



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

13 May 2026

Ms Hosseini

fyi-request-33973-dd601410@requests.fyi.org.nz

Tēnā koe Ms Hosseini

Thank you for your email dated 6 March 2026 enquiring how supplementary assistance debt can be repaid to the Ministry of Social Development (the Ministry) following the enactment of the Social Security (Accident Compensation and Calculation of Weekly Income) Amendment Act 2026. I also acknowledge receipt of your further email dated 7 April 2026. I am replying on behalf of the Chief Executive.

You ask whether supplementary assistance debt of those transitioning to ACC's Loss of Potential Earnings (LOPE) scheme can be paid back incrementally or if the entire backdated sum must be paid back immediately.

Clients can opt whether to repay their supplementary assistance debt in a lump sum or incrementally over time based on what best suits their financial means. Clients can provide consent for their ACC back payment lump sum to be used to offset their supplementary assistance debt, or alternatively a regular repayment amount can be set up based on an amount the client can afford. This approach is in line with clause 4 of the Ministerial Direction on Debt Recovery, which you can view at the following link: www.workandincome.govt.nz/map/legislation/ministerial-directions/debt-recovery-direction/index.html.

Clients who choose to make regular repayments can find repayment options on the Ministry's website here: www.workandincome.govt.nz/on-a-benefit/debt/index.html?utm_source=redirect&utm_medium=247 and they can also contact the Ministry's Client Support Debt Management team (CSDM) on 0800 558 008 to discuss options and repayment amounts.

It is important to be aware of action the Ministry may take if a client decides not to start repayments after receiving a final warning letter to do so and doesn't contact the CSDM team to discuss their situation. In these circumstances, the Ministry may consider deducting a nominal amount from their income source (such as their wages or ACC payments) to recover the debt. It is always best for the client to contact the CSDM team, as a suitable repayment arrangement, including a temporary pause in recovering the debt, may be possible after taking the client's financial circumstances into account.

Lump sum LOPE back payments are considered a cash asset from the time a client receives the payment in their bank account. The Accommodation Supplement and Temporary Additional Support are asset-tested. The Disability Allowance is only

income tested. You can find information about eligibility criteria for financial assistance available through the Ministry at the following link: <https://www.workandincome.govt.nz/products/a-z-benefits/index.html>.

If a client is unsure how their benefit or supplementary assistance might be affected when they receive a lump sum payment or other asset or income, they can contact the Ministry on 0800 559 009 between 7am and 6pm Monday to Friday or between 8am and 1pm on Saturdays for advice.

I appreciate you taking the time to write on this matter.

Nāku noa, nā

A handwritten signature in black ink, appearing to be 'Anna Graham', with a long horizontal line extending to the right.

Anna Graham
General Manager
Ministerial and Executive Services