

Community-Wise

Inland Revenue's community update

Teaming up with Work and Income

Our Community Liaison Officers (CLOs) and Social Policy Liaison Officers (SPLOs) play a vital role in maintaining Inland Revenue's relationships with our local communities. Some of our liaison officers have recently begun interacting more with other departments and, in some cases, even working out of their premises.

Takapuna CLO Jean Tu, and SPLO Shannon Brady, have been making regular visits to various North Auckland Work and Income offices for several months now, giving our mutual Inland Revenue and Work and Income customers an easy way to manage their affairs in a single visit.

"It's great to be able to tell customers that we can go straight into Shannon's or Jean's schedule and book an appointment for them. People don't even have to ring Inland Revenue, we can do it all from here. We're creating more options for customers," says Albany Service Centre Manager, Bryan Agnew.

Warkworth Service Manager, Bev Hall adds, "It's been really beneficial. We'd like the service more frequently—especially with the Working for Families initiative under way. We use an appointment system



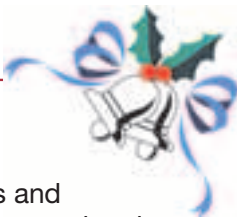
for Shannon and it's already booked out until November!"

"We'll continue to monitor how much we're needed over time, but we've established an excellent working relationship with Work and Income which we can pick up during peak times in the year," says Jean.

"It's a fantastic opportunity to work alongside another department and increase our visibility in the community. It makes the department so much more accessible," adds Shannon.

See inside for more information about...

- Christmas hours and contact numbers ②
- Family assistance updates and increases ③
- Student loan information for borrowers going overseas ⑤
- Child Support's new-look statements ⑦
- Holiday jobs, student allowances, and child support ⑧



Christmas message

We'd like to wish all our customers and communities safe holidays and a pleasant break.

We've listed our contact numbers and opening hours for the holiday season below.

Child Support

The phones will close from 4:30 pm on 24 December 2004 and will reopen for business at 8 am on 5 January 2005. The Child Support freephone number is **0800 221 221**.

Family assistance, student loans, and personal tax

All call centres are open on 24 December 2004.

All call centres will be closed from 25 December to 28 December (inclusive).

The phones will reopen for normal business hours (8.30 am to 5 pm) between 29 December and 31 December 2004.

Call centres will also close between 1 and 4 January 2005 (inclusive). Regular hours begin again from 5 January 2005.

The family assistance freephone number is **0800 227 773**.

The student loan freephone number is **0800 377 778**.

Inland Revenue to launch new website this December

Inland Revenue is updating its website and will re-launch it in December this year.

The changes are designed to make our website more user-friendly. They include:

- Reworking much of the site's content.
- Improving organisation of information to better reflect users' needs.
- Simplifying navigation, providing easier paths to desired information.

We are also in the process of improving our online forms, returns and calculators. These improvements include:

- Clearer language with less jargon.
- Improved flow. Users will be taken directly to the next part of the online return and only questions that they need to answer will be visible. This eliminates unnecessary scrolling and reduces the chances of potential confusion.
- Better help text so it's clear what information each section of the online return requires.

Visit our website www.ird.govt.nz for regular updates.



Service agreements signed with community agencies

Inland Revenue has recently signed service level agreements with the Association of Citizens Advice Bureaux, the Enterprise New Zealand Trust and Business in the Community.

The agreements relate to advice and guidance on tax-related matters, regularly provided to the community through these agencies.

Martin Scott, the sponsor of the initiative, said "We have long-standing relationships with each of these organisations; the agreement cements these relationships in a more formal way. Reaching out to the community is a key aim of the department and these organisations assist us to do that in very different ways."

Business in the Community offers free business mentoring programmes via a national network of over 1,400 mentors. It aims to promote economic growth and wealth creation by matching small to medium-sized businesses with business management coaches who can provide advice and assistance on a range of issues and topics.

Enterprise New Zealand Trust runs a financial literacy programme in over 100 New Zealand secondary schools covering the tax system, paying income tax for the first time, student loans and other financial information aimed at young people.



Geoff Oldham and Citizens Advice Bureaux CEO Nick Toonen with the signed agreement.

The course culminates in a final exam, which Inland Revenue sponsors.

Chief Executive of the New Zealand Association of Citizens Advice Bureaux Nick Toonen (pictured) said, "The agreement reflects our common goal of ensuring that high-quality information on tax and related matters reaches those who need it most." Citizens Advice provides free, impartial information to over 2,000 New Zealanders on average each day.

The agreements are reviewed each year.

