

# Submission template

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## A New Zealand Income Insurance Scheme

This is the submission template for the discussion document, *A New Zealand Income Insurance Scheme*.

The Ministry of Business, Innovation and Employment (MBIE), on behalf of the Government, Business New Zealand and the New Zealand Council of Trade Unions, seeks your written submission on the matters raised in the discussion document by **5pm on 26 April 2022**.

## Your submission could be made public

The information provided in submissions will be used to inform policy development on the proposed income insurance scheme, including how it could be improved and how it could affect different groups. We may contact submitters directly if we require clarification of any matters in submissions.

The *Privacy Act 2020* applies to submissions and responses. Any personal information you supply to MBIE in making a submission will only be used for the purpose of assisting in the development of policy advice as part of this review. When businesses or organisations make a submission, we will consider that you have consented to the content being included in any summary of submissions unless you clearly state otherwise. If your submission contains any information that is confidential or that you do not want published, you can say this in your submission. Please clearly indicate in your cover letter or email with your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that may be published.

Submissions and responses may be subject to requests for information under the *Official Information Act 1982*. Please clearly indicate in your cover letter or email with your submission if you have any objection to the release of any information in your submission, and which parts you consider should be withheld, together with the reasons for withholding the information. Your views will be taken into account when responding to requests under the *Official Information Act 1982*. Any decision to withhold information requested under the *Official Information Act 1982* can be reviewed by the Ombudsman.

## How to make a submission

Please send your written submission on the options and questions in this consultation document by **5pm on 26 April 2022**. You can make your submission (preferably using this submission template) as follows:

1. Include your name, the name of your organisation (if applicable), and contact details. We may contact submitters directly if we require clarification of any matters in submissions.
2. Your submission may respond to any or all of the questions in the consultation paper. Where possible, please include information or evidence to support your views. We also encourage your input on any other relevant aspects of the income insurance scheme in the “Other comments” section.
3. Sending your submission:
  - a. Attach as a Microsoft Word document or searchable PDF and email to:

[incomeinsurance@mbie.govt.nz](mailto:incomeinsurance@mbie.govt.nz) (preferred), or

b. Mail your submission to:

Social Unemployment Insurance Tripartite Working Group  
Ministry of Business, Innovation and Employment  
PO Box 1473  
Wellington 6145

If you have any questions on the submissions process, please contact [incomeinsurance@mbie.govt.nz](mailto:incomeinsurance@mbie.govt.nz).

# Submission on A New Zealand Income Insurance Scheme

## Your name and organisation

Name	Simon Leadley
Organisation (if applicable)	Occupational therapist/Kaiwhakaora ngangahau
Contact details	Privacy of natural persons

## Responses to consultation document questions

### Chapter 4 – How a new income insurance scheme could achieve our objectives (Pg 30-48)

The Forum considers the benefits of income insurance for job loss due to displacement or health conditions would outweigh its costs.

1 *Do you agree New Zealand should introduce an income insurance scheme for displacement and loss of work due to health conditions or disabilities?*

Ae/Yes. However, it should not be at the expense of those existing on the MSD, Work & Income NZ (WINZ) benefits system. In others words there is need to increase incomes of those on WINZ benefits to a liveable and fair level, provide the necessary medical and rehabilitation/vocational supports to ensure these folk get into paid employment, contribute to society in the various ways open to them, and can lead the best lives possible for them/reach their fullest potential and capabilities. (Refer Expert working group on Benefits transformation - <http://www.weag.govt.nz/weag-report/whakamana-tangata/> ). At present there is a 2 tier system for those who work and get injured or fall ill, between ACC and WINZ, where if you are injured you get better services and income protection than if you fall ill/disability not due to injury. If this system of a new social insurance scheme is to be implemented it needs to bring with it all of Aotearoa NZ citizens (e.g. those existing on the WINZ benefit) for a full and complete social welfare system. Otherwise we will continue to breach a group of Aotearoa NZer's human rights by further creating disparity or perpetuating it for those out of work/or never entered the workforce, due to health and disability (e.g. those existing on the WINZ benefit system).

