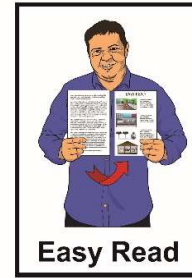




**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



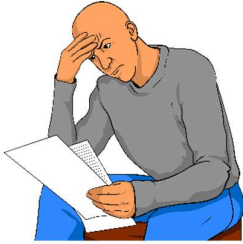
A New Zealand Income Insurance Scheme



**How the Income Insurance Scheme
could work in New Zealand**

March 2022

Before you start



This is a long document.



While it is written in Easy Read it can be hard for some people to read a document this long.

Some things you can do to make it easier are:



- read it a few pages at a time
- have someone help you to understand it.

What you will find in here

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What is this document about?



This document is from **the Ministry of Business, Innovation and Employment**.



The Ministry of Business, Innovation and Employment is also called **MBIE**.



This document is about a **proposal** for the New Zealand Income Insurance Scheme.



A **proposal** is a plan that suggests how something could work.



Every year 1 hundred thousand New Zealander **workers**:

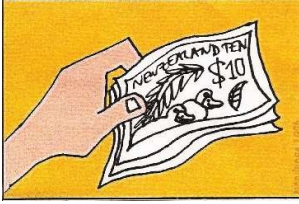
- are made **redundant**
- are **laid off**
- have to stop work because of a health condition
- have to stop work because a disability.



Workers are people who have a paid job.



Being made **redundant** or **laid off** means losing your job because the person you work for does not have enough work for you.



A way of supporting New Zealanders who cannot work for these reasons is the **New Zealand Income Insurance Scheme**.



In this document we will call the New Zealand Income Insurance Scheme the **Scheme**.

The ideas in the Scheme have been put together by:

New Zealand Government

- the New Zealand Government
- Business New Zealand
- the New Zealand Council of Trade Unions.



What is an Income Insurance Scheme?



The Scheme would give **some financial support** to people who cannot work anymore because they have:



- been made redundant
- been laid off
- had to stop work because of a health condition
- had to stop work because a disability.



Financial support is when the government pays you money so you can pay for things like:



- bills / cost of living
- food.

The Scheme would mean workers:



- who have to stop work would get **8 dollars** for every **10 dollars** that they would usually get from their paid work up to a maximum amount of money



- could get this support for up to **6 months**.



The Scheme would also mean that workers would be supported if they need to work fewer hours because of a health condition or disability.



The Scheme would mean workers would have the time and money to:

- find a good job
- take part in training
- go through **rehabilitation**.



Rehabilitation means doing things that support you to get back to paid work.

This might be things like:

- going to a specialist doctor
- having some treatment
- learning some new work skills.





To be part of the Scheme people will need to:

- look for work

or

- take part in training

or

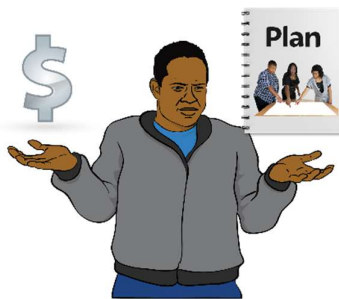
- go through rehabilitation.



The Scheme will be paid for by:

- **levies** on wages

- levies on **salaries**.





Levies are a way of paying for specific government services.

Most workers would pay the new insurance Scheme levy.



Salaries are the money you are paid for the work you do.

Workers would pay less than **2 dollars** in levies for every **100 dollars** they earn.



Employers would pay the same amount of levies for each person who works for them.

Who will be covered by the Income Insurance Scheme?



The proposal is meant to:

- support as many workers as possible
- support the different ways people work
- keep the cost of the Scheme low.



To be able to use the Scheme people will need to have been working or on **parental leave** for at least **6 months** in the past **18 months**.



Parental leave is leave that parents can have after the birth or adoption of a child.



To be able to use the Scheme people also will need to be a:

- New Zealand **citizen**

or

- New Zealand **resident**.



A New Zealand **citizen** is someone who can get a New Zealand passport.

Many New Zealand citizens are born in New Zealand.



Some people who come to live in New Zealand from overseas also become New Zealand citizens.



A New Zealand **resident** is someone the government says is allowed to live in New Zealand.



The Scheme includes cover for full time and part time workers who are:

- made redundant or laid off
- who lose work because of a health condition or disability.



It has been difficult to include **self-employed** people in the Scheme.



Self-employed people:

- own their business
- work for themselves.

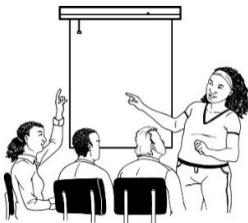


MBIE is keen hear your views on how self-employed people can be included in the Scheme.



The Scheme will give enough financial support so that workers can:

- find a new job
- go through rehabilitation
- train for a different career / type of work.



Workers only pay levies on income up to 130,911 dollars a year.



The highest possible insurance payment is 80 percent of the 130,911 amount or around 105,000 dollars.



