

Child Support

Update

Spring 2000

Season's greetings

Commonly asked questions over Christmas

Will Child Support be open over the holidays?

Inland Revenue Child Support offices will be closed from 5 pm on Friday 22 December 2000 and reopen on Wednesday 3 January 2001.

Will child support payments be late because of the holidays?

No. Custodians should still receive their payments by the 7th of the month.

Can custodians receive their child support payments before Christmas?

No. Child Support cannot pay custodians their child support in advance.

If children are staying with the paying parent over the holidays, do parents still have to pay child support for this period?

Paying parents would still be required to pay because the custodian is still considered to be the principal provider of care. If the change in care is a permanent arrangement, then parents should advise us.

Will child support be deducted from a parent's holiday pay?

Yes. If a paying parent is paid in advance, their employer should also deduct child support in advance. If an employer does not make the deduction, it is up to the paying parent to ensure their payments are made.

Do parents still have to pay child support if their child has a job over the holidays?

Every family's circumstances are different, parents are therefore encouraged to ring us to discuss their situation – as the support parents pay or receive may be affected.

Can a paying parent defer their child support payments until after the holidays?

No. The paying parent is still required to pay their child support on time and in full.

New rules affect child support payments

From 1 April 2001, new legislation will affect how some parents make their child support payments.

Parents living overseas can now provide their income details to Child Support for the purposes of making payments for their children who live in New Zealand. To encourage this, Child Support recently issued a letter to all parents living overseas.

In November 2000, a similar letter was issued to New Zealand paying parents to let them know if there will be any changes to how their child support liability will be assessed from 1 April 2001.

Some customers are no longer required to file a tax return, and employers now pass their employee's income details directly to Inland Revenue monthly, rather than annually. As this is up-to-date information, we are able to use this to calculate the child support assessment. Previously, assessments were based on a parent's income from two years ago.

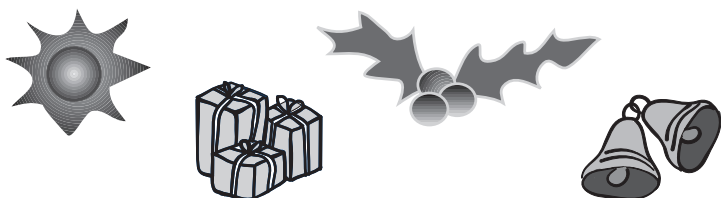
If parents are still required to file a tax return, for example because they are self-employed, their child support assessment will continue to be based on the tax return they submit. In addition, an inflation factor will be added to their assessment amount.

We encourage parents to call us to discuss their situation and how it might change as a result of the new legislation.

Annual assessments and notices of entitlement

Annual assessments and notices of entitlement will be sent out during February and March 2001. Paying parents will be sent a notice of assessment which shows how much child support they are required to pay from 1 April 2001. Custodians will receive a notice of entitlement showing how much support they will receive.

We encourage parents to check their notices to ensure their details are correct. If parents' circumstances have changed, or their details are wrong, they should contact us.





New legislation affects paying parents

New legislation allows paying parents the option to have more than 40% of their child support deducted from their wages or salary, provided that they have more than one source of income.

If a paying parent is making their child support payments through employer deductions, then a certain percentage of their wage is **protected**. This means that Child Support cannot take any of the **protected** wages.

Paying parents have 60% of their salary or wages **protected**. This means that Child Support is allowed to take up to 40% of a paying parent's wages or salary. It would however be very unlikely for Child Support to deduct the full 40% of a parent's wages or salary. If this situation does occur, parents should contact us on our freephone to discuss.

Example:

If a paying parent earns \$400 net per week, Child Support can deduct up to 40% of this amount. This equals \$160 per week.

Total net wages per week:	\$400
60% protected earnings:	\$240

Total amount that can be deducted for child support: \$160 (40% of total net wage)

Note: If the amount of child support payable is more than the amount deducted then the difference still needs to be paid by the paying parent.

