to calculate it based on adjusted 2019-20 tax data.

---

§ 18(c)(i)

<sup>8</sup> This option was not formally costed, however, option two and three are expected to cost the same given it was the same population.

### Option three – periodic payment

The analysis for option two (above) applies for option three, unless stated otherwise.

#### *Equity*

Treasury modelling suggests that 1,088,000 households will gain an average of \$590, indicating that over half of the households will receive two payments. About 478,000 households with children and 610,000 households without children are expected to receive the payment.

The payment is somewhat targeted to low- and middle-income households. Around 54% of the total payments are estimated to go to the middle 40% of households, with 21% going to the bottom 30% and 24% going to the top 30%.

The Treasury estimates that the characteristics of the individual recipients would be:

- A third have children, two thirds do not have children
- 22% received self-employment income in the previous tax year
- 60% have partners
- Approximately 57% of families (couples and single people) receiving the payment have total family incomes below \$70,000, 12% have family incomes between \$70,000 and \$100,000, and 31% have family incomes over \$100,000.

Some of the information Inland Revenue holds may not be up to date. This would mean some people who should receive the payment may not, and conversely, some people who received the payment should not have. To mitigate this, Inland Revenue would run monthly checks to identify such cases and any missed entitlement would be paid out separately, as they are approved (as described in the process below). <sup>s 18(c)(i)</sup>

#### *Economic efficiency*

##### Timely

The payment would be automatically paid to the eligible population as assessed at the start of August, September, and October 2022. This is provided if the eligible person has a bank account number recorded with Inland Revenue and has submitted a 2021-22 tax assessment. This meets Ministers objectives to broadly align the payment window with the WEP window (May to October). However, eligibility would be based on a finalised 2021-22 tax assessment and the window for filing some assessments does not close until 31 March 2023. This means some people would not receive their payments until after 31 March 2023.

#### *Administrative impacts*

Inland Revenue has estimated the cost to implement and administer this option is \$16 million. Inland Revenue will self-fund \$2 million of this cost. The cost arises from the significant effort involved in periodic assessments, administering three payments and collecting bank account information for customers who do not already have one on file.

Inland Revenue anticipates that contact would begin for the proposed payments under option three as soon as the announcement is made. This would peak to approximately 750 FTEs

being required in the weeks of 1 August, 1 September, and 1 October when the payments are made, and decreasing to approximately 250 FTE in the week before a payment being made. From November to March 2023, ongoing support of approximately 30 FTE per week will be required for IR3 filers.

#### *Compliance efficiency*

At the time of the first proposed payment on 1 August, Inland Revenue expects to have tax assessments for around 3.2 million individuals (around 75% of individual customers). This includes people who had their income tax assessment completed automatically by Inland Revenue and people who filed a tax return by 7 July. Around 25% of potentially eligible recipients (around 500,000 individuals) would not receive this payment during the proposed August-October window because their assessment for the 2021-22 tax year is not complete. This includes those who file IR3 tax returns through a tax agent and have until 31 March 2023 to file, and those with assessments held awaiting further information (including some Working for Families recipients).

### What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

Option Three best fits the Government's commissioning, addresses the problem, and meets most of their objectives. The eligibility criteria, as outlined above, might impact on the ability to effectively target the intended population. These criteria were designed in a way to best deliver the proposed payment in a timely manner that meets the Government's policy objectives, while reducing the operational impacts on Inland Revenue.

### What are the marginal costs and benefits of the option?

<b>Affected groups</b> <i>(identify)</i>	<b>Comment</b> <i>nature of cost or benefit (e.g., ongoing, one-off), evidence and assumption (e.g., compliance rates), risks.</i>	<b>Impact</b> <i>\$m present value where appropriate, for monetised impacts; high, medium, or low for non-monetised impacts.</i>	<b>Evidence Certainty</b> <i>High, medium, or low, and explain reasoning in comment column.</i>
<b>Additional costs of the preferred option compared to taking no action</b>			
Eligible individuals	<i>One-off adjustment for individuals to ensure their customer details held by Inland Revenue are correct.</i>	<i>Low, not possible to quantify.</i>	<i>Medium</i>
The Government	<i>One-off fiscal cost. This estimate is highly uncertain because officials do not currently know the size of the eligible population and officials have had to calculate it based on adjusted 2019/20 tax data.</i>	<i>\$747.600 million estimated</i>	<i>Low certainty as the size of the eligible population is uncertain</i>

