

# Hon Carmel Sepuloni

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## MP for Kelston

Minister for Social Development

Minister for Disability Issues

Associate Minister for Arts, Culture and Heritage

Associate Minister for Pacific Peoples

23 MAR 2020

Kim Lund  
[fyi-request-12178-4f0e547b@requests.fyi.org.nz](mailto:fyi-request-12178-4f0e547b@requests.fyi.org.nz)

Tēnā koe Kim Lund

Thank you for your email dated 8 February 2020 to the Prime Minister, Rt Hon Jacinda Ardern about the deduction of overseas pensions from New Zealand Superannuation (NZS). Your email has been referred for my reply as this matter falls within my area of responsibilities as Minister for Social Development.

Although you have made your email a request under the Official Information Act, I am replying to your email as ministerial correspondence as you are asking for my comment. You ask why the issue of overseas pensions was not also addressed when the spousal deductions were considered.

New Zealand's direct deduction policy was last reviewed in 2018 as part of the work programme to modernise and simplify NZS. Some changes to the direct deduction policy will be made from 1 July 2020 but the direct deduction of a person's overseas pension from their own entitlement to NZS will continue. The direct deduction policy generally maintains equity between lifelong New Zealanders on the one hand, and people who have spent time overseas and have an overseas government pension on the other.

You mention the United Nations Global Compact on migration and refer to some objectives. I would like to explain that the Global Compact is designed to provide a cooperative framework that builds on previous commitments to improve cooperation on international migration. The Compact is not legally binding on any United Nations Member State (refer to paragraphs 7 and 15(b) of the Compact) [www.iom.int/global-compact-migration](http://www.iom.int/global-compact-migration).

Objective 22 of the Compact provides that countries "establish mechanisms for the portability of social security entitlements and earned benefits". In this instance, portable pensions are pensions that are still payable where a person has migrated from one country to another.

NZS already has a portable pension because it can be paid to people either living overseas or intending to move overseas who meet the qualifying criteria set out in either New Zealand domestic legislation or in a social security agreement.

The intent of the Compact is to ensure migrants are treated fairly and equitably in relation to New Zealanders. New Zealand's direct deduction policy does not contravene this intent or result in any breach of human rights. Direct deduction is an equitable measure to ensure people who have worked in overseas countries are not entitled to a greater overall level of government retirement support than those who had solely resided and worked in New Zealand.

Without provision for direct deduction, people who had worked in overseas countries may be entitled to a greater overall level of government retirement support than those who had solely resided and worked in New Zealand, effectively disadvantaging life-long New Zealand residents.

Thank you again for writing. I hope my reply clarifies the matter for you.

Ngā mihi nui

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a series of loops and a horizontal line ending in a small flourish.

Hon Carmel Sepuloni  
Minister for Social Development