

Hon David Parker, Minister of Revenue

Information Release

Taxation (Cost of Living Payments) Bill- Cabinet Legislation Committee paper

August 2022

Availability

This information release is available on Inland Revenue's tax policy website at <https://taxpolicy.ird.govt.nz/publications/2022/2022-ir-cab-leg-22-sub-0062>

Documents in this information release

| # | Reference | Type | Title | Date |
|---|-----------------|-------------------|----------------------------------------------------------------------------------------------|-------------|
| 1 | IR2022-216 | Tax policy report | Draft Cabinet paper - Taxation (Cost of Living Payments) Bill: Approval for introduction | 2 May 2022 |
| 2 | LEG-22-SUB-0062 | Cabinet Paper | Taxation (Cost of Living Payments) Bill: Approval for introduction | 12 May 2022 |
| 3 | LEG-22-MIN-0062 | Minute | CAB-22-MIN-0180 - Minute: Taxation (Cost of Living Payments) Bill: Approval for introduction | 12 May 2022 |
| 4 | CAB-22-MIN-0180 | Cabinet minute: | Report of the Cabinet Legislation Committee | 16 May 2022 |
| 5 | IR2022-198 | Tax policy report | Cost of Living payment - detailed design decisions | 25 May 2022 |

Additional information

The Cabinet paper was considered by the Cabinet Legislative Committee on 12 May 2022 and confirmed by Cabinet on 16 May 2022.

Three attachments to the Cabinet paper are not included in this information release as they are publicly available:

- [Supplementary analysis report: Cost of living payments](#)
- [Departmental Disclosure Statement: Taxation \(Cost of Living Payments\) Bill](#)
- [Taxation \(Cost of Living Payments\) Bill](#)

Information withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply are identified. Where information is withheld, no public interest was identified that would outweigh the reasons for withholding it.

Sections of the Act under which information was withheld:

9(2)(a) to protect the privacy of natural persons, including deceased people

Not in scope.

Accessibility

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POLICY AND REGULATORY STEWARDSHIP

Tax policy report: Draft Cabinet paper – Taxation (Cost of Living Payments) Bill: Approval for introduction

| | | | |
|------------------------|--------------------|-----------------------|------------|
| Date: | 2 May 2022 | Priority: | High |
| Security level: | Sensitive - Budget | Report number: | IR2022/216 |

Action sought

| | Action sought | Deadline |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Minister of Finance | Note the contents of the report and attached Cabinet paper, draft legislation, and draft disclosure statement | 10am, 5 May 2022 |
| Minister of Revenue | Note the contents of the report and attached Cabinet paper, draft legislation, and draft disclosure statement Authorise the lodgement of the attached Cabinet paper | 10am, 5 May 2022 |

Contact for telephone discussion (if required)

| Name | Position | Telephone |
|-----------------|-----------------------|------------------|
| Murray Shadbolt | Policy Lead | s 9(2)(a) |
| Emma Hamilton | Senior Policy Advisor | |

2 May 2022

Minister of Finance
Minister of Revenue

Draft Cabinet paper – Taxation (Cost of Living Payments) Bill: Approval for introduction

Purpose

1. This report asks you to approve and lodge the attached paper to the Cabinet Legislation Committee. The Cabinet paper will also have attached the draft legislation, draft disclosure statement, and Supplementary Analysis Report. The material should be lodged with the Cabinet Office by 10am Thursday 5 May 2022 for consideration at the Cabinet Legislation Committee meeting on 12 May 2022.
2. The Cabinet paper seeks approval to introduce the Taxation (Cost of Living Payments) Bill (the Bill) on 19 May 2022. Cabinet has previously agreed that the Bill be passed under urgency on Budget Day, to provide certainty and sufficient time for Inland Revenue to implement the changes in order to make the first payment on 1 August 2022.
3. A draft disclosure statement is attached to accompany the Cabinet paper in accordance with Cabinet guidelines. The draft statement is finalised by Inland Revenue with the Parliamentary Counsel Office shortly before the introduction of the Bill and is made public when the Bill is introduced.
4. A Regulatory Impact Assessment was not submitted at the time that Cabinet approval of the policy relating to the Bill was sought [CAB-22-MIN-130 refers]. This was due to time constraints. Instead, a Supplementary Analysis Report is being completed and will be included with the other documents accompanying the Cabinet paper. The Supplementary Analysis Report will be provided to your office on 4 May 2022.
5. The draft Bill contains provisions to implement the items listed below.