Regulators (Inland Revenue)	<p><i>One-off operational funding is required for Inland Revenue to implement and administer the payment.</i></p> <p><i>Administrative pressure to deliver the proposed payment in addition to core business is likely to impact on the short-term ability to provide services to customers</i></p> <p>s 18(c)(i)</p>	<p><i>Monetised: \$16 million, with Inland Revenue self-funding \$2 million.</i></p> <p><i>Non-monetised: High</i></p>	<i>High</i>
MSD	<i>Increased customer contacts regarding eligibility.</i>	<i>Uncertain, dependant on nature of interest.</i>	<i>Medium</i>
Inland Revenue customers (including WFF customers)	<i>Negatively impact on ability to deliver services for Inland Revenue's business as usual customers (income tax, WFF etc)</i>	<i>High, however, Inland Revenue would aim to mitigate this where possible, such as hiring contingent labour reprioritising staff and deferring other activities.</i>	<i>Medium</i>
Ineligible persons	<i>No change in cost-of-living pressures.</i>	-	<i>High</i>
<b>Total monetised costs</b>	<p><i>One-off estimated fiscal cost.</i></p> <p><i>Implementation and administration cost of Inland Revenue delivering the payment.</i></p>	<i>\$816.000 million (\$800.000m sought for the appropriation and \$16.000m sought for implementation and administration)</i>	<i>High</i>
<b>Non-monetised costs</b>	<i>Significant administrative pressure on Inland Revenue and impact on services to customers.</i>	<i>High - there would be an overall degraded customer experience and increased pressure on staff to deliver the payment alongside other services.</i>	<i>High</i>
<b>Additional benefits of the preferred option compared to taking no action</b>			
Eligible recipients	<i>Support low-middle income individuals with the short-term impact of the increase in the cost of living.</i>	<i>\$350 payment in three periodic instalments in the 2023 fiscal year.</i>	<i>Medium</i>

Regulators (Inland Revenue)	<i>Likely to increase the quality of data held for individuals.</i>	<i>Not possible to quantify.</i>	<i>Medium</i>
<b>Total monetised benefits</b>	<i>2,136,000 individuals are expected to benefit from the payment.</i>	<i>\$350 payment in three periodic instalments.</i>	<i>Medium certainty regarding estimated eligible recipients.</i>
<b>Non-monetised benefits</b>	<i>May alleviate some cost-of-living pressures in the short-term.</i>	<i>Approximately 2,136,000 individuals are expected to benefit from the payment.</i>	<i>Medium</i>

## Section 3: Delivering an option

### How will the new arrangements be implemented?

#### Administration of the proposed payments

The proposed scheme would be administered by Inland Revenue.

The option would require amendments to the Tax Administration Act 1994 and the Income Tax Act 2007 to allow Inland Revenue to administer the payments. The amendments will allow Inland Revenue to:

- include administration of the proposed payments as one of the functions of the Commissioner of Inland Revenue,
- use the information it holds to determine eligibility and make payments, and
- use recovery provisions where payments have been issued based on fraudulent or wilfully misleading information.

The proposed legislative amendments would take effect from the day after the proposed bill receives Royal assent.

The first payment would be made on 1 August, with the two remaining periodic payments made on 1 September and 1 October (or the next working day if the payment date falls on a weekend). Lump sum payments would continue to be made as individual tax assessments are finalised and tax returns are filed (the final date to file tax returns for the 2021-22 tax year is 31 March 2023).

There would be no application required for the payments. Entitlement to the payments would be determined by Inland Revenue based on information it holds (e.g., tax assessments and employer information from MSD).

