MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Mitigating the impact of the New Zealand Income Insurance levy on low-income workers

Date:	14 April 2022	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	2122-4101

Action sought		
	Action sought	**Deadline**
Hon Grant Robertson **Minister of Finance** Hon Carmel Sepuloni **Minister for Social Development and Employment, ACC** Hon David Parker **Minister of Revenue**	**Note** the advice in this paper, provide any feedback, and indicate whether you wish to meet with officials	22 April 2022

Contact for telephone discussion (if required)			
Name	**Position**	**Telephone**	**1st contact**
Francis van der Krogt	Acting Manager, Income Insurance Policy	Privacy of natural persons	
Ben Loughrey-Webb	Principal Advisor, Income Insurance Policy		✓

The following departments/agencies have been consulted
ACC, Treasury, IR, MSD, DPMC were consulted.

Minister's office to complete:

- ☐ Approved
- ☐ Declined
- ☐ Noted
- ☐ Needs change
- ☐ Seen
- ☐ Overtaken by Events
- ☐ See Minister's Notes
- ☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Mitigating the impact of the New Zealand Income Insurance levy on low-income workers

Date:	14 April 2022	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	2122-4101

Purpose

The New Zealand Income Insurance Scheme (NZII) will be funded by a compulsory levy that some workers may struggle to pay. This paper identifies initial options to provide levy relief, highlights key trade-offs, and invites initial feedback from ministers.

Executive Summary

While creating a levy-funded income insurance scheme will enhance support for displaced workers and those reducing hours of work due to health conditions and disabilities, the cost of the levy may also increase the pressure some workers face to meet their essential costs. Consultation on the NZII has confirmed this is a concern for many stakeholders.

This paper provides initial advice on options to mitigate the cost of the levy. Ideally, levy relief would target those most in need of support, at limited administrative cost, and without undue additional cost to the Government or other levy payers. This is difficult to achieve.

Ministers could consider a range of options to help mitigate the impact of the levy. Broadly, relief could be provided:

a. directly, so that low-income workers face little or no NZII levy cost, by one or both of a levy-free threshold or a variable levy rate to match income thresholds.

b. indirectly, through compensating low-income workers for the cost of the levy, through increasing Working for Families tax credits, establishing a new tax credit or a refund mechanism, or creating special tax code.

Relief can be targeted to individuals or to families. There are advantages and disadvantages to either approach. In either case, there will be additional costs to bear for the Government, or for medium and higher earners, or both.

Direct relief through levy progressivity would support low-income workers, but adds complexity to the levy, and is poorly targeted as it is based on individual circumstances. Indirect relief through changes to existing tax credits is poorly targeted as no tax credit currently reaches all low-income workers, adds complexity to the tax credits, and the linkages with the ongoing review of Working for Families would have to be carefully considered. Alternatively, new forms of support could be established to compensate levy-payers, including a levy credit, refund mechanism, or a special tax code to offset the levy cost, but this would add additional complexity to the tax and transfer system.

We propose further work to analyse the costs and benefits of the options described in this paper. We welcome feedback from ministers on this paper, and the options and choices described here. Ministers may wish to meet with officials to discuss this initial advice further.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

1. **Note** that some households will struggle with the cost of the mandatory flat-rate levy

   Noted

2. **Note** there is a range of options for providing levy-relief, but they involve additional costs and trade-offs, either within the scheme, or in the tax and transfer system

   Noted

3. **Note** that directing relief to low-income individuals is generally simpler than to low-income families, but is not well-targeted to the group who may struggle with the cost of the levy

   Noted

4. **Note** that all levy relief options that maintain current eligibility settings will involve either additional fiscal costs, or higher levy rates for some

   Noted

5. **Agree** to set aside the option of excluding low-income earners from coverage by NZII

   Agree / Disagree

6. **Note** that changes to the levy to provide relief to low-income earners are likely to lead to a complex levy design

   Noted

7. **Note** that low-income families could be compensated through existing tax credits, but these credits do not target the entire affected group

   Noted

8. **Note** bespoke forms of support could be established, but this adds complexity to the existing tax and transfer system

   Noted

9. **Note** that we propose to do further work to assess the costs and benefits of the options described in this paper

   Noted

10. **Indicate** whether you wish to meet with officials to discuss

    Yes / No

11. **Provide** any feedback on the initial advice in this paper

Privacy of natural persons

Francis van der Krogt **Acting Manager, Income Insurance Policy** MBIE	Hon Grant Robertson **Minister of Finance**
14 / 04 / 2022	..... / ...... / ......