Policy items approved by Cabinet

6. Cabinet has approved the introduction of a Cost-of-Living Payments scheme to provide short-term support for low-to-middle income individuals earning up to \$70,000 (net income for the 2022 tax year), and who are not eligible for the Winter Energy Payment (WEP).
7. Under the scheme cost-of-living payments, together totalling \$350, will be made in three instalments from 1 August 2022. These payments are intended to support low-to-middle income individuals who:
 - 7.1 may have been heavily impacted by the recent increase in the cost of living;
 - 7.2 are less likely to have benefitted from changes on 1 April to support or increase incomes such as increases in main benefit rates, Working for Families tax credits, and the increase in the minimum wage; and
 - 7.3 will not be receiving a temporary increase in income on 1 May due to the WEP, to support living costs over winter.

8. The scheme would be administered by Inland Revenue. Inland Revenue would determine eligibility based on the information it holds. Individuals would not have to apply for the payments.
9. The Bill proposes amendments to the Income Tax Act 2007 and the Tax Administration Act 1994 that are necessary for Inland Revenue to be able to administer the cost-of-living payments.
10. The proposed amendments will allow Inland Revenue to:
 - 10.1 include administration of the cost-of-living payments as one of the functions of the Commissioner of Inland Revenue (the Commissioner);
 - 10.2 use the information it holds to determine eligibility and make payments; and
 - 10.3 recover payments (in cases of serious non-compliance, such as fraud).
11. The Bill also proposes that the cost-of-living payments be tax exempt and not included as income for Working Families tax credits.
12. The eligibility criteria for the payment and the design parameters are not required to be included in legislation. Instead, the Bill requires the Commissioner to publish the eligibility criteria on Inland Revenue's website.

Support party and caucus consultation

13. Cabinet have agreed that the Bill be introduced on 19 May 2022. Support party and caucus consultation will need to occur in advance of Cabinet's final decision.

Recommended action

We recommend that you:

14. **note** the contents of this report, attached draft Cabinet paper, draft legislation, and draft disclosure statement;

Noted

Noted

Minister of Finance

Minister of Revenue

15. **sign** and **refer** the Cabinet paper to the Cabinet Office by 10 am Thursday 5 May 2022.

Signed and referred/Not signed and referred

Minister of Revenue

s 9(2)(a)

Murray Shadbolt
Policy Lead (Acting)
Policy and Regulatory Stewardship

Hon Grant Robertson
Minister of Finance
/ /2022

Hon David Parker
Minister of Revenue
/ /2022

Sensitive

Office of the Minister of Revenue

Cabinet Legislation Committee

Taxation (Cost of Living Payments) Bill: Approval for Introduction

Proposal

1. This paper seeks the Cabinet Legislation Committee's authorisation for the introduction of the attached Taxation (Cost of Living Payments) Bill (the Bill) under urgency on 19 May 2022.
2. The Bill introduces amendments to the Income Tax Act 2007 and the Tax Administration Act 1994.

Policy

3. The Bill will implement the policy agreed by Cabinet to make cost of living payments. The Bill is necessary as amendments to existing legislation are required for Inland Revenue to administer the payments.

Cost of living payments

4. On 12 April 2022, Cabinet agreed to introduce new short-term cost-of-living payments to help households deal with the recent spike in inflation driven by COVID-19-related global supply chain issues and the war in Ukraine. This payment will provide transitional support as the government's extended fuel excise duty reductions and half price public transport policies are phased out.
5. The \$350 total payment amount will be made in three periodic instalments paid in August, September and October 2022. No application will be required from recipients.
6. The new cost-of-living payments will provide short-term support for low-to-middle income individuals who:
 - 6.1 earned up to \$70,000 in the 2021-22 tax year;
 - 6.2 are aged 18 or over;
 - 6.3 are New Zealand tax residents and present in New Zealand;
 - 6.4 currently hold a New Zealand bank account; and
 - 6.5 are not eligible to receive the Winter Energy Payment (WEP).
7. The payment will not be paid to individuals who are receiving a qualifying benefit (such as main benefit, New Zealand Superannuation or Veteran's

Pension) during the payment period. This is because these individuals will be receiving the WEP. The WEP provides between \$450 and \$700 to eligible recipients during the winter period.