More families qualify for Accommodation Supplements and Childcare Assistance

The increases to Work and Income's Accommodation Supplement and Childcare Assistance programmes, as a result of the first phase of the Working for Families increases, have already taken effect.

Assistance with housing costs

The Accommodation Supplement is available to help with rent, board or mortgage costs. In October 2004 the income limits for the Accommodation Supplement were raised, making it available to more families.

Help with childcare costs

Childcare and Out of School Care and Recreation (OSCAR) subsidies are available to help with

childcare costs. Income limits for these were also raised in October and subsidy rates were increased to make childcare more affordable.

Customers should have received a letter in October advising them about any changes and increases to their payments. If this hasn't occurred and customers have any queries or want to find out if their family now qualifies and how they can apply, customers should ring the Working for Families freephone on **0800 774 004**.

Working
for Families

SPLO profile – Penoa Tuigamala



Wellington Social Policy Liaison Officers, Penoa Tuigamala (right) and Kaisara Jerome (left)

Kia orana

I have been in this role for over a year now and have seen the focus of the role change and develop over this time. The work we do in our role as liaison officers in local communities is one direct outcome of Inland Revenue's commitment to streamline and simplify tax process.

We service seven agencies in Wellington, operating on an appointment schedule as well as an "open door – drop in" policy. A list of the different agencies and their locations can be found at www.ird.govt.nz

We also endeavour to develop networks by establishing regular meetings with key government agencies, including WINZ and Housing New Zealand.

Visibility in the community is a primary focus for the SPLOs. We'll often be found at expos, festivals and other public meetings in local communities. We have also recently begun working with employment services in the private sector, providing presentations on general tax information, student loans, and family assistance.

I took on this exciting role to assist individuals who may not find it easy to understand their obligations and entitlements. It has been rewarding to see a visible difference in the way people perceive the department simply by being in the community and immediately available to them.

Penoa Tuigamala
Wellington Social Policy Liaison Officer

Change of circumstances

Customers who receive fortnightly family assistance payments will be issued with a reminder letter during November, stating that if they have any changes to their circumstances, they need to contact us as this may affect their current payments.

Such changes may include:

- a child leaving or coming into their care
- the birth of a new child
- going on or off a benefit/ACC/student allowance
- income increasing or decreasing
- a change in marital status.

Customers must notify us of these changes as soon as they occur to avoid the possibility of missing out on payments they are entitled to, or receiving too much and needing to repay some at the end of the year.

For more information about changes in circumstances and how they affect family assistance payments, visit our website www.ird.govt.nz/familyassistance

Going overseas?

Residency

Before a student loan borrower goes overseas, we need to determine whether they will be a New Zealand resident for tax purposes or not. Primarily, it depends on the length of time they plan to be overseas.

If going overseas for more than three months, they will need to fill in a residency questionnaire to establish whether they will have an enduring relationship with New Zealand while overseas. Matters such as social and economic ties, accommodation, presence in New Zealand, and personal property are considered.

Generally, anyone overseas for less than 325 days in a year is considered a New Zealand resident. Any income earned outside of New Zealand must be declared in an IR 3 tax return and usual student loan obligations apply.

Borrowers who go overseas for more than 325 days are likely to be considered non-residents for tax purposes. Non-resident borrowers have different repayment obligations, based on their loan balance. These obligations take effect from 1 April after they depart. We will send a notice of their new obligations if they inform us of their departure.

Borrowers who have difficulty meeting their non-resident obligations should contact us. Depending on their situation, they may be able to renegotiate their repayment obligations.

For more information visit
www.ird.govt.nz/studentloans

Managing your loan online

The student loans website includes an online repayment calculator, a Look at Account Information service, secure email, and the ability to request a statement online.

Using the repayment calculator, borrowers can try different scenarios with extra repayments to see how they can decrease the term of their loan and the amount of interest charged. Even small extra payments have significant impacts.

There is a calculator for non-resident borrowers as well. This calculator determines their non-resident repayment obligations and also includes information on due dates, which are different for borrowers living overseas.

Borrowers can also register to view account balances, transaction details, and due dates online. This is an easier way to access details, especially for overseas borrowers. The secure email service also allows borrowers to ask specific questions regarding their account. The registration process is easy-to-follow. A secure userID and password are confirmed in writing once registration is complete.

Borrowers can also request updated statements of their loan details online.

Making repayments

Borrowers can take control of their student loan by making extra repayments. They can pay any amount they like as long as it is over their minimum repayment obligation. There are many ways to make repayments:

- Telegraphic transfers
- Posting us a cheque or bank draft
- Automatic payments from a New Zealand bank account
- Credit card payments via Mastercard and Visa
- Payments within New Zealand (via a nominated person)
- Online payments through their bank's website

Setting up a nominated person

Borrowers can authorise someone else to have access to their details and look after their tax affairs while they are away, by filling out an *Elect someone to act on your behalf form (IR 597)*.