Hon Carmel Sepuloni
Minister for Social Development and Employment, ACC

..... / ...... / ......

Hon David Parker
Minister of Revenue

..... / ...... / ......

NZII will be funded by a levy on employees and employers

1. NZII is proposed to be funded through a compulsory levy of 2.77%, with employers and employees each paying 1.39%, up to an income cap of $130,911. For example:
   a. a full-time minimum wage worker ($21.20) would earn $848 per week and pay an $11.79 levy per week.
   b. a full-time worker on median hourly earnings ($27.76) would earn $1,110.40 per week and pay a $15.43 levy per week.
2. A compulsory levy ensures that all employees are covered by, and contribute to, income insurance. This reduces the cost of income insurance for individual workers by avoiding adverse selection. Adverse selection occurs where people who judge they are unlikely to claim insurance opt-out, leaving only people who expect to claim insurance. The result is a higher cost per person, leading to lower participation and even higher individual costs.

Lower-income workers may struggle with the cost of the levy

3. Creating a levy-funded income insurance scheme will enhance support for displaced workers and those reducing hours of work due to health conditions and disabilities.[1]
4. Whilst workers will benefit from the scheme if they lose work, the cost of the levy may also increase the pressure some workers face to meet their essential costs. The levy will likely have the biggest impact on those who have little or no discretionary income. While this could include families across the income spectrum, the impact is likely to be greatest for low-income households.
5. Around 9-10% of households with a full-time worker(s) (under 65) are below standard income poverty thresholds.[2] Around 8% of households with a full-time worker(s) (under 65) experience material hardship.[3] This is around 250,000 people.
6. Two-parent households are the single largest group reporting in-work poverty and material hardship (between 31 – 42% of all households). However, sole parents are disproportionately more likely to experience in-work poverty and material hardship. Households with children make up just over 60% of those in in-work poverty.
7. In-work poverty and material hardship is generally highest in households with the fewest hours of employment, and lowest where there are multiple full-time workers. Auckland University of Technology research shows that those experiencing in-work poverty are less likely to be in permanent employment (85% compared to 97% of workers who are

[1] **Appendix A** sets out the relative gain from welfare compared to NZII for example families before and after job loss.
[2] Income-based measures consider household incomes in relation to median incomes. The select thresholds are the 60% of the median income measure for before housing costs, and 50% after housing costs.
[3] Material hardship is based on non-income measures, which provide a direct measure of the day-to-day living conditions of households, e.g., can they access food, clothing, accommodation, etc.

not in in-work poverty), and that labourers, sales workers, and community and personal service workers are more likely to experience in-work poverty.[4]

8. Concern about the impact of the levy on low-income families has been a strong theme throughout the public engagement on the NZII proposal, including from the Pou Tangata Iwi Leaders Group.

There is a range of options for levy-relief

9. Ministers could consider a range of options to help mitigate the impact of the levy. Broadly, relief could be provided:

   a. directly, so that low-income individuals face little or no NZII levy cost, or

   b. indirectly, through compensating low-income families for the cost of the levy.

10. Relief can be targeted to individuals or to families. In either case, there will be additional costs to bear for the Government, or for medium and higher earners, or both.

11. A summary of the options for levy relief is provided below:

Levy relief: Broad options		**Levy or Crown-funded**	**Individual or family-based targeting**
Direct relief by changing the levy incidence *Changing the levy for low-income workers*	Exclude low-income earners from NZII levy and NZII coverage	No funding increase required	Individual
	Introduce a progressive levy, maintain proposed NZII coverage	Levy-payer or Crown-funded, depending on design	Individual (potentially family-based, depending on further analysis)
Indirect relief for low-income workers through tax and transfer mechanisms *Compensation for the cost of the levy*	Offset levy impact through Working for Families and the Independent Earner Tax Credit	Crown funded	Family Tax Credit and In-Work Tax credit – family-based Independent Earner Tax Credit – individual-based
	Offset levy through a levy credit	Crown funded	Either
	Provide refunds for low-income workers who have not claimed NZII	Likely Crown funded	Either
	Introduction of a special tax code for low-income workers	Crown funded	Individual

Levy relief could be targeted to individuals or families. Each has advantages and disadvantages.

