

## **Description of New Zealand's current retirement income policies, Ministry of Social Development**

### Summary by CFFC

#### **Data on NZS recipients and expenditure**

- New Zealand Superannuation (NZS) is a simple, universal pension paid to all who qualify on age and residency criteria.
- Around 94% of New Zealanders over the age of 65 receive NZS or another social security benefit.
- As at end March 2019, there were 774,651 recipients of NZS (including 13,231 non-qualified partners) and 7108 Veterans Pension recipients
- People aged 65 and over who do not meet residency criteria for NZS can qualify for other main benefits. As at end March 2019, 5601 people aged 65 and over were receiving main benefits.
- The expenditure on New Zealand superannuation and VP in the year ended March 2019 was \$14,492,577 before tax.

#### **Single and married rate**

- The single rate is set at 60 percent of the married couple rate because it is considered that they can take advantage of certain economies of scale, such as sharing accommodation costs, insurance policies, vehicle expenses and meals.
- There are about twice as many women than men receiving the single rate of NZS (Single sharing accommodation, Single living alone)

#### **Financial assistance to 65+**

- 19.2% of total population 65+ received supplementary assistance in 2019.
- 5.8% of 65+ receive accommodation supplement and 17% receive disability allowance.
- The number of special needs grants for food paid for clients 65+ increased from 10,859 in 2016 to 23,335 in 2019.

#### **65+ in the labour force (Statistics New Zealand and Office for Seniors data)**

- 23.7 % of 65+ are currently in the labour force; this is expected to increase up to 26 percent by 2036.
- The labour force aged 65 years and over increased from 23,000 in March 1991 to 57,900 in March 2006 and to 146,000 in 2016. It was 172,200 in March 2019 and is projected to reach 311,000 by 2038.
- Labour force participation is defined as regularly working one or more hours per week or actively seeking work.
- Older New Zealanders' earnings from paid employment are projected to rise from \$4.8 billion in 2016 to about \$22.8 billion by 2061
- Features that could facilitate workforce participation for older people include removing labour market barriers such as age discrimination, flexible work hours, work with less responsibility or fewer physical demands, being able to take more unpaid leave, job-sharing and age-specific provision of employment assistance services.