If they are intending to travel frequently and won't have a permanent address overseas, their mail can be redirected to the nominated person's address instead.

The IR 597 form is available:

- from our website www.ird.govt.nz/library
- from our automated INFOexpress service on **0800 257 777**
- by phoning **0800 377 778** to request it in person.

If the borrower has the nominated person's full name and IRD number when they call, we can set it up straightaway over the phone.

Before you go...

- Contact us to let us know the date you leave
- Change your address
- Set up a nominated person on your account.

Check out our website and our *Going overseas (IR 223)* brochure.

Contact details

Within New Zealand	From overseas	Non-resident enquiries
Inland Revenue PO Box 39050 Wellington Mail Centre New Zealand 0800 377 778 8am – 8pm Monday to Friday 9am – 1pm Saturday INFOexpress 0800 257 777 (6am – 12 midnight, 7 days)	Inland Revenue PO Box 3754 Christchurch New Zealand Overseas 64 4 801 9973 8am – 8pm Monday to Friday 9am – 1pm Saturday INFOexpress 64 4 471 1145	Non-resident Centre Inland Revenue Private Bag 1932 Dunedin New Zealand Phone 64 3 467 7020 Fax 64 3 467 7083 Email nonres@ird.govt.nz 9am – 4.30pm (Monday to Friday)

Tax payments due 7 February

Income tax, student loan, and family assistance payments are due on 7 February 2005 (unless using a tax agent). Customers with payments due will be sent a reminder letter in January 2005.

Customers should contact us as soon as possible to discuss alternative arrangements if they can't make these payments, disagree with the amount due, or wish to alter the details of an existing arrangement they have with us.

Payments can be made:

- at any Westpac branch, by cash or cheque
- online through their bank's website (visit www.ird.govt.nz to see which banks provide this service)
- using the payment slip attached to the reminder letter and posting a cheque to us (please do not post cash).

Interest and penalties will be charged on any outstanding payments from 8 February if no arrangement has been made.

There are two freephone lines dedicated to the 7 February payments, open from 8 am to 8 pm Monday to Friday, and 9 am to 1 pm on Saturdays:

Business customers **0800 162 685**

Personal customers **0800 162 684**

Encouraging the identification of parents

The Social Security (Social Assistance) Amendment Bill, introduced to Parliament in September, has three significant provisions—one of which relates primarily to child support.

Currently, parents receiving a sole parent benefit (such as the DPB) receive a \$22 reduction for each dependent child if they do not identify the other parent, or do not apply for child support. From 1 July 2005, the Bill adds a further \$6 to the total reduction (an extra \$6 in total, not per child).

The penalty will not be applied where:

- There is any risk of violence if the custodian names the other parent or applies for child support.
- There are compelling circumstances not to impose the penalty and where collection of child support payments is unlikely in the foreseeable future. "Compelling circumstances" can include, for instance, where the other parent is dead, or the custodian is not the parent of the child and the natural mother has not established paternity.

The changes in the Bill form part of a wider package the Ministry of Social Development is introducing to encourage sole parents to name the other parent and apply for child support. This includes:

- Providing information about establishing paternity to pregnant single women who apply for a sickness benefit.
- Developing an information pack to help lead maternity carers to provide advice to expectant mothers, where appropriate.
- Providing beneficiaries (who have received the benefit reduction) with opportunities to reconsider their decision by participating in an early intervention programme, which includes a home visit by a field officer.

The Social Services Select Committee is due to report back to Parliament on the Bill by 4 April 2005. Further information can be found at

www.knowledge-basket.co.nz/gpprint/docs/bills/20041931.txt

Child Support's new-look statements

The first of our new statements were sent out to customers in August. There are several key changes to the statements—both in appearance and in the information they contain.

Our customers told us that they would find it much easier to read and understand their statements if they were more attractive and more clearly and simply laid out. The new statements have been developed in direct response to this feedback and as part of Inland Revenue's overall customer noticing project.

The statements offer a summary of the customer's account, rather than recording each individual transaction. There are two sections: a summary page outlining the reason why the statement has been sent, any amounts owing and due dates; and a subsequent page listing summary details relating to the balance of the account.

In the new format, no statement will be longer than three pages. Customers who wish to access historical account information can do so through our online Look at Account Information service.

Customers with any queries regarding their statements or who wish to provide any feedback can call us on **0800 221 221**. The *Helping you to understand your statement* flyer was included with the first two months' statements.