8. The payment will be targeted using Inland Revenue data on individuals for the 2021-22 tax year, applying the following parameters:
 - 8.1 the income threshold test based on net income (gross income less allowable deductions for that year, before losses) for the 2021-22 tax year;
 - 8.2 individuals who have not filed an income tax return by the date of the first payment will begin receiving payments after they file (or as a lump sum after the monthly payment window closes); and
 - 8.3 individuals with no tax assessment will be excluded.
9. The eligibility criteria for the payment and the design parameters are not required to be included in legislation. Instead, the Bill requires that they be published on Inland Revenue's website.
10. The Bill proposes amendments to the Income Tax Act 2007 and the Tax Administration Act 1994 that are necessary for Inland Revenue to be able to administer the cost-of-living payments.
11. The proposed amendments will allow Inland Revenue to:
 - 11.1 include administration of the cost-of-living payments as one of the functions of the Commissioner of Inland Revenue; and
 - 11.2 use the information it holds to determine eligibility and make payments;
 - 11.3 recover the payments in cases of serious non-compliance, such as fraud.
12. The Bill also proposes that the cost-of-living payments be tax exempt and not included as income for Working Families tax credits.
13. It is also proposed that the payments will not be considered income or a cash asset for income support paid by MSD. This will be achieved by amending the Social Security Regulations 2018 and the Student Allowances Regulations 1998. MSD will progress these changes separately.

Timeframes

14. Cabinet agreed that the Bill be introduced on 19 May 2022 and passed under urgency. This will provide certainty for Inland Revenue and will allow sufficient time to implement the required changes to make the first payment on 1 August 2022.

Impact analysis

15. Due to time constraints a regulatory impact assessment was not submitted at the time that Cabinet approval of the policy relating to the Bill was sought [CAB-22-MIN-130 refers]. Instead, a Supplementary Analysis Report has been completed and submitted with this Cabinet paper.
16. 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.
17. 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.

Compliance

The Treaty of Waitangi

18. No formal steps have been taken to determine whether the provisions in the Bill are consistent with the principles of the Treaty of Waitangi.

The New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993

19. The Bill has been provided to the Ministry of Justice to review whether it complies with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Departmental disclosure statement

20. The Bill complies with the departmental disclosure statement requirements. A draft departmental disclosure statement has been prepared and is attached.

The Privacy Act 2020

21. The provisions in the Bill comply with the principles and guidelines set out in the Privacy Act 2020. The Privacy Commissioner was consulted on the provisions in the Bill that relate to the use of existing information to administer the payments scheme.

Relevant international standards and obligations

22. No formal steps have been taken to determine whether the provisions in the Bill comply with New Zealand's international obligations.

The Legislation Guidelines

23. The Bill complies with the Legislation Guidelines (2021) which are maintained by the Legislation Design and Advisory Committee.

Consultation

24. Consultation on the provisions in this Bill with stakeholders (other than key government departments) did not occur due to time constraints and Budget sensitivities.

Binding on the Crown

25. The Bill amends the Income Tax Act 2007, which is binding on the Crown, and the Tax Administration Act 1994, which is not currently binding on the Crown.

Creating new agencies or amending law relating to existing agencies

26. The Bill will not create a new agency or amend law relating to existing agencies.

Allocation of decision-making powers

27. The Bill does not allocate decision-making powers.

Associated regulations

28. The Bill does not include associated regulations.

Other instruments

29. The Bill does not include any provision empowering the making of other instruments that are deemed to be legislative instruments or disallowable instruments (or both).

Definition of Minister/department

30. The Bill does not contain a definition of Minister, department (or equivalent government agency), or chief executive of a department (or equivalent position).

Commencement of legislation

31. The amendments will take effect on the day after the day the Bill receives Royal assent.

Parliamentary stages

32. The Minister of Revenue recommends that the Bill be introduced on 19 May 2022 and passed under urgency on the same day.