#### Implementation risks

While Inland Revenue can administer the payment, doing so will significantly impact existing services to its customers. Delivering this payment would impact Inland Revenue's operations and its ability to:

- s 18(c)(i)
- deliver social policy entitlements; and



- continue to deliver the current COVID-19 economic supports at the same time.

To mitigate this risk, Inland Revenue has sought funding to bring on an additional temporary workforce. This workforce will not be sufficient to manage all of the additional work required and would be focused on delivery of the proposed payment.

Accordingly, there would still be an overall degraded customer experience because people may not be able to contact Inland Revenue, leading to increased customer frustration and loss of trust in Inland Revenue's ability to support them. s 18(c)(i)

- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]

s 18(c)(i) [REDACTED]

s 18(c)(i) [REDACTED] Inland Revenue has sought additional funding s 18(c)(i) [REDACTED]. To minimise but not eliminate the risks identified and to support the delivery of this payment, Inland Revenue may also reprioritise existing staff.

s 18(c)(i) [REDACTED]

### Communications

Inland Revenue officials are currently developing a communications plan, which would be finalised alongside the detailed design for the proposed payments scheme. However, this is likely to align with Inland Revenue's broader approach to focus on providing information via its website and encouraging customers to interact with Inland Revenue using online channels.

The payment eligibility criteria would not be legislated but instead published on Inland Revenue's website. Therefore, online content would be the focus of the communications strategy. The key areas would be helping individuals to understand whether they may be entitled to the payments and highlight that they would not need to apply for the payment.

The communication needs of other groups such as tax agents, and other government agencies, in particular MSD, are also being considered.

### Implementation of the payment scheme

Inland Revenue's operational and system experts have been involved in the advice provided to Ministers since the original commissioning. The advice provided by Inland Revenue officials on the design of the payments scheme has focused not only on how the scheme might address Ministers' stated objectives, but also on factors that simplify the build and reduce the operational impacts on Inland Revenue. Making the design as simple as possible (e.g., using finalised 2021-22 tax year income, not having an application process, and not apportioning the payments) reduces the risk to successful implementation.

## How will the new arrangements be monitored, evaluated, and reviewed?

As part of the design and systems build for the proposed payment, Inland Revenue would incorporate reporting functionality. The detailed design is still being finalised but is likely to include:

1. Numbers of recipients,
2. Amounts paid out,
3. Timing of payments; and
4. Income levels of recipients

The time-limited nature of the payment scheme means that the monitoring would only be in place until 2024. No payments would be made after 31 March 2024; therefore, monitoring would cease after any credits that had not been issued are returned to the Crown.

Inland Revenue has existing processes in place to manage any concerns or complaints raised by individuals, industry bodies or other agencies, and these processes would be used to gather information and concerns about the proposed payment scheme.

Appendix 1. Table 1: Income distribution of individuals with less than \$70,000

	a	b	c	d	e
Upper Income band	Individuals excluding Beneficiaries, NZS, <18, or nil income	Benefit, NZS receipt, or nil income	Total Excl. <18	Number of children <18	Total incl. <18
Nil	-	171,100	171,200	86,700	257,900
500	112,500	173,900	286,400	242,700	529,100
1,000	138,700	177,200	315,900	257,400	573,300
1,500	158,300	180,400	338,700	266,500	605,200
2,000	174,800	183,900	358,800	272,700	631,500
2,500	189,700	187,200	376,900	277,700	654,600
3,000	203,600	190,900	394,700	282,000	676,700
3,500	217,100	194,600	411,900	285,800	697,700
4,000	230,000	198,400	428,600	289,200	717,800
4,500	242,600	202,200	444,900	292,300	737,200
5,000	254,800	206,000	460,900	295,200	756,100
10,000	371,400	252,600	624,100	314,800	938,900
15,000	481,700	381,600	863,600	324,700	1,188,300
20,000	586,500	650,600	1,237,300	329,000	1,566,300
25,000	690,000	856,600	1,546,800	331,000	1,877,800
30,000	797,700	1,046,100	1,844,000	332,000	2,176,000
35,000	910,400	1,113,800	2,024,200	332,700	2,356,900
40,000	1,039,500	1,160,500	2,199,800	333,300	2,533,100
45,000	1,190,000	1,195,200	2,385,100	333,700	2,718,800
50,000	1,358,000	1,224,600	2,582,700	334,300	2,917,000
55,000	1,514,300	1,246,200	2,760,700	334,400	3,095,100
60,000	1,657,600	1,264,000	2,921,900	334,500	3,256,400