Frequently asked questions on holidays, allowances and eligibility

The end of the year often brings changes in living arrangements or personal circumstances. This is particularly so for parents with children who are finishing their schooling. Changes such as holiday jobs, going to live with the other parent for the holidays, and receipt of student allowances can affect child support eligibility.

What if my child gets a job for the holidays?

Children who enter full-time employment (an average of 30 hours or more per job, each week) are considered financially independent and no longer eligible for child support.

To recommence receipt of payments custodians need to reapply for child support when their child's full-time employment ends. To avoid delays, they can reapply in advance for child support and we will hold the application until the job finishes.

What if my child spends school holidays with the paying parent?

Shared care provisions apply where the paying parent cares for the child for at least 40% of the total nights in a year. In most cases, care of the child for periods such as school holidays only is unlikely to equal this amount.

Paying parents who believe their care of the children is increased to 40% or more by school holiday care should contact us to discuss their circumstances. It may mean a reduction in their payments.

What if my child receives a student allowance?

Children who receive student allowances, either as a basic grant or the independent circumstances grant, are considered financially independent and no longer qualify for child support.

The "Away from Home Allowance" does not affect eligibility, because it is paid to the caregiver, not the child. Student loans also have no effect on child support entitlements.

If any of these changes occur, customers should complete a *Change of circumstances (IR 116)* form online at

www.ird.govt.nz/library/publications/childsupport or call **0800 221 221** to talk to a Child Support Officer. We need to know as soon as possible to ensure all entitlements and obligations are correctly applied.

Reciprocal agreement update

The reciprocal agreement between New Zealand and Australia exists to collect child support in cases where the parents of a child live on opposite sides of the Tasman and where the paying parent has not met their obligations.

For New Zealand cases where the paying parent is regularly making their payments, these are dealt with in the normal way, without reference to the reciprocal agreement.

The reciprocal agreement has been in place since 1 July 2000. Prior to this, there was no mechanism for the collection of child support entitlements when the paying parent lived in the other country.

Since July 2000 we have been able to progressively refer approximately 3,600 cases to Australia for collection, resulting in over \$5.7 million being collected and sent to New Zealand for the support of New Zealand-based children.

The process involves sharing information between New Zealand and Australia and is governed by specific legislation. As with any child support case, we are required to protect the privacy and confidentiality of all parties involved.

These requirements prevent us from giving custodians detailed information concerning the location or personal circumstances of the paying parent.

There are plans for an international agreement for the exchange of child support cases with other countries as well. This would mean payments due to New Zealand-based custodians could be collected from paying parents living in any country that has signed the agreement. We will report further as these plans progress.

Helping customers manage their own affairs

We have developed a range of services that make it easier for customers to manage their own affairs, reducing the contact they need to have with us. These services include:

- the Look at Account Information service
- up-to-date information on our website www.ird.govt.nz/childsupport/
- the new voice-prompt INFOexpress phone line
- automatic payment options
- an online calculator (to check assessment amounts).

Parents have different levels of choice about whether they are part of the child support system and even how much they pay.

Custodians who receive a sole parent benefit must apply for child support from Inland Revenue and the paying parent will be assessed using the standard formula to work out the level of payment. Other parents can apply for child support under a formula assessment if they wish. Alternatively, these parents can also come to their own arrangements about financial support of their children without involving Inland Revenue Child Support at all.

They are free to choose the amount the parent not living with the child will pay regularly, or can make any other arrangement they wish for the support of their children, such as a one-off settlement or payments in kind.

Inland Revenue does not know how many parents in the community make their own arrangements. Some research indicates that parents who maintain a good relationship with each other are more likely to consider managing their own affairs.

However, if either parent does not wish to maintain independence from the Child Support system, they may apply for child support in the normal way and then we will assess, collect and disburse the payments.

Registering voluntary agreements

Some parents decide to register a voluntary agreement with Child Support. Voluntary agreements can be registered where the parents have agreed together on the amount to be paid by the paying parent to the custodian and they wish to have Child Support collect and pass on the payments. The standard formula (which works out the level of payments) does not have to be used, but payments must be more than \$10 per week. If the custodian is a beneficiary, certain restrictions are placed on whether a voluntary agreement can be registered or not.



Notification of assessments and changing circumstances

In February and March next year, we will send out our annual Notices of Assessment to customers. All New Zealand-based paying parents will receive a copy.

The notice outlines how much each paying parent needs to pay in the 1 April 2005 – 31 March 2005 year, based on each parent's income and living circumstances.

We will also send a Notice of Entitlement to custodians, advising how much they can expect to receive in child support for the year.