Workers are **not** covered if they:

- lose their job because they did not do a good job
- lose their job because they broke the rules
- quit or give up their job.



The payments do not change if people:

- have assets like a house
- get money from somewhere else like government support
- have other people in their house who are still earning money.





Employers who want to lay off workers or make workers redundant need to:

- give you notice that you are being made laid off / made redundant
- provide you with most of your 4 weeks of pay.



Workers who are laid off get up to **6 months** of financial support from the Scheme if they are:

- laid off for **economic reasons**
- made redundant for economic reasons.



Economic reasons are things like:

- the business not making enough money
- there not being enough work for people to do.



Workers with a health condition or disability will get the same amount of insurance cover.



The **eligibility criteria** for someone with a health condition or disability are:

- they must have to stop working completely

or

- they must only be able to work less than half the time they were working before.

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun		Mon	Tues	Wed	Thurs	Fri	Sat	Sun
Am	work							Am	work						
Pm	work		work					Pm	work		work				
Even				work				Even				work			

1. _____
2. _____
3. _____

Eligibility criteria are a list of things that need to be met for someone to be part of the Scheme



Part of the eligibility criteria is also that the health condition or disability is expected to last for at least **4 weeks.**



Any health issues shorter than 4 weeks should be covered by other options like sick leave.

Support to get back to work



Workers will be offered support to get back to work.



The Scheme will assist people to find new jobs that match their:

- skills
- goals.



The Scheme will give people time to:

- learn new skills
- go through rehabilitation.





There will be support for people to:

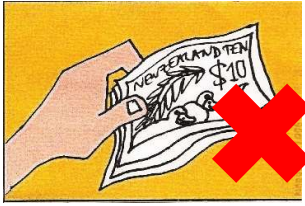
- find work
- find training
- find rehabilitation programmes.



Most other kinds of government support will **not** be changed by the Scheme.

WEEK 1							WEEK 2						
Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM
PM	PM	PM	PM	PM	PM	PM	PM	PM	PM	PM	PM	PM	PM
Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve	Eve

People can work part-time while getting payments from the Scheme.



Payments may be stopped if people do not do what they need to do to use the Scheme.



Payments being stopped will be the last option to get people to do what they need to do to use the Scheme.



To make sure the Scheme is only used by people who need it employers will provide a **4 week** payment for:

- redundancy
- layoffs.





The 4 week payment is to:

- stop redundancies that do not need to happen
- make sure the Scheme is only used by those who need it
- lower the cost to other employers.



Who will look after the Scheme?



Having an income insurance scheme is a new idea for New Zealand.



The New Zealand Income Insurance Scheme would be looked after by **ACC**.

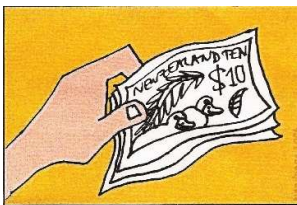


Te Kaporeihana Āwhina Hunga Whara

ACC is the Accident Compensation Corporation.

New Zealand Government

ACC is run by the government.



ACC pays for treatment for people who get hurt in an accident.



The Scheme would be run like ACC.



The government will use the experience of ACC to run the New Zealand Income Insurance Scheme.

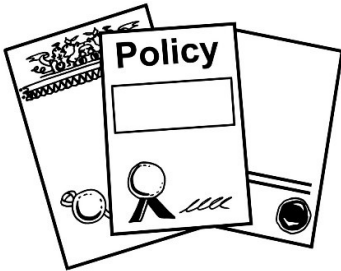
Partnership with Māori



We need to make sure the New Zealand Income Insurance Scheme follows **te Tiriti o Waitangi / Treaty of Waitangi** by:



- working with Māori to run the Scheme
- providing the Scheme in partnership with Māori
- working with Māori to make sure the Scheme is good for everyone
- working with Māori to write the policies / rules of the Scheme
- making sure the Scheme respects te ao Māori / Māori ways of thinking.



How to have your say



MBIE want to hear what you think of this proposal.



You will need to send in your thoughts by **26 April 2022**.



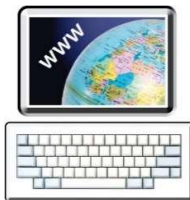
You can find an online survey at this website:

www.research.net/r/NZIIConsultationsurvey



You can also tell MBIE what you think in an Easy Read document called:

**A New Zealand Insurance Scheme:
Tell us what you think of our
Income Insurance Scheme
proposal.**



You can find this Easy Read document on this website:

www.mbie.govt.nz/have-your-say/income-insurance/

Where to find more information



You can find more information about the New Zealand Income Insurance Scheme on the MBIE website at:

www.mbie.govt.nz/have-your-say/income-insurance/



If you have any questions you can email MBIE at:

incomeinsurance@mbie.govt.nz



This information has been written by the Ministry of Business, Innovation and Employment.



It has been translated into Easy Read by the Make It Easy service of People First New Zealand Inc. Ngā Tāngata Tuatahi.



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