### Chapter 5 – Honouring Te Tiriti o Waitangi (Pg 49-51)

Kawanatanga – Good governance and partnership

2 *How can we ensure the proposed income insurance scheme honours Te Tiriti o Waitangi?*

Full and transparent consultation with Māori, Iwi on the issue. Also could this scheme be designed and administered by Māori for Māori, as in the case of the New Māori Health authority. ( I am speaking as a Pakeha, Tangata tiriti partner.)

3 *What are the opportunities for partnership and Māori representation in the proposed income insurance scheme's governance and operations?*

As above – full consultation with Māori. Honouring the principles of Te Tiriti o Waitangi. A co-governance model in operation of the scheme should be considered.

4

*How can we ensure equity of access, participation, and outcomes for Māori in the proposed income insurance scheme?*

As above – would help.

5

*How can we reflect and embed te ao Māori in the proposed income insurance scheme's design?*

As above – would help.

## Chapter 6 – Coverage for displaced workers (Pg 53-72)

### Displacement and standard employment (full- and part-time permanent employees)

6

*Do you agree with defining displacement as the involuntary loss of work due to the disestablishment of a job?*

Yes/Ae that sounds appropriate, with the caveats of number 1 above.

7

*Do you agree with excluding poor performance and gross misconduct as reasons for claiming insurance?*

Yes/Ae that sounds appropriate, with the caveats of number 1 above. Needs to be an independent moderation/appeals around this issue for employees and employers, with additional supports key for employees.

8

*Do you agree with excluding resignation as a reason for claiming insurance?*

Yes/Ae.

### Coverage provided for complete job loss only

9

*Do you agree that income insurance should cover only the complete loss of a job, and cover situations where a person loses only one of several jobs that they hold?*

Yes/Ae that sounds appropriate, with the caveats of number 1 above. Maybe the scheme could accommodate other forms of part-time, temporary job losses due to health/medical reasons such as someone transitioning back to work with a disability and a WINZ benefit, or parent/s returning to workforce where there may be medical/health factors etc.

10 *Do you agree that insurance would be payable only where income loss was greater than a minimum threshold, such as a 20 percent loss of total earnings, counting income from all of their jobs?*

Yes/Ae that sounds appropriate, with the caveats of number 1 above.

#### Displacement and non-standard employment – a principle-based approach

11 *Do you agree that it is important to provide income insurance coverage to non-standard workers, where practical?*

Yes/Ae that sounds appropriate, with the caveats of number 1 above.

12 *Do you agree that income insurance should cover the 'loss of reasonably anticipated income'?*

Yes/Ae that sounds appropriate.

13 *Do you agree that income insurance entitlements should be based on an 'established pattern of work'?*

Yes/Ae that sounds appropriate.

#### Coverage provided for fixed-term and seasonal employees

14 *Do you agree that income insurance should cover fixed-term and seasonal employees if they are displaced before the end of an employment agreement, with the duration of the payment running to the scheduled end of the employment agreement, or the maximum insurance entitlement duration, whichever is shorter?*

Yes/Ae that sounds appropriate.

15 *Do you agree that income insurance should cover fixed-term and seasonal employees, where their employment agreements are not renewed, and they can show a regular pattern of work and reasonable expectation of future income?*

Yes/Ae that sounds appropriate.

#### Coverage provided for casual employees

16 *Do you agree that income insurance should cover casual employees who can show a regular pattern of work with an employer and a reasonable expectation of future income?*

Yes/Ae that sounds appropriate.

17 *How would these design choices work in practice? What risks can you see with the approach to establishing a regular pattern of work?*

Employees or self-employed (and employers) may advice (e.g. Q&A on websites, information sheets) and or support from government agency to understand and evidence this.

### Coverage for self-employed workers

18 *What risks do you see with covering, or not covering, people in self-employment?*

Self-employed are workers too. They often go without this protection or turn to private insurance schemes to protect from these risks. So better to include them. Can refer to ACC Cover Plus Extra as process used for self-employed that is fair.

Think there should be a maximum limit to 80% compensation earnings provided for those in high income categories e.g. over \$100,000/year etc.

19 *Are there some groups of self-employed who should and should not be covered?*

Can't think of any examples.

