

# Petition : superannuitants shortchanged

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## Petition: Superannuitants Shortchanged

The New Zealand government endorses a major injustice in its retirement policy – a wrong felt directly by almost one quarter of our elderly population.

The much-vaunted claim – perpetuated by the Retirement Commissioner – that New Zealand Superannuation (NZ Super) is a universal pension, subject to neither income nor asset testing, is completely false.

On reaching the age of 65, approximately one in every four New Zealanders discovers that his/her inalienable right to the “universal pension” doesn't exist.

Much of the injustice stems from Section 70 of the Social Security Act 1964, whereby 52,000 New Zealanders receiving a pension they worked for overseas have their NZ Super reduced by the same amount. In effect, the Ministry of Social Development (WINZ) appropriates their retirement savings.

The rationale is that it would be unfair if some New Zealanders were to receive two state benefits.

Under Section 70 – the direct deduction policy – the Ministry's Chief Executive is authorised to confiscate any overseas government-administered benefit that is similar, in his opinion, to NZ Super.

Over time, the CEO has determined that almost all overseas pensions are similar to NZ Super.

Most overseas pensions targeted by WINZ however, though government-administered, are otherwise quite unlike NZ Super: they are not taxpayer-funded, nor are they benefits. Like private pensions or annuities, these retirement savings are funded exclusively by the individuals' contributions and paid out only to those who have paid for them, the amount depending on the contributions made.

Such overseas programmes are very similar to New Zealand's Government Superannuation Fund and the proposed KiwiSaver scheme. However, these New Zealand schemes are exempted from Section 70; the only funds being targeted are those paid for overseas.

Even New Zealanders who have never worked overseas are penalised. Hundreds of New Zealand superannuitants have lost their right to NZ Super simply by living with a person who is eligible for a pension from another country.

Disbelieving retirees have been rudely – even brutally – treated by WINZ. Untold numbers of distressed elderly people have appealed to their Members of Parliament, with no success to date.

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The incoming government was informed by its officials six years ago that there were serious problems with NZ Super and its lack of portability.

In February 2003, a Review of New Zealand Superannuation and Portability, involving six government departments, was submitted to Cabinet Ministers. Cabinet refused to release it to Opposition parties and the public, and has since refused to release several subsequent reviews.

The 2003 Review – inadvertently disclosed last year – highlights the unfair and discriminatory nature of the direct deduction policy and urges the government to repeal Section 70 in the national interest.

It points out that New Zealand's policy

isolates us internationally, at considerable financial loss to the nation: affluent countries refuse mutual social security arrangements; prospective immigrant professionals are discouraged; New Zealanders are reluctant to return from careers overseas.

The Review goes so far as to warn the government that its direct deduction policy puts it at serious risk of being challenged under the Bill of Rights Act 1990.

None of the recommendations of the 2003 Review has been implemented. A clue to government inaction is that the direct deduction policy provides revenue worth up to \$400 million a year. Over the past six years, the government has taken up to two billion dollars from elderly New Zealanders.

Although confiscating pensions is a dishonourable means of obtaining revenue, Section 70 is a goldmine the government has shown extraordinary zeal in safeguarding. Upset superannuitants are met with all manner of attempts to justify – and reinforce – current practice.

Government agencies have systematically blocked every avenue by which pension discrimination can be challenged. The Office of Crown Law has not dealt justly with appeals. Every complaint to the Human Rights Commission has been dismissed. The Director of Human Rights Proceedings has denied legal assistance in every case. Civil servants have misled the Courts and, with one exception, every appeal in the High Court has failed.

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Even as it insists on pursuing its retirement policy, claiming it has overwhelming majority support, the government refuses to reveal the number of complaints it has received over the past six years.

An administrative culture of secrecy, obstruction, misinformation and denial has become entrenched; flagrant inconsistencies in the law regarding overseas pensions are allowed to remain. A parliamentary inquiry is overdue. Tens of thousands of pensioners have no other access to justice.

**Support a Parliamentary Inquiry on overseas pension deduction. For petition forms, see next page and more information, email: [info@nzpensionabuse.org](mailto:info@nzpensionabuse.org)**

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-Marianne

*I cannot give you the formula for success, but I can give you the formula for failure - which is : try to please everybody.*

-Herbert Bayard Swope (1882 - 1958)  
 American newspaper editor.

*A life time of happiness! No man alive could bear it: it would be hell on earth.*  
 Bernard Shaw.

*The mind forgets, but the heart always remembers.*

*We must not expect our friend to be above humanity.*

*Friendship, like love is destroyed by long absence, though it may be increased by short intermissions.*  
 -Samuel Johnson.

*Where love is, God is.*

*Some people make the world more special just by being in it.*

*If we would build on a sure foundation in friendship, we must love our friends for their sake rather than for our own.*  
 -Charlotte Bronte

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