

Widows benefits are available to the following:

- (a) A woman who becomes a widow after reaching age 50 who has been married for at least five years.
- (b) A woman who becomes a widow after reaching age 40 provided she is not less than age 50, was married at least 10 years, and at least 15 years have elapsed since date of marriage.
- (c) A widow with a dependent child.
- (d) A widow without a dependent child provided she has had a child and has been married at least 15 years, or whose period of marriage plus the period in which she had care of a dependent child totals not less than 15 years.

In 1964 the maximum rate of widow's benefit for a widow with no dependent children is £260 a year. A "mother's allowance" of up to £169 a year is payable for the first orphan and £26 for each other dependent child under age 16, or under age 18 if the child is a student, up to and including the sixth child. Widows benefits are subject to an income test with benefits reduced by £1 for each £1 of income in excess of £260 a year if the widow is supporting children, or £208 if not.

Orphans benefits are payable for children, both of whose parents are deceased. A condition of eligibility is that the orphan must have been born in New Zealand, or his last surviving parent must have resided in New Zealand for not less than three years immediately preceding his or her death. Payment is normally made to the guardian and may be continued until age 16 or if the orphan is in school, until age 18. For full-orphans the maximum rate of pension in 1964 is up to £130 annually. The benefit is reduced by £1 for each complete £1 of any income in excess of £52 annually received by or on behalf of the orphan.

In addition to superannuation, age, invalidity and survivors pensions, the New Zealand social security system includes a supplementary assistance scheme. Supplementary assistance is designed to provide income maintenance benefits to those whose special circumstances require a greater measure of financial assistance than would be otherwise available. While other income-test benefits are granted only on the basis of financial resources, supplementary assistance takes into account also their financial needs. In order to decide the amount of supplementary assistance to be granted, a formula on the basis of presumed living costs has been devised. Assistance may be granted in weekly, monthly or lump-sum grants depending on which method best serves to meet the needs of particular cases. The cost of supplementary assistance is met by the Social Security Fund.

Financing

The cost of practically all social security cash benefits is met from the Social Security Fund. Prior to 1959, contributions to this fund were levied on the income of individuals at the rate of 7.5 per cent of their gross income and on company net income at the same rate. The government contributed an amount equal to about one-quarter of the cost of benefits. Since 1959 and the introduction of a pay-as-you-earn income tax system in New Zealand, however, the social security contribution has not been distinguishable from other income taxation and has been paid into the consolidated revenue fund. The Social Security Fund now obtains grants from consolidated revenue designed to meet the cost of benefits due.

Administration

The Social Security Act of 1938 established the Social Security Department under the control of a Commission of not more than three members, which reports to the Minister of Social Security. The Department administers the cash