20 *How can we practically distinguish between contractors who resemble employees, and those with a high degree of independence?*

Not sure. Look to ways ACC manages this for self-employed, contractors, or processes by other insurance providers.

21 *Because a self-employed person cannot technically be made redundant, what types of events would be appropriate 'triggers' for insurance payments?*

Covid-19/pandemic or other major natural disasters (effects of climate change) etc that evidence to led to loss of income. Some self-employed such as contractor or sub-contractors can have this when their main contractor/supplier stops providing contracted work. Usually self-employed persons are highly motivated to return to work/business, and may not need significant input to achieve these desired outcomes.

22 *How do you think the levy should be collected from self-employed workers?*

Same as with ACC – a levy from their earnings.

Could others sources of revenue help this scheme such as with ACC – petrol taxes and others sources of tax?

### A modest minimum contribution period

23 *Do you agree with the proposed minimum contribution period of six months over a period of 18 months preceding the claim?*

Probably sensible.



## Limits on subsequent claims

24 *Do you agree limits should be placed on the number claims people can make?*

Yes/Ae that sounds appropriate.

25

*Do you agree with limiting claims to a total of six months within an 18-month period?*

No, ultimately the funding of this scheme should match that of ACC where it is a no faults claim, fully funded, total rehabilitation provided (in the case of health or disability).

But not for sure for cases of redundancy. Perhaps this is for 6 months, with necessary input and then moved to WINZ benefit with further support. The WINZ benefit needs to be reformed as per Welfare Expert working group's recommendations.

26

*Could the risks associated with a low contribution history be managed in other ways?*

Not sure, but the fund for this scheme needs to be managed and accumulated overtime such as with ACC. This should have occurred in 1970s alongside the ACC reforms as was originally recommended by the ACC /Social Welfare recommendations made at the time. However, now is a good time to make this start.

<https://accfutures.org.nz/the%20issues?src=nav>

refer to: <http://www.weag.govt.nz/weag-report/whakamana-tangata/>

## Coverage for New Zealand citizens and residents

27 *Do you agree with limiting coverage of the proposed income insurance scheme to New Zealand citizens and residents?*

Yes/Ae that sounds appropriate.

28 *To ensure New Zealand workers are not disadvantaged by lower cost international workers, do you agree that working holiday makers, international students and temporary work visa holders – and their employers – should contribute to the proposed income insurance scheme’s costs?*

Yes/Ae that sounds appropriate.

## Chapter 7 – Entitlements for displaced workers (Pg 73-95)

### Income caps and income replacement rates that match the accident compensation scheme

29 *Do you agree with a replacement rate set at 80 percent?*

Yes/Ae that sounds appropriate.

30 *Do you agree with a cap on insurable (and leviable) income set at the same rate as the accident compensation scheme (currently \$130,911)?*

Yes/Ae that sounds appropriate.

### Only personal exertion income would abate (reduce) insurance entitlements

31 *Do you agree that only the insurance claimant’s personal exertion income should affect their insurance entitlements?*

Yes/Ae that sounds appropriate.

32 *Do you agree that income insurance should have individualised entitlement, meaning a partner’s income would not affect the rate payable?*

Yes/Ae that sounds appropriate.

### Abatement rates would ensure a claimant is not financially better off as a result of their loss of work

33 *Do you agree that someone should be able to earn some income from paid employment before it affects their entitlements to income insurance?*



Yes/Ae that sounds appropriate.

34

*Do you agree that insurance should abate 'dollar for dollar' when earned income and insurance combined reach 100 percent of previous income?*

Yes/Ae that sounds appropriate.

Yes match to what occurs with ACC

### Insurance would generally be treated as income, to determine eligibility for welfare and student support

35

*Do you agree that insurance should be treated as income for assessing eligibility for income support such as main benefits and Working for Families tax credits and student support?*

I think this should not be the case for those on low incomes combined with all benefits. This needs exploring so whanau on low incomes do not get unfairly penalised when they are in job loss situations. with the caveats of number 1 above.

