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An examination of New Zealand Superannuation welcomed

For many years the RPRC has highlighted the need for regular scrutiny of all aspects of the design and eligibility criteria for NZ Superannuation. As the population ages and the cost of NZ Super increases, it is vital to need to maintain its wide support by making important and considered changes.

“One important issue is the residency requirement. Because only 10 years are required, of which only 5 are from age 50, it is possible to qualify for full universal pension with little by way of paid or unpaid contribution to the New Zealand economy. Residency requirements for the state pension were changed from 25 years to 10 years in 1937. The world in 2015 looks very different” says Retirement Policy and Research Centre Director, Associate Professor Susan St John.

The RPRC notes ACT Party leader David Seymour’s call for action to ensure the future affordability of NZ Super. While Seymour has laid down a challenge to political leaders to hold a referendum on raising the age of eligibility, the issue of the rising costs of the state pension scheme is much bigger.

St John says “A referendum is a clumsy tool, what is needed is a proper forum for a debate of all the complex issues. The introduction of the New Zealand First private member’s bill: **New Zealand Superannuation and Retirement Income (Pro Rata Entitlement) Amendment Bill** (see [here](#)) opens up the opportunity for dialogue but only if it gets to select committee phase.”

“This bill reflects NZ First’s concerns about the easy access to the age pension by increasing numbers of older immigrants. There are many other associated issues for those who come to New Zealand,” says St John. “There is little fairness or reciprocity in our current policies.”

The RPRC has run regular public forums over the past six years to highlight the broad inequity and inconsistency of current policies and offer some options for the way forward.

The [latest RPRC forum](#) offered other options to the pro-rata of NZ Super favoured by NZ First in this bill. “We suggest the option of raising the residency requirement from 10 years to 25 years. This would be simpler than pro rata option and would solve a lot of other issues with overseas pensions” says St John.

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For further reading:

- [Overseas pensions: a fairer future \(5 December 2014\)](#)
- [Ministry of Social Development: Briefing to the Incoming Ministers \(October 2014\)](#)
- [Overseas Pensions Forum: Justice delayed \(June 2013\)](#)

