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SOCIAL SECURITY

Cash Benefits – Early Schemes

Social Security in New Zealand may be regarded as having originated with the passing of the Old Age Pensions Act of 1898 which provided, out of general taxation, small monthly pensions for the deserving aged and poor. This was a new departure in social legislation, and was based on the idea that the State had some responsibility for those citizens whose own efforts were not enough to keep them from poverty in their old age. The measure was the first of its kind in any British country and was the foundation stone of the welfare state. The amount of the pension was small, £18 a year to applicants who could pass stringent tests, including public inquiry, to prove that their income was less than £34 a year and their property not more than £50, that they were 65 years of age and over, and had been in New Zealand for 25 years. As the years passed and national prosperity increased, successive amendments raised the amount of pension and liberalised the conditions. Parallel with this liberalisation of the old age pension was the introduction of the pension principle to widows with children (1911), Maori war veterans (1912), miners unable to work because of phthisis (1915), and blind people (1924). Two years later the Family Allowances Act gave some relief to the poor by authorising a small weekly allowance for the maintenance of each child in excess of two, provided that the total family income did not exceed a prescribed amount.

The original pension amounts were small and the conditions stringent but, as with old age pensions, the amounts were progressively increased, eligibility was widened, and conditions became more liberal. The provisions for widows were extended to the wives of incurable mental patients. Restrictions on payments for illegitimate children, stepchildren, and children born out of New Zealand were removed in 1912. In the same year the pension paid in respect of the children of a widow was continued to the guardian in the event of the widow's death, thus setting a precedent for the orphan's benefit, which was introduced in the Social Security Act of 1938. In 1936 invalidity pensions were introduced for those over 16 years old who were permanently incapacitated for work because of accident, illness, or congenital defect. This new pension was modelled on, and absorbed, the blind pension introduced in 1924. The payments were comparable to those made to old age pensioners. All restrictions formerly applicable against Asians and people naturalised for less than a year, were removed. Thus the way was cleared for the comprehensive social security legislation of 1938.

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