36

*Given the purpose of the In-Work Tax Credit and Minimum Family Tax Credit in encouraging people into employment and helping with in-work costs, do you agree that income insurance claimants would not be eligible for these tax credits?*

No as above. Most of these whanau need this extra income and should maintain these benefits. Unless their combined income is high – this threshold should be calculated with advice from appropriate organisations who understand these issues. E.g. Unions, CPAG, academics in this field, government department (MSD) etc.

### Insurance claimants could also receive New Zealand Superannuation or the Veteran's Pension

37

*Do you agree that income insurance claimants could also receive New Zealand Superannuation or the Veteran's Pension?*

Yes/Ae that sounds appropriate.

38

*Do you think a limit should be placed on the amount of time someone can receive New Zealand Superannuation or the Veteran's pension and income insurance?*

Should be the same as any other eligible worker in this scheme. Those above 65 years or veterans continue to provide valuable input into our communities and workforce.

### Where eligible, insurance claimants could choose whether to access Paid Parental Leave or income insurance and may receive both sequentially

39

*Do you agree that income insurance and Paid Parental Leave could be accessed sequentially but not at the same time?*

Yes/Ae that sounds appropriate. Parental leave should be sustained even if worker on this scheme.

#### Insurance claimants could also receive ACC weekly compensation where it covers a different income loss

40 *Do you agree that claimants should be able receive both ACC weekly compensation and income insurance at the same time for differing income loss subject to independently meeting the eligibility criteria for both?*

I guess so, if they are eligible for both, or perhaps received the greatest income and only one of either, but ,maintain the necessary other benefits such as medical/vocational input etc.

#### A sufficient base entitlement period

41 *Do you agree with a base insurance entitlement length of six months, plus a four-week bridging payment paid by the employer?*

No I think this should be same as under AC scheme – full entitlement and rehabilitation until back to work.

42 *Would you support a longer or shorter length of base insurance entitlement?*

Support what is necessary with the right supports to enable person back to employment as I have stated above (e.g. medical, vocational input – occupational therapy, psychology, GP/specialist etc.) Same as ACC

#### Extending the maximum period in specified circumstances

43 *Do you think the scheme should allow extensions to the base period of income insurance entitlements for training or vocational rehabilitation?*

Yes/Ae that sounds appropriate. As above. There should be an appeals process – independent with support for claimants. This is actually needed with ACC and does not currently happen well.

#### Enhancing the income insurance scheme with notice periods

44 *Do you agree that employers should give at least four weeks' notice to employees, and the insurer, before redundancy takes effect?*

Yes/Ae that sounds appropriate.

## Avoiding unnecessary redundancies

45 *Do you agree that employers should pay former workers for the initial period of unemployment for four weeks?*

Yes/Ae that sounds appropriate.

46 *Should bridging payments be applied to all workers, including those not eligible for income insurance?*

Yes/Ae that sounds appropriate.

47 *Should the income insurance scheme finance bridging payments in circumstances where the payments are not forthcoming from employers, and refund employers for bridging payments if workers find work within this period?*

Yes/Ae that sounds appropriate.

48 *Do you consider that stronger integrity measures are necessary to manage the risk of spurious claims to the income insurance scheme?*

Yes/Ae that sounds appropriate. With appropriate funded independent support/appeals for claimants.

## Chapter 8 – Coverage and entitlements for loss of work due to health conditions or disabilities (Pg 96-112)

### No restrictions on the types of conditions covered by the income insurance scheme

49 *Do you agree there should be no restrictions on the types of conditions covered by the scheme?*

Yes/Ae that sounds appropriate.

### No restrictions on the working arrangements covered by the scheme

50 *Do you agree that all work arrangements should be covered (assuming other eligibility criteria are met)?*

Yes/Ae that sounds appropriate.

Coverage for loss of at least 50 percent of capacity to work, for at least four weeks

51 *Should the scheme cover partial loss of earnings due to a health condition or disability reducing work capacity?*

Yes/Ae that sounds appropriate.

52 *If partial loss is to be covered, do you agree claimants should have at least a 50 percent reduction of capacity to work caused by a health condition or disability and that reduction is expected to last for at least four working weeks?*

Yes/Ae that sounds appropriate.

Claimants' medical practitioners would assess work capacity, with final eligibility assessed by the scheme administrator

53 *Do you agree that the claimants' health practitioner should be main the assessor of work capacity?*

Yes/Ae that sounds appropriate. E.g. GP.