Proactive Release

33. The Minister of Revenue proposes to release this paper proactively, subject to redaction as appropriate under the Official Information Act 1982, after Budget Day.

Recommendations

The Minister of Revenue recommends that the Committee:

- 1 **note** that the Bill proposes amendments to the Income Tax Act 2007 and the Tax Administration Act 1994 that are necessary for Inland Revenue to be able to administer the cost-of-living payments;
- 2 **note** that the Bill proposes the cost-of-living payments be tax exempt and not included as income for Working for Families tax credits purposes;
- 3 **note** that the Bill does not include the eligibility criteria for the cost-of-living payments, but the Bill will require these criteria to be published on Inland Revenue's website;
- 4 **approve** the Taxation (Cost of Living Payments) Bill for introduction, subject to the final approval of the government caucus and sufficient support in the House of Representatives;
- 5 **authorise** the Minister of Finance and the Minister of Revenue to approve any drafting changes to the Bill, including its title, before its introduction;
- 6 **agree** that the Bill be introduced on 19 May 2022;
- 7 **agree** that the Government propose that the Bill be passed under urgency.

Authorised for lodgement

Hon David Parker
Minister of Revenue



Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Taxation Bill: Approval for Introduction

Portfolio Revenue

On 12 May 2022, the Cabinet Legislation Committee:

- 1 **noted** that on 11 April 2022, Cabinet agreed to authorise a payment to some individuals, as a way to help low-to-middle income earners with the recently increased cost of living [CAB-22-MIN-0130];
- 2 **noted** that the Taxation (Cost of Living Payments) Bill (the Bill) proposes amendments to the Income Tax Act 2007 and the Tax Administration Act 1994 that are necessary for Inland Revenue to be able to administer the cost-of-living payments;
- 3 **noted** that the Bill proposes the cost-of-living payments be tax exempt and not included as income for Working for Families tax credits purposes;
- 4 **noted** that the Bill does not include the eligibility criteria for the cost-of-living payments, but the Bill will require these criteria to be published on Inland Revenue's website;
- 5 **approved** the Taxation (Cost of Living Payments) Bill for introduction, subject to the final approval of the government caucus and sufficient support in the House of Representatives;
- 6 **authorised** the Minister of Finance and the Minister of Revenue to approve any drafting changes to the Bill, including its title, before its introduction;
- 7 **agreed** that the Bill be introduced on 19 May 2022;
- 8 **agreed** that the government propose that the Bill be passed under urgency.

Rebecca Davies
Committee Secretary

Present:

Hon Andrew Little (Chair)
Hon David Parker
Hon Stuart Nash
Hon Kris Faafoi
Hon Michael Wood
Hon Aupito William Sio
Hon Meka Whaitiri

Officials present from:

