

23 September 2026



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA). On 17 September 2026, the Ministry of Social Development transferred the following part of an OIA request you made to Inland Revenue for our response:

Finally, can I clarify what was the "surtax on superannuation" in the early 1990s – and if/when (the date) the surtax was removed, please?

New Zealand Superannuation Surtax (Superannuitant Surcharge)

The "surtax" referred to in the early 1990s was the New Zealand Superannuitant Surcharge (previously known as the National Superannuitant Surcharge). It was an additional tax imposed on the amount of 'other income' a superannuitant received above a specified threshold. It was originally introduced by the Fourth Labour Government in 1985 as a means of managing the fiscal cost of providing a universal pension and targeting superannuation expenditure towards those with lower levels of income.

The surcharge operated as a form of income testing by reducing superannuation entitlements for retirees with 'other income' above the applicable threshold. 'Other income' included income from sources such as investments, rental properties, and private pensions. When introduced, the surcharge was set at 20% for amounts of 'other income' above the specified threshold (\$6,240 for a single person and up to \$10,400 per annum for a married couple).

During the late 1980s and early 1990s, the surcharge rate and income thresholds were adjusted several times. The surcharge was abolished through the Taxation (Superannuitant Surcharge Abolition) Act 1997, which received Royal Assent on 20 August 1997.

The Act specified that the abolition applied to tax on taxable income for the 1998-99 income year and subsequent years, meaning the surcharge ceased to apply from 1 April 1998, the start of the 1998-99 tax year.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Carolyn Elliott

Policy Lead, Tax Administration