12. Directing relief to individuals is generally simpler, and consistent with the scheme's design but is likely to be more costly because it would reach many people who do not need support. In 2018, 80-90% of low-waged individuals lived in households with incomes above select poverty thresholds, and 40% lived in households with incomes

[4] Plum, A., Pacheco, G., & Hick, R. (2019). *In-Work Poverty in New Zealand*.

above the median income. This means that focusing on individual circumstances also supports households' further-up the income spectrum. This also misses larger families on middle incomes, who are considered to be further down the household income spectrum, as their income supports more individuals.

13. The alternative is to target support to families. This approach is generally better for targeting those in poverty and hardship. However, targeting families is significantly more administratively burdensome for individuals, families, and government agencies, as information is required from more people, including on more subjective measures (e.g. relationship status, percentage of care of a child).

14. Targeting families requires judgements as to who is in a family (e.g., whether a person is in a relationship, or how much care of a child a person has) and requires income information from multiple people. It would likely require people to apply for support, leading to lower take up, as well as debts (e.g. where family status changes), and potential fraud.

15. The Pou Tangata Skills and Employment Iwi Leaders Group have expressed a preference for options to focus on individual circumstances, as it is consistent with the design of the scheme and reduces the administrative burden on workers and their whānau and the administering agency.

Providing levy relief means increased costs for the Government, or for medium and higher earners, or both

16. Options that compensate low-income workers through transfer payments will require government funding. Equally, options that reduce the levy that low-income workers face will reduce the amount of money available to fund the NZII scheme, creating a funding shortfall. This shortfall could be addressed through a government contribution, through increasing levies for medium and higher earners, or both.

17. Alternatively, to avoid this funding shortfall, low-income individuals could be excluded from both NZII levies and coverage. As an individualised approach, this would be poorly targeted to the group who may struggle to meet the cost of the levy, meaning some people who could pay the levy would not have to, and some who would struggle to pay the levy would be levied.

18. Further, this approach would exclude people from the benefits of NZII coverage. As set out in **Appendix A**, lower-income families will receive more financial assistance with NZII established compared to the existing welfare system. Excluding low-income people would also be inconsistent with the intent for NZII to have broad and inclusive coverage and be administratively complex where people have multiple jobs or variable income. Officials therefore do not recommend excluding low-income workers from the levy and eligibility.

19. Removing the income cap from contributions could raise additional funding. The current proposal is that the employee levy only applies to income that is insured. The maximum payment is capped at 80% of $130,911, so income earned above this is not levied. This cap could be removed so that all employment income is levied. However, this would

only provide a modest increase to the funds available to the scheme and has already been assumed in the 2.77% levy calculation.

Fiscal savings from introducing NZII are uncertain and may or may not offset the cost of direct levy relief

20. Introducing an income insurance scheme would have flow-on effects for the tax and welfare system, which will impact the Crown's overall revenue. For example, receiving NZII will abate a person's welfare entitlement, decreasing the government's overall welfare spend.

21. The Social Unemployment Insurance Working Group provided advice on the fiscal offset in August 2021 [2122-0664 refers]. We noted that the offsetting effects are highly driven by the underlying assumptions about the impact of NZII on redundancy rates, workers' decisions to forego earned income in favour of NZII, and the broader flow-on effects. Based on these assumptions, and policy decisions to date, our view was that it was reasonable to assume that about 10-20% of the costs of NZII will be offset by the tax system.

22. Officials are continuing to explore the scale of the savings, and corresponding increases, in government spending from NZII. Officials have identified further policy decisions which will impact the size of the fiscal offset:

    a. Tax deductibility for employers: Currently, ACC levies are considered a business expense and can therefore be deducted by employers from their overall taxable income. Deductibility of NZII for employers would reduce the potential fiscal offset. Officials will provide further advice on deductibility in mid-2022.

    b. Tax deductibility for workers: Currently, ACC levies are not deductible for workers, but private income protection insurance is tax deductible. Extending deductibility to NZII for workers would further reduce the offset. Combined with the employer deductibility, the scheme would pose a net cost to the Crown.

    c. The inclusion of self-employed workers would increase the level of net tax reduction associated with the scheme.