Office of the Prime Minister
Officials Committee for LEG



Cabinet

Minute of Decision

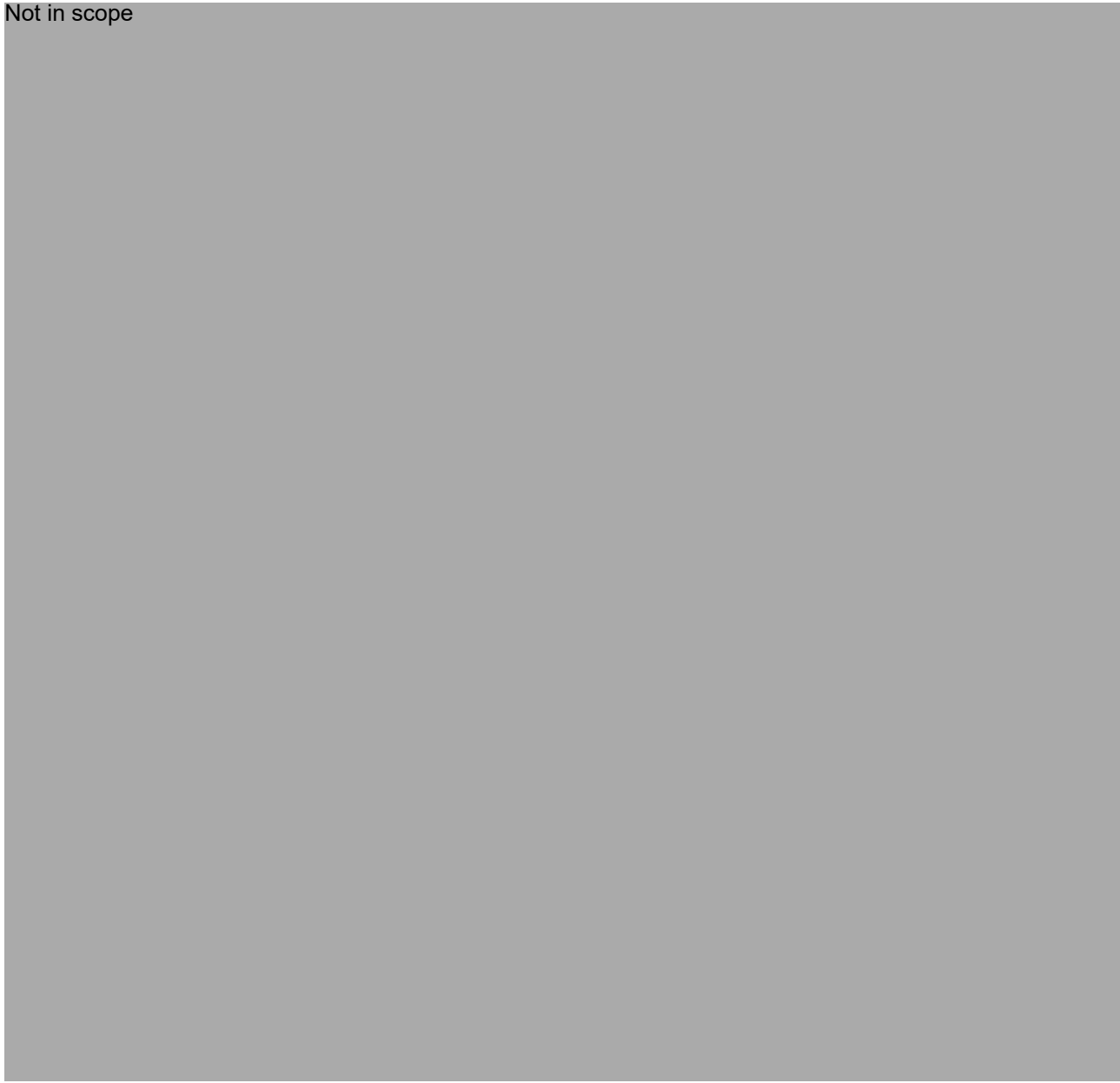
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Report of the Cabinet Legislation Committee: Period Ended 13 May 2022


On 16 May 2022, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 13 May 2022:

LEG-22-MIN-0062 **Taxation Bill: Approval for Introduction** CONFIRMED
Portfolio: Revenue

Not in scope



Not in scope



Michael Webster
Secretary of the Cabinet



POLICY AND REGULATORY STEWARDSHIP

Tax policy report: Cost of Living payment: detailed design decisions

| | | | |
|------------------------|---------------|-----------------------|------------|
| Date: | 25 May 2022 | Priority: | High |
| Security level: | In Confidence | Report number: | IR2022/198 |

Action sought

| | Action sought | Deadline |
|---------------------|---------------------------------|-----------------|
| Minister of Finance | Agree to recommendations | 3 June 2022 |
| Minister of Revenue | Agree to recommendations | 3 June 2022 |

Contact for telephone discussion (if required)

| Name | Position | Telephone |
|-----------------|--------------------------------------------------------------------------|------------------|
| Murray Shadbolt | Acting Policy Lead, Policy and Regulatory Stewardship, Inland Revenue | s 9(2)(a) |
| Emma Hamilton | Senior Policy Advisor, Policy and Regulatory Stewardship, Inland Revenue | |

25 May 2022

Minister of Finance
Minister of Revenue

Cost of Living payment: detailed design decisions

Summary

1. On 11 April 2022, Cabinet agreed to introduce a new Cost of Living payment of \$350 to provide short-term support for low-to-middle income individuals earning below \$70,000 per annum and not eligible to receive the Winter Energy Payment (WEP) [CAB-22-MIN-130 refers].
2. Cabinet also authorised the Minister of Finance and the Minister of Revenue to approve detailed design changes to the payment scheme that might be needed ahead of implementation. In the process of designing the administration of the payment, we have identified two changes to the eligibility criteria. We consider these are needed to ensure consistency with policy intent and to prevent people who were not intended to receive the Cost of Living payment from doing so.

