



MINISTRY OF SOCIAL DEVELOPMENT

TE MANATŪ WHAKAHIATO ORA

Flexi-Wage Expansion

If a business is interested in hiring someone, the Ministry of Social Development (MSD) may be able to help through its recently expanded Flexi-wage employment programme.

Through the Flexi-wage expansion, the Government is investing an additional \$300 million into Flexi-wage, including \$30 million ringfenced to support people who are out-of-work into self-employment. The changes are expected to support up to 40,000 more New Zealanders into work over the next two years.

The Flexi-wage expansion, which took effect on 15 February, widened eligibility to support job seekers who are not on a benefit but are disadvantaged in the labour market. It previously only supported people at risk of being on a benefit long-term. Through the expansion, MSD has also increased subsidy rates for eligible job seekers and introduced set rates and durations to provide more certainty for potential employers. Flexi-wage support can include training and in-work support (such as pastoral care), as well as a wage contribution. The job must pay the minimum wage and be ongoing, continuing after the Flexi-wage support has finished. A business may be able to get Flexi-wage to support an employee at risk of redundancy who can be employed in a different role within the business, while they gain the skills required to do the new job. MSD staff will discuss with the employer the level of support the candidate needs to gain the skills to do the job, and whether it will be a Flexi-wage subsidy, training, in-work support (such as pastoral care) or a combination. To find out more, go to www.workandincome.govt.nz/flexi-wage or speak to an MSD Work Broker.

Abatement threshold change

The Government has announced an important change for people who work or get other income while receiving a benefit. People receiving a main benefit can earn up to a certain level of net income per week before their benefit begins to reduce. This is called the income abatement threshold.

- From 1 April 2021, people will be able to earn more than they can now before their benefit is affected.
- Currently, people may earn the following amounts before their benefit starts to reduce.
 - \$90 a week before tax for people getting Jobseeker Support

- \$115 a week before tax for Sole Parent Support, Supported Living Payment, and NZ Super or Veteran's Pension with a non-qualifying spouse.
- From 1 April 2021, people will be able to earn up to **\$160** before tax a week before their benefit starts to reduce. (There are more details on the [Work and Income website](#))

The change will make working more worthwhile for people getting a benefit. Most will be better off because of the increased income abatement threshold.

Any changes to people's benefit payments from 1 April will be calculated automatically, and clients won't need to do anything differently. Some people whose payments are currently suspended because of their income may become newly eligible for assistance because of this change. MSD will then know so they can make contact to check if their eligibility has changed.

For a small number of clients, the increase in their benefit may reduce other payments they get. To make sure they don't get less overall, MSD will top them up with a weekly Transitional Assistance Payment for up to 12 months or until their situation changes.

Restarting some processes

Some MSD reviews and reapplications were paused last year due to COVID-19.

These processes need to restart in order to meet legislative requirements, and are resuming in a phased way from 23 February 2021. Clients will be asked to complete their review when it would have been due (not all at the same time).

Processes restarting are:

- 52-week reapplications – for Jobseeker Support and Sole Parent Support
- Annual income and Income Related Rent reviews
- Disability Allowance (DA) reviews
- Life certificates
- Inland Revenue information sharing.

Other processes will start in a few months' time:

- Initial income stand-downs will start again in late July 2021.
- Subsequent work capacity medical certificates aren't required until 31 July 2021.

Please get in touch with MSD if you have any questions. The Work and Income website www.workandincome.govt.nz has all the latest information.

Ngà mihi,
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