23. Crown agencies will also face employer levies and bridging payments (in the case of redundancies), which are expected to increase Crown payroll costs. Overall, it is expected that any fiscal offset would be marginal, or potentially be negative and increase the Crown's fiscal costs.

24. Officials will provide further advice on the potential fiscal offset in the next paper on levy relief options.

Direct levy relief through levy progressivity could be effective, but also complex, and poorly targeted

25. A progressive levy could ensure that low-income individuals face little or no NZII levy cost.

26. The key benefit of a progressive levy is that it reduces the levy burden for low-income earners. There are drawbacks to a progressive levy. The levy is based on individual circumstances and is therefore poorly targeted to those who may struggle to pay the levy, as it provides support to low-income people in high income families and misses larger families on middle-incomes.

27. Changing the levy would add administrative complexity to the existing levy proposal. In particular, it would be more complex for employees with multiple jobs or variable income, as employers would not have access to income information from other jobs and the wrong levy rate could be applied. This could lead to end-of-year refunds or debts to government if the levy were 'squared-up' at the end of the year.

28. This administrative complexity would also add to employers' costs materially. Compliance costs associated with the NZII levy as currently proposed are expected to be minimal, as it will be set on an identical basis to the existing accident compensation levy. Moving to a different basis would necessitate a separate calculation which will increase costs and risks of errors (and costly rectifications).

There is a range of options for a progressive levy

29. One option, noted in the NZII Discussion Document, is a levy-free threshold of $23,000, so that any income below this threshold was exempt from the levy. Officials' initial estimate is that this would be funded by a 70-80% increase in the levy rate on income above the threshold. The Tripartite Forum set aside a progressive levy given this impact on the levy rate.

30. Alternatively, a levy-free threshold could be combined with increasing levy rates as income increases. For example, Austria's social security contribution requirements are:

    a. 0% levy on income up to €1,342 per month (a levy free threshold)

    b. 1% levy on income between €1,342-1,464,

    c. 2% levy on income between €1,464 – 1,648, and

    d. 3% on income above €1,648.

31. These options all increase levy rates for middle and higher earners to make up for the funding shortfall. As an alternative funding source, the government could make up some or all of the shortfall through a direct contribution to the scheme. For example, the 1.39% flat rate-levy could be maintained on income above a levy-free threshold. This would benefit middle- and higher-income earners, as they also would not have to pay a levy on income below the threshold but pay the same rate of levy above the threshold.

32. The government funding could initially be set at a high enough level to offset the levy impact fully and be set to decrease over subsequent years as incomes increase (such as increases to the minimum wage) make the levy relatively more affordable. Over time, the Government subsidy could reduce to zero.

33. A combination of options could be taken; for example, a levy-free threshold and progressive levy rates (comparable to Austria) could be funded by both redistributing costs between levy-payers and a government contribution.

34. In general, levy options would be individual-based and hence poorly targeted. However, a potential family-based option is to use the Community Services Card to determine levy relief. Card holders in work could present their card to their employers to receive a discounted levy for the duration the card is valid, or for a fixed period. This would mean such workers faced a lower levy, or none at all. This would target households in need, in real time, and avoid wider changes to the levy, or new tax credits, or changing existing tax credits. The resulting cost could be met by either the government, or other levy payers, or both.

35. However, this would mean using the Card for a different purpose than originally intended. The income thresholds for the Card are also low; a single person (living with others) can earn up to $29,570, less than a full-time minimum wage earner. The Card is granted automatically to MSD clients, but there are take-up issues for low-income earners who are not MSD clients. Legislative change would also be required for employers to be able to request to see a Card. We propose to explore this option further.

Indirect relief through changes to existing tax credits could also be effective, but targeting problems remain

36. Rather than reducing low-income earners' liability for levy payments, the government could provide compensation for the cost of the levy. This could be done via existing tax credits, including:

    a. In-Work Tax Credit (IWTC): Paid to families with children who are in-work and not receiving a main benefit.

    b. Independent Earner Tax Credit (IETC): Paid to individuals earning between $24,000 and $48,000 who do not receive a main benefit or Working for Families. This tax credit can be provided to those with and without children.

    c. Family Tax Credit (FTC): Paid to families with children, including those receiving main benefits.

37. One or more of these tax credits could be increased by a flat amount (e.g. increased by $11.79 per week, the levy cost for a full-time minimum wage worker).