Purpose

3. This report seeks your agreement to exclude individuals from eligibility for the payment in the following specific scenarios:
 - 3.1 those whose only income is Portfolio Investment Entity (PIE) income; and
 - 3.2 those who are not required to have an income tax assessment (because they have no assessable income from any source) but file a tax return or request an automatically generated assessment for the sole purpose of trying to qualify for the payment.
4. The report also seeks your agreement to include the ability to opt out of receiving the payments if individuals do not wish to receive them.

Individuals with PIE only income could inadvertently qualify for the Cost of Living payment

5. We have identified that some people who have only Portfolio Investment Entity (PIE) income (and no other income from any other source) could inadvertently qualify for the Cost of Living payment.
6. This could happen because:
 - 6.1 there is no income floor to meet the income eligibility criterion for the Cost of Living payment so that someone with zero net income could qualify; and
 - 6.2 the individual income tax assessment is used as the mechanism to calculate whether an individual has paid the correct amount of PIE tax.
7. These individuals would qualify under the current proposed criteria because their net¹ income (zero in these cases) will be below the income cap of \$70,000 and they have a tax assessment for the 2022 tax year, even though that assessment has

¹ Net income refers to a person's gross income for the year, less any allowable deductions for the year, but before any losses from prior years are included.

been generated for PIE tax purposes, not individual income tax purposes. Examples of individuals in this group could be those with no income who have a KiwiSaver account, or those who have no income other than that received from PIE investments.

8. PIE income is not included in an individual's net income for the year and is taxed separately according to a person's Prescribed Investor Rate (PIR). The individual income tax assessments are a mechanism used to determine if the person had applied the correct PIR rate to their PIE income and to determine if there is a PIE tax debit or refund owing. Any over or under paid PIE tax is included in the final income tax calculation as a credit or a debit.
9. Since PIE income is not included in an individual's net income, it will be ignored when determining whether the person meets the income eligibility criterion for the Cost of Living payment. For example, if a person has \$65,000 from salary and wages and \$30,000 from PIE income, their net income will be \$65,000. They will therefore be eligible for the Cost of Living payment.

Number of individuals with PIE only income

10. We estimate that there could be around 204,000 individuals who have PIE only income and receive an assessment for no other reason. This is based on the number of people in the 2022 tax year who had only PIE income and did not have an income tax assessment.
11. These individuals have not been included in the potentially eligible population data provided in previous advice, as the legislative change that assesses PIE income took effect only from the 2021 tax year. This meant that assessments were generated for everyone with PIE income, irrespective of whether it had been taxed correctly or not, allowing people who had overpaid PIE tax to get a refund. This was not the case for the 2020 year,² which was the administrative data used in advice on the Cost of Living payment to understand and describe the eligible population.

Exclusion of those with PIE only income

12. Officials consider that allowing individuals with only PIE income to be eligible for the payment does not align with the policy intent of supporting low to middle income individuals whose income has struggled to keep up with the cost of living increases.
13. These individuals only have an income tax assessment because of the PIE income assessment and otherwise would not have an income tax assessment as they have no net income to report.
14. Other individuals who do not have any net income do not receive an individual tax assessment and would not be eligible for the Cost of Living payment. Excluding those who have only PIE income would be broadly consistent with the treatment for this group. That is, the only reason PIE only recipients have an income tax assessment is as an administrative convenience to assess PIE tax and to be able to include any debit or credit with the final tax to pay or refund due for the year.
15. This proposed change would not exclude Working for Families (WFF) recipients who have only PIE income from the Cost of Living payment as they are required to have an income tax assessment to determine their WFF entitlement for the year. Working for Families is a tax credit that is part of an individual's overall income tax assessment and so they must have an income tax assessment to be able to claim WFF, along with any spouse or partner.

