

MISSING OUT? STATE ASSISTANCE FOR PEOPLE IN EMPLOYMENT

Ivan Sowry, who works for the Green Party and is also Vice-President of UNITE! Union (a CTU affiliate) has prepared a checklist of entitlements that low and middle-income workers may be able to receive. Ivan says that he never ceases to be amazed by the number of employed workers and their families who are missing out on financial assistance. He says that "many people who are employed, despite being on desperately low incomes, are never told that they may be entitled to assistance from either Work and Income, or Inland Revenue, or both. As a result, they try to get by on far less money than they need to support themselves and their families".

"It's not just those on very low incomes who may have an entitlement to financial support from Government agencies," says Ivan. "Some forms of assistance, such as accommodation supplement and family support, are often available to people who would not consider their incomes to be 'low'".

The figures quoted in the checklist were current as of February 2004.

Entitlements that people in employment may obtain include:

- **Accommodation Supplement**
This is payable by Work and Income to assist with paying rent, board, or, if you own your own home, mortgage and other home ownership costs such as rates, insurance and household maintenance. The rate of accommodation supplement payable depends on both the accommodation costs a person or family pays, and their income. You don't need to be on a particularly low income to get an accommodation supplement. For example, a couple with one child earning \$40,000 a year and paying rent of more than \$310 per week in Auckland can receive a weekly accommodation supplement of \$62.00. There is a "cash assets" test. If you too much money invested (more than \$8,100 for a single person without children, or \$16,200 for anyone else), you won't be able to get an accommodation supplement.
- **Childcare and OSCAR Subsidies**
These are payable by Work and Income to assist with the payment of childcare costs. The childcare subsidy is for pre-school children, and the OSCAR (Out of School Care) subsidy is for after-school and school holiday care for school-age children. The care has to be provided by a Work and Income approved provider - family and informal arrangements do not qualify. The subsidy is paid directly to the provider. The rates depend on your income and the number of dependent children you have. For example, a person with one dependent child and a family income of more than \$620 a week cannot get a childcare or OSCAR subsidy. However, a person with three dependent children and a family income of less than \$750 a week can get a childcare subsidy for a preschooler of \$2.54 per hour of childcare. Childcare subsidy and OSCAR subsidy during the school holidays are payable for a maximum of 50 hours a week. OSCAR subsidy during school term is payable for a maximum of 20 hours a week.

- Child Disability Allowance**
 This is payable by Work and Income to assist with the support of a dependent child who requires constant care and attention because of physical, mental or intellectual disability. The disability must be likely to last at least 12 months. A special medical certificate from your family doctor is required to verify that a child qualifies. Child Disability Allowance should not be confused with Disability Allowance - many children with disabilities may qualify for both. Child Disability Allowance is payable at a flat rate of \$35.75 a week. There is no income or asset test.
- Community Services Card**
 Community Services Cards are to assist with medical costs. You apply for them through Work and Income. If you have a Community Services Card, the Government will pay part of the costs of your family's doctor visits and, in most cases, prescription charges. Eligibility depends on your family size and income. For example, a family of 2 can get a Community Services Card with an income of up to \$30,748, while a family of 5 can still get it with an income of \$45,952. Even if your income is too high to get a Community Services Card but you have high health costs, you may qualify for subsidies if you can get a High Use Health Card (12 or more doctor visits within a year) or a Pharmaceutical Subsidy Card (20 or more prescription items in a year). These are individual, rather than family, entitlement cards. You apply to the Ministry of Health for these through your doctor or pharmacist.
- Disability Allowance**
 This is to pay for additional costs arising from disabilities you and/or a member of your family may have. To qualify, a disability must be likely to continue for at least six months. You apply through Work and Income, and your doctor needs to verify the disability and the costs arising from it. There is a maximum rate of \$47.44 per family member. Disability allowance is income tested. For example, a two-parent family cannot get disability allowance if their annual income is over \$34,320.
- Recoverable Assistance & Special Needs Grants**
 These are two types of assistance provided by Work and Income to assist people on low incomes in one-off financial emergencies. Examples could be where you need emergency dental treatment you cannot afford, or where the vehicle you need to get to work has broken down and you cannot afford to fix it. Special Needs Grants are not recoverable, so you should see if this form of assistance is available for your particular emergency first. There are strict income and cash asset tests for these forms of assistance.
- Special Benefit**
 This is the "safety net" benefit provided by Work and Income for people who are getting every other form of assistance they are entitled to receive, but still cannot meet their essential financial commitments. It is a discretionary entitlement, which means that all your individual circumstances must be taken into account before Work and Income decide whether you can be assisted. There are strict

income and cash asset tests for special benefit.

- **Family Support**
This is assistance provided by Inland Revenue to low and middle-income families. Family Support is a tax credit, not a benefit, and doesn't count as income for Work and Income entitlements. The rate depends on the number of dependent children you have, and their age. For example, you get \$3120 a year for each dependent child aged 16-18, but only \$1664 a year each child under 12. If your family income is over \$20,000 a year, your family support reduces - at first by 18 cents for every \$1 of family earnings over \$20,000, and then by 30 cents for every dollar of family income over \$27,000.
- **Child Tax Credit**
This used to be called Independent Family Tax Credit. It is payable by Inland Revenue only to families where there is no parent receiving a Work and Income main benefit, student allowance, or on weekly compensation for more than three months. It pays \$15 a week, but there are income cut-off points that depend on the number of children you have. For example, with only one child, you cannot get Child Tax Credit if your family income is over \$33,001, but if you have five children, you can get it with an income of up to \$64,501.
- **Family Tax Credit**
This used to be called Guaranteed Minimum Family Income. It is payable by Inland Revenue, and provides a "top-up" tax credit to families with incomes below \$18,368. In a single-parent family, that parent must work at least 20 hours a week; in two-parent families, the parents must between them work at least 30 hours a week to qualify. It is not available to a person on a main benefit, student allowance, or to a person who has received weekly compensation from ACC for more than three months.
- **Parental Tax Credit**
This is a tax credit of \$150 a week, payable by Inland Revenue for up to eight weeks from the birth of a child. Family income over \$33,547 begins to reduce this tax credit. It is not available to a person on a main benefit, student allowance, or to a person who has received weekly compensation from ACC for more than three months. If you think you may be entitled to any of these forms of assistance, contact the relevant agency (Work and Income 0800-999 999 for Community Services Card and 0800-559 009 for other entitlement assistance, Inland Revenue 0800-227 773) in the first instance. If you have difficulties, there are a number of specialist advocacy services around the country that can help you. Or you can contact Ivan at the Auckland Green Party Office on 09-361 6202 or email sueb.auck@xtra.co.nz