38. The key benefit of increasing tax credits is that the FTC and IWTC consider family circumstances and hence are more likely to target those who would struggle to meet the cost of the levy.

39. However, there are also disadvantages. These tax credits do not cover all low-income families who pay levies:

a. the IWTC supports families in-work and not receiving a main benefit, excluding those in part-time work and receiving a main benefit[5] and those without children, and

b. the IETC is based on individual circumstances, so supports some lower-paid workers in higher-income families (i.e. people with high-earning partners). It also misses some of the lowest earners, for example an individual working 20 hours at the minimum wage would be below the entry threshold.

c. the FTC is provided to low-income families in and out of employment, so would support some families not in employment and therefore not affected by the levy.

40. If ministers want to target only families with children and not additional support for those without children, then Working for Families may be a feasible mechanism as it accounts for family size in the income spectrum supported. However, if low-income single people and couples without children are intended to be supported, then Working for Families does not offer an effective targeting mechanism. The targeting issues discussed with regard to levy options (some low-income people are in higher-income households) are also present with the IETC, and the indirect nature of the support presents additional complexities and interactions. If ministers want to minimise additional costs for low-income workers generally, it may be more desirable to look at direct relief through a progressive levy.

41. The increases would be a flat-rate and not related to the actual cost of the levy. For example, some or all of the tax credits could be increased by $11.79, the cost of the levy for a full-time minimum wage worker. However, the actual cost of the levy will be dependent on how many hours are worked, the wage rate, and whether there is one or two-income earners in the family (a couple can work more hours collectively than a single person). The level of compensation through tax credits would therefore not match the levy actually paid and would only be provided to those who are eligible for the tax credits. The impacts on work incentives for recipients would also have to be carefully considered.

42. The existing tax credits are complex for recipients, their family, and administering agencies. They require clients to actively engage with agencies to keep them informed of changes in family and income circumstances and can lead to refunds or debts at the end of the year.

43. Careful consideration would have to be given to the linkages to the Working for Families review. In its report in 2019, the Welfare Expert Advisory Group recommended significant changes to Working for Families as part of a wider suite of changes to income support settings. The Government agreed to review Working for Families as part of the Welfare Overhaul work programme.

44. Several work programmes across government are currently analysing the impact of proposals on incomes for low-income families, and whether additional support may be required through the tax and/or transfer systems. While the tax and transfer system can be used to mitigate these impacts for low-income families, there are significant costs

[5] Around 6% of main benefit recipients receive wages, or around 22,272 people.

and trade-offs associated with this particularly as it is likely that existing levers such as Working for Families will not necessarily effectively target those most affected.

45. Working for Families is intended to improve income adequacy and reduce child poverty, as well as improving work incentives for low-income families. Whilst increasing tax credits to account for the levy is consistent with improving income adequacy, specifically linking it to the NZII levy could be perceived as changing the purpose of Working for Families to compensate families for the impact of other government policies.

46. Using Working for Families as a vehicle for delivery levy relief could make more fundamental changes through the Working for Families review more challenging particularly if scheme settings are altered to cover a wider group of levy-payers are supported, for example if the off-benefit rule is removed from the IWTC. It would also increase the overall cost of the existing Working for Families package.

47. Inland Revenue has advised that it would not recommend using Working for Families tax credits and/or IETC as a means of providing NZII levy relief to low-income working families for the reasons set out above. MBIE does not consider it appropriate to rule out these options at this early stage.

48. The cost of these options would fall to the government.

Indirect relief through new credits (or refunds) could compensate levy-payers, but would add complexity to the tax and transfer system

49. Neither levy-based nor tax credit options are well-aligned to those who may struggle to pay the levy. We could seek to develop bespoke forms which are better targeted to this group.

50. Indirect levy relief could be provided by using a special tax code for low-income earners. In essence, low-income individuals would have lower tax deductions to account for a reduced levy payment. This could then be squared up at the end of the year which could result in additional amounts payable and associated debt. A special tax code option for providing levy relief would likely be based on individual, rather than family circumstances.

51. Alternatively, we could undertake further work on establishing a new levy credit, which is directly linked to the cost of the levy. Eligibility criteria could be designed to better target low-income families who pay a levy, and the payment rates could be linked to the cost of the levy paid. Officials could also explore a refund mechanism, where low-income workers and/or families are refunded the cost of their levy if they do not claim in a year.