² The 2020 tax year data was used as it is the latest year for which we hold complete data

Exclusion of individuals who file or request an unnecessary nil tax assessment

16. As part of work on detailed design, we recognised that there is a possibility that some people who have no net income may request an unnecessary nil assessment (i.e., an assessment containing no income from any source) to qualify for the Cost of Living payment.
17. We do not believe this behaviour is consistent with the policy intent. Those with no income and no assessment are already excluded and we consider that people who file or request an unnecessary nil assessment should be treated in the same way.
18. This proposed change would not affect stay at home parents who have no other income but receive Working for Families tax credits. This is because they are required to have an income tax assessment to determine their WFF entitlement, even if they have no income. The WFF calculation forms part of their individual income tax assessment along with the income tax assessment of any spouse or partner.
19. It would also not affect those who need to file an income tax assessment but have zero net income, such as self-employed people whose allowable deductions reduce their income to zero. It would also not affect people who file an assessment with very low but positive levels of net income.
20. To close this potential loophole, we recommend that those who are not required to request, confirm or file an income tax assessment for any reason and who have no income, should not be eligible for the payment if they request or file an assessment that contains no assessable income.

Ability to opt out of payments

21. Eligibility for the Cost of Living payment will be determined by Inland Revenue based on information it holds. Individuals will not need to apply.
22. Since there is no application, which implies that the person wants the payment, we think that it is important that there a simple process available for people to opt out of the payment scheme if they choose to.
23. This process would be implemented within Inland Revenue's authenticated online service, myIR. Individuals would also be able to opt out over the phone. However, once a person has opted out, they would not be able to change their mind and restart payments. This is because of the complexity this would introduce. Clear communications about this would be provided.
24. Having the ability to opt out of the payments would align with the WEP, which also includes an option to out of receiving the payments.

Administrative impacts

25. Internal system design, and operational experts have confirmed that both the recommended changes to the eligibility criteria and providing an "opt out" process can be developed and implemented within the required timeframes. Inclusion of these changes will not add any additional risks to delivery.

Financial implications

26. Unless Ministers decide otherwise, individuals with PIE income only will be eligible for the Cost of Living payment. However, this group was not included in the original estimates for the cost of the scheme. Consequently, the scheme is likely to be more

expensive than previously reported. An additional 200,000 recipients would increase the cost of the payment by around \$70 million.

27. The Cost of Living payment was initially forecasted at \$747.600 million, based on a payment of \$350 to 2,136,000 recipients. However, to allow for any uncertainty in the size of the recipient population, Inland Revenue sought an appropriation of \$800 million. This means that there is already a buffer of around \$50 million. Officials therefore do not consider this buffer sufficient to cover the additional cost of making the payment to individuals with PIE income only.
28. As noted above, however, officials do not recommend allowing individuals with PIE income only to receive the Cost of Living payment. If you agree with this decision, the cost of the payment will be as previously reported.
29. However, if you wish to extend the payment, officials propose to report back to you on the options for managing this additional cost.
30. There are no financial implications arising from the other issues raised in this report.

Consultation

31. The Treasury has been consulted on this report.

Next steps

32. If you agree to the recommendations to exclude individuals who have only PIE income, and those who request or file an unnecessary nil tax assessment, we will incorporate these into the design of the payment and will include the information in the eligibility criteria that will be published on Inland Revenue's website.

Recommended action

We recommend that you:

33. **note** that the design of the Cost of Living payment is triggered by an income tax assessment, but this may inadvertently include people not in the intended target group

Noted

Noted

Minister of Finance

Minister of Revenue

34. **agree** to exclude individuals who have only PIE income and who are not receiving Working for Families tax credits from being eligible for the Cost of Living payment.

Agreed/Not agreed

Agreed/Not agreed

Minister of Finance

Minister of Revenue

35. **agree** to exclude individuals who have no need to have an individual income tax assessment but request one and it contains no income from any source.

Agreed/Not agreed

Agreed/Not agreed

Minister of Finance

Minister of Revenue

36. **agree** that individuals should have the ability to opt out of receiving the payments and, that if they opt out, they would not be able to opt back in at a later date.

Agreed/Not agreed

Agreed/Not agreed

Minister of Finance

Minister of Revenue

s 9(2)(a)

Murray Shadbolt

Acting Policy Lead

Policy and Regulatory Stewardship

Hon Grant Robertson

Minister of Finance

/ /2022

Hon David Parker

Minister of Revenue

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