

DRAFT FOR CONSULTATION

New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Bill

Member's Bill

Explanatory note

General policy statement

This Bill raises the minimum residency qualification for New Zealand Superannuation from 10 years to 20 years after age 20. Raising the New Zealand Superannuation residency requirement to 20 years ensures a resident has lived in New Zealand for a substantial part of their adult lives, whether consecutively or cumulatively.

Currently, a resident of 10 years is entitled to full New Zealand Superannuation without any requirement to contribute to the economy. Globally, 10 years is an unusually short time for full entitlement to a universal, non-means tested pension at age 65. Considering average life expectancy, New Zealand Superannuation is paid for 20 years, which is up to \$480,000 per person at current rates.

This proposal contributes to the sustainability of New Zealand Superannuation and addresses fairness to New Zealand superannuitants who have lived in New Zealand their entire lives.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause.

Clause 3 provides that the New Zealand Superannuation and Retirement Income Act 2001 is the Act being amended (the **principal Act**).

Clause 4 amends section 8 of the principal Act, a residential qualification section, by increasing the time required to be resident in New Zealand to 20 years.

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act **2016**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the New Zealand Superannuation and Retirement Income Act 2001 (the **principal Act**).

4 Section 8 amended (Residential qualification for New Zealand superannuation)

In section 8(b), replace “10” with “20”.