54 *Do you agree that, where appropriate, employers could provide supporting information to inform the claimant's work capacity assessment process?*

Yes/Ae that sounds appropriate.

Employers would remain responsible for taking reasonable steps to support an employee to continue working

55 *Are the current requirements on employers to make workplace changes sufficient to allow health condition and disability claimants to return to their regular employment (or alternative work)?*

Yes/Ae that sounds appropriate.

56 *How could employers be supported to help workers with health conditions or disabilities to remain in or return to work?*

Make accommodations or adaptations to support the worker e.g. in part-time work, graduated return to work, counselling/therapy, equipment, partial payment to the employee etc. This could be supported by expert input and funded by this scheme e.g. occupational therapist and other experts in this field.

**Employers would be expected to make reasonable efforts to keep a job open where a return to work within six months is likely**

57 *Where an employee must stop work entirely because of a health condition or disability, do you think employers should be expected to keep a job open and help with vocational rehabilitation where a reasonable prognosis is made of return to work within six months?*

Probably same as ACC – social responsibility for up to 3 months, but longer if employer agrees. However, beyond this it is not reasonable for the employer to have to keep role open.

58 *Should this be a statutory requirement placed on employers or an expectation?*

Same as with ACC. Unless the employer is proven to have caused the health/disability – then this may be covered by ACC. And fault of employer.

**The scheme would generally meet the full cost of income replacement once a claim is accepted**

59 *Do you agree that employers should only pay a bridging payment to employees leaving work because of a health condition or disability when the employment is terminated by the employer?*

Yes/Ae that sounds appropriate.

**Chapter 9 – Insurance claimants' obligations (Pg 113-120)**

**Reasonable obligations for people receiving income insurance payments**

60 *Do you agree claimants should be obligated to look for work or prepare to return to work while receiving insurance?*

This should be based on medical/rehabilitation advice from professionals along with the client/claimant if a health and disability reason; or yes if they have lost work/redundancy – and should receive support from case-manger and vocational consultant to find work, with timeframes etc.

61 *Do you agree that claimants would not be expected or required to accept offers of employment that provide lower wages or conditions?*

Health/disability reasons for loss of work – should be same a ACC where they are supported to return to work in job of equivalent skills/status and similar income brackets.

In case of redundancy/or other disasters/pandemics – yes should be employment that matches their skills, but may need to look for other employment that is at least matching their skills/education/experience etc. Might be option of some upskilling/training to find new work.

62 *Do you agree the insurer could waive obligations partially or fully where a claimant is unable to meet those obligations?*

This should be the exception and reasons for this stated based on the State social insurer's guiding Act and appropriate guiding policy/procedure. Independent mediation/advocacy should



be provided to support claimants in these instances. The stated aim of the state social insurer should be to enable all claimants to return to full or suitable level of employment following their job loss, meeting their medical/disability needs/work skills etc. Without being unfairly expected to return to work in jobs that significantly disadvantage them from perspectives of job skill/satisfaction/working conditions/pay etc.

63 *Do you agree claimants should be obligated to remain in New Zealand to remain eligible for income insurance?*

Yes/Ae that sounds appropriate. Need clearly stated timeframes and expectations associate with this.

64 *Do you think a period of time, such as 28 days, should be allowed for travel overseas, for example, to support ill family?*

Yes/Ae that sounds appropriate. With supporting valid documentation.

#### Specific obligations for claimants with a health condition or disability

65 *Should claimants with health conditions or disabilities be subject to obligations to participate in rehabilitative programmes and other support, where appropriate?*

Yes/Ae that sounds appropriate. This should be guided by medical/rehabilitation health professionals, the client/their whanau etc.

66 *Should claimants with health conditions and disabilities be subject to obligations to search for work or undertaking training where they are able to?*

Yes/Ae that sounds appropriate. This should be guided by medical/rehabilitation health professionals, the client/their whanau etc

#### Consequences for non-compliance

67 *Do you think financial penalties should be in place for people who do not meet their obligations while receiving insurance payments?*

This needs careful management by case-manager, following the rules of the scheme; should have independent mediation/advocacy should be provided to support claimants in these instances.

