



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

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Tēnā koe Conor Tinker

Thank you for your enquiry about whether redress payments for historic abuse would be considered as income or assets when assessing welfare eligibility.

Deciding what is and what is not income is important, as clients should receive their correct rate of payment.

A compensation payment is made in recognition that a person has experienced harm, or to settle a claim of harm.

[Compensation payments](#) can be made:

- as the result of a Court order (otherwise known as damages) or award by a tribunal such as the Human Rights Tribunal
- to settle a claim of harm that has been formally filed, or
- to settle a claim of harm where a claim has not been filed in the Court.

Compensation payments may be covered by the generic [ex gratia and compensation payment exemption](#). The payment must be in recognition of [harm](#) experienced by the client, or to settle a claim of harm. Payments may be made by a person or agency who was licensed, registered, engaged or funded by the Crown or a Crown entity to provide services at the time the harm occurred or was alleged to have occurred. This could include payments from schools (including private schools) and school boarding hostels.

Payments that meet the generic ex gratia and compensation payment exemption criteria will not be treated as income or cash assets for the person who received the payment. This includes any income earned from investment of the payment. There is no time limit on this exemption.

Based on the information provided, Dilworth School compensation payments would be covered by the generic exemption and payments to clients would not be treated as income or cash assets for income support.

If any compensation payment recipient wished to check in with the Ministry of Social Development regarding specific payments and circumstances, they can contact us here: www.msd.govt.nz/about-msd-and-our-work/contact-us/index.html.

Thank you for your enquiry. I wish you well in your work on behalf of your clients.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Magnus O'Neill', written in a cursive style.

Magnus O'Neill
General Manager
Ministerial and Executive Services