How long do parents pay child support for?

Child support is usually paid until a child turns 19. There are some circumstances where child support payments can be stopped, for example, if a child gets married, becomes financially independent or they start living with the parent who pays their child support. Child support is not payable when a child is:

- employed full-time (30 hours or more a week)
- receiving a student allowance
- living in a de facto relationship
- receiving a benefit.

Tips for seasonal workers...

Parents who receive irregular levels of income during the year need to take special care to ensure that their monthly child support payments are still paid by the due date.

An easy way for seasonal workers to keep track of their child support liability is to make extra payments during seasons in which they work. This will cover their future child support payments during their "off season". Parents are encouraged to contact Child Support to discuss their options.

There are a variety of payment options available for parents, but all child support payments are due by the 20th of the month.

Automatic bank payments – Paying parents can organise monthly automatic payments from their bank. They can call Child Support and ask for an automatic payment form (IR 123).

Wage deductions – Parents can have their child support payments deducted from their wages every payday and Child Support can arrange this.

Reminder: Paying parents must ensure that manual payments are made to cover the period between the date they are assessed to start paying child support and when the employer starts deducting from their wages.

Benefit deductions – If a paying parent applies for a benefit when their seasonal work finishes, they need to advise Child Support who will contact the Department of Work and Income to deduct child support from their benefit.

Note: If there is a "stand down" period before the benefit starts then child support payments are still required. Paying parents should call Child Support to discuss how their payments can be managed during this time.

Child Support staff are equipped to help seasonal workers manage their payments. Call us on freephone 0800 221 221 between 8 am and 8 pm weekdays and 9 am to 1 pm on Saturdays.

Message from Martin Scott



The *Child Support Update* newsletter was first introduced in August 1998. It is produced quarterly and is intended to be an educational resource for community groups and organisations.

Now that the newsletter has been running for approximately eighteen months, and has just been released on line, it is timely to review whether it is reaching our target audience and educating them about child support.

To ensure we are achieving our objectives with the newsletter, we need your feedback so we can be certain that we are producing a newsletter that is easy to understand, and keeps you informed of child support and related issues. We therefore kindly ask that you take a few minutes to fill out the questionnaire and send it in to us. All entries will go into a draw to win a \$100 gift voucher from Whitcoulls.

Help us keep you updated !

Please fill in this questionnaire, and be in to win a \$100 gift voucher from Whitcoulls!

We want to improve the *Update* newsletter and better serve your informational needs. We therefore kindly ask that you take a few minutes to fill out this questionnaire.

Name of your organisation/group

Address

Please tick the option that most applies to you

1. Are you a:

- Government department
- Lobby group
- Member of Parliament
- Community organisation/group
- Other, please specify

2. Do you:

- Act as an agent for parents paying child support
- Provide advice and/or assistance to parents on their obligations on paying/receiving child support
- Other, please specify

3. The newsletter is released four times per year. Would you prefer to receive the newsletter:

- More often
- Less often
- Same frequency

4. How do you use the newsletter, do you:

- Distribute to your customers/members
- Read it and refer to it later when you are dealing with your customers, i.e, as a reference tool
- Use it to keep up-to-date with our Child Support Liaison Officers
- Give to parents who ask about child support
- Just read it for interest only
- Other, please specify

5. Do you think that the information in the newsletter is easy to understand?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

6. Is this information contained in the newsletter relevant for you?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

7. Is the information in the newsletter detailed enough?

- Yes
- No

8. Is the presentation of the newsletter appropriate?

- Yes
- No

9. Overall, do you think that the newsletter is helpful?

- Yes
- No

10. Would you like to receive the newsletter electronically?

- Yes
- No

11. If you would like to receive the newsletter electronically, would you like this to replace the printed copy?

- Yes
- No

12. What particular features do you like about the newsletter?

13. How do you think this newsletter could be improved?



Thank you and please return by February 2001

First fold

FreePost Authority Number 54297



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