68 *Do you agree that payments could be fully suspended in cases of serious, intentional non-compliance with obligations?*

As above – and only have clear facts on the case are established with right of reply by claimant and with independent mediation/advocacy should be provided to support claimants in these instances. This should not be a punitive scheme, but there should be scope to hold claimants to account who may be dishonest/fraudulent or not adhering to the 'spirit or intent' of the scheme.

69 *Do you think any other consequences should be in place for people repeatedly not meeting their obligations, such as permanent suspension of entitlements?*



There should be scope in the scheme's Act to hold to account those who break the rules/law regarding hits scheme. E.g. as with ACC, MSD and other government departments. Both for the case managers and administration/management involved, professionals involved, the government running the scheme and individual claimants.

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## Chapter 10 – Delivering income insurance (Pg 121-134)

### Independent and effective delivery

70 *Do you think it is best for ACC to deliver the income insurance scheme alongside the accident compensation scheme?*

This seems to make sense as it should in many ways match the aims of ACC and the ways this is run. Concern is that there is not an independent arbitrator in ACC case and should be for both schemes. Also as in ACC's case, would apply to this social ins. scheme as well, would be good to have the departments separated into: 1. Decide on claims, 2. mediate/advocate for the client on conflicts regarding claims, and 3. that provide the work to professionals who support clients in their rehabilitation and return to work.

With the caveats of number 1 above. E.g. need to overhaul the current welfare system and so integrating MSD and ACC or getting these to be similar to equitable would be the best approach.

71 *Would the income insurance scheme be better delivered by a government department or a new entity?*

Maybe unless designed with consideration stated above. Or to allow Māori to run a parallel (co-governance model) scheme.

### Accountable and effective governance

72 *How could employer and worker perspectives best be incorporated to strengthen the income insurance scheme's delivery for New Zealanders?*

Through this consultation process.

Providing employers opportunity to feedback to the scheme as it is in place/proceeds.

To have some part in conflict resolution process with claimants.

73 *How could Māori perspectives best be incorporated to ensure the income insurance scheme is delivered equitably and with aspiration?*

Te Tiriti o Waitangi principles being followed. Or allow Māori to run a parallel (co-governance model) scheme.

### Displaced workers: Getting back to good jobs

74 *What practical support should be available to insurance claimants to return to work?*

Case manager, medical/rehabilitation supports as required. Advocacy as required.

75 *Who should provide that return-to-work support?*

Case manager, client, employer and medical/rehabilitation supports as required.

76 *What type of claimants would need an employment case manager, and who could self-manage?*

77 *What do you think a 'return-to-work plan' should include?*

Following any required medical/health input – a return to work plan can take pace and be managed the client/their whanau, and the employer.

#### Health condition and disability claimants: Getting back to good jobs

78 *What practical support should be available to income insurance claimants with a health condition or disability to return to work?*

Case manner, medical/rehabilitation (GP, medical specialist, occupational therapy, psychology/counselling, social work, physiotherapy or other complementary or traditional health professionals) professional support/assessment/interventions, and vocational consultancy. Similar to ACC – especially for health and disability reasons; or for shock and trauma that may occur after job loss or through pandemic/disasters etc. Advocacy as required.

Following any required medical/health input and under guidance of relevant medical/health advice – a return to work plan can take pace (in health and disability cases) and be managed by appropriate rehabilitation professional (e.g. occupational therapist) alongside the client/their whanau, and the employer. Similar to ACC.

79 *Who should provide that support to return to work?*

As above – managed by an Interdisciplinary medical/health team, with case management oversight.

80 *What type of claimants would need a case manager, and who could self-manage?*

Self-manage – if no health and disability or trauma related issues (or they client manages this input from 1-2 key health/rehab professionals), where there is less complexity in the case, where client is clear about their ability to self-manage and there is evidence to support this (e.g. perhaps after an initial assessment of needs and person's ability to self-manage etc).

#### Dispute resolution

81 *Do you agree with the proposed four-step dispute resolution process for the scheme?*

Yes/Ae that sounds appropriate. But as with ACC, it is difficult and onerous for a single claimant to mediate or dispute a claim. So must be clear supports, evidence-based processes, in place for claimants to be supported and advocate about their claims when faced with large government providers like ACC or this social ins scheme.