[SENSITIVE]

65,000	1,786,200	1,279,400	3,065,900	334,600	3,400,500
70,000	1,910,600	1,296,600	3,207,300	334,900	3,542,200

Appendix 2. Table 2: Income support changes from 1 April 2022

Cohort targeted	1 April 2022 changes to support these groups ( <i>some groups may benefit from multiple changes</i> )	Approximate numbers in this group at December 2021	Increase larger than CPI change
Beneficiaries	<p>Policy decisions were taken at Budget 2019 to index main benefits to average wage growth as this would typically result in a higher increase than if indexed to CPI.</p> <p>While CPI is higher than wage growth, the second tranche of main benefit increases agreed through Budget 2021 was implemented on 1 April 2022.</p> <p>In combination, the increase to main benefits was larger than the increase in CPI.</p>	368,000	Yes
Super annuitants	The indexation regime for NZ Super ensures super annuitants receive the greater of the increase in either CPI or wages.	854,000	CPI increase resulting in 5.95% increase
Students	Rates of student support are indexed to CPI. In addition, the rates increased by a further \$25, agreed as part of Budget 2021.	163,000	Yes
Low-middle income families	<p>The Family Tax Credit and Best Start Tax Credit are indexed to CPI once reached a cumulative 5%.</p> <p>Payments increased by 8.57% from 1 April, with an additional \$5 increase to the Family Tax Credit rates agreed last year.</p> <p>Family Tax Credit increased by almost \$15 per week for eldest child and \$13 per week for subsequent children. Best Start increased by \$5 per week.</p> <p>However, changes to abatement settings will mean that approximately one third of these families will receive less than they would have under CPI indexation alone.</p>	332,500 families with non-zero entitlement at the end of tax year 2019	Yes, for two-thirds of Working for Families recipients.
Support for caregivers	Orphans Benefit, Unsupported Childs Benefit and Foster Care Allowance increased by \$5 over and above CPI indexation.	13,000	Yes
Minimum wage workers	<p>Minimum wage increased from \$20/h to \$21.20/h from 1 April.</p> <p>Over recent years the minimum wage has increased by well above the rate of inflation and this is reflected in wage increases shown by the labour cost index for lower-skilled workers.</p>	300,000	Yes

**Appendix 3. Table 3: Net income distribution of individuals less than \$5000**

Upper Income band	Individuals excluding Beneficiaries, NZS, <18			Benefit, NZS receipt, or nil income			Total Excl. <18
	a	b	c	d	e	f	
	WFF-PCG	WFF-PTR	Non WFF	WFF-PCG	WFF-PTR	Non WFF	
Nil	-	-	-	19,700	11,600	139,800	171,200
500	7,100	2,800	102,600	20,100	11,700	142,100	286,400
1,000	8,800	3,500	126,400	20,500	11,800	144,900	315,900
1,500	10,100	4,100	144,100	20,900	11,900	147,600	338,700
2,000	11,300	4,600	158,900	21,300	12,000	150,600	358,800
2,500	12,400	5,100	172,200	21,800	12,100	153,300	376,900
3,000	13,300	5,500	184,800	22,200	12,200	156,500	394,700
3,500	14,200	5,900	197,000	22,700	12,300	159,600	411,900
4,000	15,100	6,300	208,600	23,200	12,400	162,800	428,600
4,500	16,000	6,700	219,900	23,600	12,500	166,100	444,900
5,000	16,800	7,100	230,900	24,100	12,600	169,300	460,900