

From: Privacy
To: [IncomeInsurance](#)
Subject: PLEASE READ- feedback on NZ compulsory income protection scheme!
Date: Tuesday, 26 April 2022 4:41:18 pm

Kia ora, my name is Rebecca and I'm 24yrs old from Waikato.

After reading 178 page document I strongly disagree with the NZ Compulsory Income Protection scheme!!!

There are a few reasons this scheme is not viable for kiwis which I will explain below:

1. Ultimately this is not feasible for the young working generation. Currently the cost of living is higher than ever with wages not increasing accordingly. More and more of my pay check is getting deducted leaving me with less money to pay for expenses and save. When an individual becomes a financial provider to more than just themselves (kids, mortgage) we get the *option* to take out income protection – and should stay as this, PERSONAL OPTION! Not compulsory. If NZ Government feels NZ society is lacking financial education about savings, then they can look to provide courses/education for those who are interested. However it should not be the responsibility for those working/saving to pay tax for when others lose their jobs or reduced work due to health issues. Even if I pay minimum (for full timer) \$12.23 a week, is a total of \$6359.60 every 10 years not including payraises/inflation - ultimately can be the difference between a young person achieving a home of their own or not. Every dollar in our pocket counts, do not make this insurance compulsory.
2. Page 39 clearly states “The overall impact is highly uncertain ... while the proposed costs are to be evenly split between workers and employers, employers could overtime pass on such costs to workers, for instance, by supressing wage increases”!. Its written right there in the report! The fact that this scheme is uncertain it should NOT be implemented in New Zealand! Currently there is already the personal option to take out Income protection should people wish ... let it be a personal option! We are already in a very uncertain and unstable national/international environment and its not an appropriate time to be considering such a drastic change to reduce everyone's take home pay.
3. This report fails to state a contingency plan. If it goes wrong/ too many people claim, high unemployment/ high redundancy then what? This scheme should not even be thought to progress until a thorough contingency plan has been created and opened to public feedback.
4. The report states “Claimants would be expected to be based in New Zealand, to show effort to search for suitable employment, or to prepare for employment” – none of these have be defined in report. These need elaboration.
-*Claimants would be expected to be based in New Zealand*, what is specific eligibility criteria?
-what proof would be considered sufficient vs not sufficient to support someone is putting effort into looking for employment?
-what proof would be sufficient vs not sufficient to support someone is preparing for employment?
5. Page 34 “With income insurance, a person with a health condition or disability that reduces their work capacity could afford to reduce their hours of work, creating an opportunity to recover, and potentially resume their usual level of work, and avoid any wage scarring. If they have to stop work for a time, then income insurance would provide similar benefits to a displaced worker”. Business cannot discriminate in the recruitment / selection process, or in any part of employment. NZ is made up

of many small-medium business, with many having 1-2 people per function. Will business get punished if they support a gradual return to work program for an injured employee, but not facilitate gradual return to work plan for a staff member with an ongoing health issue?

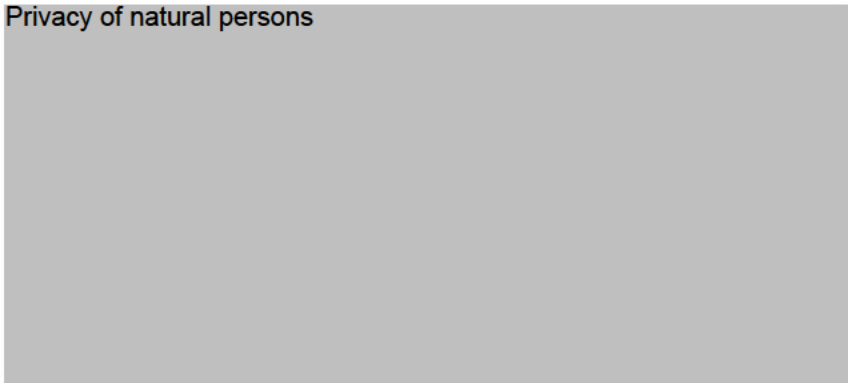
6. Again page 45 states “The forums view is that insurance payments should be seen as the pooled savings of working people and employers who have put aside a modest amount of their earnings to protect each other against loss”. As an earner, once I pay my bills, put some aside for savings and spending, I’m left with \$20 a week I use to help someone I know. Recently I’ve been making my sister meals as she has a newborn and alternating weeks to drive to another town to visit my nana cook her lunch and water her gardens. This will mean nothing to you, but the government overlooks the smaller things people do for their community. I can barely afford it as it is. I know those who want to help volunteer but currently don’t because of petrol costs. By deducting more of our take home pay, you make it significantly difficult to support each other in our community.
7. The report makes one good point, when someone loses their job and income is uncertain, it is so tricky to try get a financial bank loan, and many are not eligible for WINZ help. Therefore if NZ Government wishes to support people on short-term bases while they look for another job, they could offer unemployment loans up to 80% of ones wage for maximum of 12 weeks providing you are NZ tax payer for 6 of last 12 months, based in NZ, showing effort to gain employment, and are happy for additional 10% tax rate once employment commences until their own debt is repaid. Therefore its an individual’s choice to save in advance for financial crisis, or take loan if in an urgent situation arises. However it does not burden all other workers/communities in New Zealand!

I have tried to sum up some key points for why it should not go ahead!!!

I have discussed this with 10 people in my social circle aged 22-30, all who also disagree, but none of them will bother putting through feedback because they feel we have no say. So I challenge you to actually review the feedback for who supports this and evaluate if the supportive respondents cover a fair representation of the workforce (demographics and age) in New Zealand??

Happy to discuss this all in more depth if you wish.

Privacy of natural persons



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