82 *Are there specific aspects to the scheme's dispute resolution you think should be considered?*

As above – necessary support for individuals – advocacy/mediation, legal support, independent reviews by health professionals paid for by the provider – ACC, this Social ins. scheme.

#### Scheme integrity and enforcement

83

*Do you agree with the proposal to establish an effective offences and penalties framework to protect the scheme's integrity?*

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Yes/Ae that sounds appropriate.

#### Information collection and sharing

84

*Do you agree with the proposal to develop information sharing agreements and sharing arrangements with employers, other agencies and service providers?*

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Yes/Ae that sounds appropriate. But individual claimant info needs to be protected by the Privacy Act, especially when dealing with employers.

## Chapter 11 – Funding income insurance (Pg 135-144)

### Most funding would come from compulsory levy payments on income

85 *Do you agree the income insurance scheme should be funded from compulsory levies on the income that is insured, rather than from general taxation?*

Yes/Ae that sounds appropriate. Same as ACC – but maybe other ways to fund the scheme such as ACC has. Such as make larger corporations pay their fair share of corporate taxes vs tax dodging. Other areas that can contribute to individual and social harm – that evidence base shows can contribute to people's ill health and thus loss of job/income (e.g. harmful toxins, vehicle emissions, alcohol). Also needs to be thought around equity for those of Māori, Pacifica and other minority ethnicities/backgrounds etc.

### Levy payments would be shared by employers and workers

86 *Do you agree that levy contributions should be equally split between the employee and employer?*

Yes/Ae that sounds appropriate. Although there could be an assessment for workplaces that have higher rates of redundancy, or do not show best practice or lead to more harm that may pay higher rates.

87 *Do you agree that levies for health conditions and disabilities and for redundancy should be set separately?*

Yes/Ae that sounds appropriate. Because the health and disability issues more closely align to ACC intentions and what was originally suggested in social scheme (ACC & Social Welfare) in early 1970s. Although redundancy due to natural disasters/pandemics/climate changes could be considered further.

### Both the employee and employer would be charged at a flat rate

88 *Do you agree that employees should be levied at a flat rate on income below \$130,911?*

No, should be lower for lower income and rising for higher incomes. I do see the balance required with WINZ benefits. However, the WINZ should be managed separately.

There should be higher levies for those on higher incomes.

89 *Do you have any other suggestions for how the employee levy should be structured?*

As stated above. Need to grow and manage the fund over time to ensure it is sustainable and fair.

90 *Do you agree that experience rating would not be an appropriate design setting for the employer levy?*

Ok the schemes preferred option here seems reasonable (but do need to keep an close watch on employers who are routing the system). I amno expert here.

Larger and wealthier employers/corporations/organisations should contribute more.

#### Levies would adjust smoothly over time, with independent fund management

91

*Do you agree that an independent fund with a stable levy-setting system should be established to finance the income insurance scheme?*

Yes/Ae that sounds appropriate.

92

*Do you favour a Pay As You Go or Save As You Go funding approach?*

SAYGO – seems more appropriate as the fund is established and grows is managed. The higher income earners should pay a greater pr portion to the scheme.

#### Building in scheme adaptability, while protecting levy sustainability

93

*Do you agree that the legislation for the income insurance scheme should provide the flexibility to vary entitlements and eligibility in times of crisis, over and above the proposed income insurance scheme?*

Maybe not sure.

94

*Does such flexibility create risks that require additional mitigations?*

Yes – will leave that to the experts!

## Other comments

Please ensure that consideration is given to Te Titiri o Watangi claims and rights; and to ensure that the Welfare Expert advisory working group's recommendations to transform the welfare system for those on benefits is implemented!

Need to adopt the recommendations of - Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand.

I support views expressed such as:

[https://www.greens.org.nz/income\\_insurance\\_scheme\\_risks\\_embedding\\_two\\_tier\\_system](https://www.greens.org.nz/income_insurance_scheme_risks_embedding_two_tier_system)

<https://twotierwelfare.org.nz/the-vision/>