52. However, new supports targeted to family circumstances are significantly more administratively burdensome for individuals, families, and government agencies. The interactions between new support and the existing tax credits (and wider welfare system) would also have to be worked through. Establishing new forms of support would require more resourcing from the delivery agency. Further advice would consider whether new support could be delivered to align with the imposition of the levy and consider any impacts on resourcing priorities within the delivery agency.

53. The cost of these options would likely fall to government.

Next Steps

54. We propose further work to analyse the costs and benefits of the options described in this paper. We welcome feedback from Ministers on this paper, and the options and choices described here. Ministers may wish to meet with officials to discuss this initial advice further.

55. Ministerial meetings in May and June will also provide an opportunity to discuss the options for levy relief, as Ministers work towards agreement on the preferred overall design for a New Zealand Income Insurance Scheme.

Appendix A: Example families for income continuity

1. As noted in the body of the paper, some low-income workers' incomes will already be replaced at a high level by the existing welfare system following displacement. However, this group will pay a levy, and there could be a perceived inequity that their NZII entitlement would not be significantly more generous than welfare. We provided initial advice on this concern to the Social Unemployment Insurance Governance Group in June 2021 [2021-4028 refers].

2. We have developed example families to illustrate the relative gain from welfare and NZII of example families. This tests 'income continuity' by comparing total family income pre- and post-displacement, for both welfare and NZII.

3. Income continuity improves for all families with NZII in place, including those with high replacement rates in the existing welfare system. Under the welfare system, income continuity ranged from between 50-84%, improving to 89-97% with NZII.

4. Two families had income continuity of around 80% under the welfare system: a couple and a sole parent with children earning $22 per hour and renting in Auckland (families 2 and 4 in the attached table). Their income continuity rose to 92 and 97% respectively with NZII.

5. Finally, low-income individuals are more likely to claim insurance for both economic displacement and health and disability conditions, increasing their expected (lifetime) benefit from the scheme. However, TAWA modelling suggested that, for redundancy, recipients are more likely to be in the higher end of the family income distribution deciles, although there are still a considerable number in the lower end. In the case of health and disability, recipients are likely evenly spread over the family income distribution deciles, although they are slightly more likely to be at the top end of the distribution [2122-0664 refers].

6. It is also important to note two key limitations with the example families. Firstly, they are static and do not consider changing circumstances. A sole parent can expect more support from the welfare system following displacement, but less if they enter a relationship. Secondly, they assume full eligibility for welfare, including asset-tested benefits (particularly the Accommodation Supplement). Income continuity rates would be lower if families were not eligible for these supports.

Family	Income continuity on welfare	Income continuity on NZII
1 - Single person, wage rate of $22 per hour, 40 hours per week, living in Auckland paying rent of $380 a week. Loses employment.	69.8% $249.53 drop	90.0% $82.34 drop
1a – Family 1 but earning $35 per hour.	53.7% $497.24 drop	89.2% $115.46 drop
2 - Dual income couple with two children, both earning $22 per hour, the principal earner works full time and the other part-time, living in Auckland and paying rent of $550. The principal earner loses employment.	83.7% $233.15 drop	92.7% $105.24 drop
3 - Dual income couple with two children, both earning $29 per hour, one 30 hours and one 40 hours. Living in Auckland with a mortgage of $480 per week. 40-hour earner loses employment.	72.5% $447.28 drop	92.0% $130.15 drop
4 - Sole parent with two children, earning $22 per hour, 30 hours per week. Living in Auckland paying $498 per week in rent. Loses employment.	80.3% $228.64 drop	96.9% $36.19 drop
4a – Family 4 but working 20 hours per week.	79.9% $234.74 drop	94.5% $64.29 drop
5 - Single person, no children, earning $22 per hour, 40 hours per week. Living in Auckland, paying rent of $350. Loses employment.	66.2% $279.53 drop	90.0% $82.34 drop
5a – Family 5 but earning $21 per hour	67.6% $262.04 drop	89.7% $83.25 drop
5b- Family 5 but earning $20 per hour	69.5% $240.15 drop	89.9% $79.76 drop
6 - Couple without children, both earning $50 per hour, 40 hours per week. Living in Wellington with a mortgage of $800 per week. One person loses their job.	50.0% $1459.02 drop	92.7% $212.40 drop