If any of the information on the notices is incorrect, customers should contact us straightaway on **0800 221 221**. Some changes may mean that the customer's entitlements or obligations may alter as well. In these cases we will issue a new Notice of Entitlement and Assessment.

Following are examples of the sorts of changes we need to know about.

Custodians should contact us if:

- they start or stop looking after a child for whom they are receiving child support
- any of their contact details change
- they start or stop receiving a Work and Income benefit
- the child or children no longer qualify for child support
- their arrangements for shared care start or finish
- they reconcile with the paying parent.

Paying parents should contact us if:

- any children come into or leave their care
- they start or stop living with a partner
- any of their contact details change
- their child no longer qualifies for inclusion in the living allowance
- their children no longer live with the custodian
- their amount of income or employment situation changes.

CLO profile: Jan Hoare, Tauranga



CLO Jan Hoare (back left) with SPLO Lorraine Morten (back right) and staff from the Whitianga Community Resource Centre.

Tauranga Community Liaison Officer Jan Hoare has been in her role since November 2003, providing information and education to groups throughout the Bay of Plenty.

Occasionally Jan even provides mobile services where customers do not have easy access to the information or support they need.

"The mobile work allows customers in more remote areas to receive education and information about their child support and tax issues. It breaks down some of the compliance barriers," Jan explains.

Primarily though, Jan works from sites within the main centres, making herself available to groups and individuals within their own communities. Jan continues to find people are "frequently surprised by the service and the fact that they don't have to talk to 'men in suits' at all.

"We tend to be invited back to schools regularly. They often build us in to the life skills or health curriculum. Some schools are doing legal studies and often incorporate child support as part of that as well.

"We've had some lovely feedback from customers during our visits—ranging from thank-you notes attached to forms, to hugs in a couple of instances."

As with some of our other liaison officers, Jan has linked closely with Work and Income offices in her area, working out of their offices at times.

"It's really effective to sit down with customers alongside a Work and Income case manager, for example. It reduces the number of calls or visits customers have to make.

"Working alongside other departments with the flood relief teams during the Bay of Plenty floods was a real team effort as well. We're creating more options for customers. I think they appreciate that."

Contacting our liaison officers

If you would like to speak to one of our Community Liaison Officers or Social Policy Liaison Officers, or if you would like them to come and talk with you or your group, call us on our freephone numbers and ask for the CLO/SPLO in your area.

Location	SPLOs 0800 227 773	CLOs 0800 221 221
Whangarei	Margaret Gunson Robyn Foster	Mihaka Panapa
Takapuna	Shannon Brady Eileen Blair	Jean Tu
Manukau	Emmie Lemalu Raewyn Bates Hoana Parangi	Joseph Manu Sophie Chungson
Hamilton	Helen Richards Diane Randell	Gail Hughey
Tauranga	Lorraine Morten	Jan Hoare
Gisborne	Kylie Low	Danny Fong
Napier	Nerissa Taurima	Jo Damen
Rotorua	Mary Wright	Lorryl McIndoe
New Plymouth	Jenny MacDonald	Wendy King
Palmerston North	Sarah Manderson	Gina Christensen
Wellington	Penoa Tuigamala Elena Lemalama Kaisara Ierome	Katie Goodridge
Nelson	Margaret King	Kaye Latham
Greymouth	Juliette Henry	
Christchurch	Liz Manuel Nicole Manawatu	Angela Moylan
Timaru	Geoff Mayo	
Dunedin	Lynn McClintock	Peter Read
Invercargill	Peter Murphy Mary Rae	Lynley Ballantine

Key dates and events

Date	Event
7 November Student loans	Second student loan interim instalments due. Applies to borrowers who are earning income from which deductions won't be made automatically.
31 December Student loans	The third non-resident assessment instalment is due for borrowers living overseas.
7 February Income tax, family assistance, student loans	End-of-year payments due for income tax, family assistance, or student loan customers who do not use tax agents.
8 – 11 February Child support	First Child Support annual assessment run mailout, when payment amounts are assessed for the next child support year (starting 1 April). For customers who are not salary/wage earners, and all those who earned income overseas, or have filed a return of income.
Early February Family assistance	Change in circumstances letter issued to all family assistance customers who receive payments as a "lump sum."
28 February Student loans	Student loans for courses completed before 31 December 2004 are transferred from StudyLink to Inland Revenue. Letters are sent to borrowers in March giving full details.
3 – 5 March Family assistance	Family assistance details automatically transferred to the next tax year (1 April 2005 – 31 March 2006). Letters are sent to customers to confirm the income and family details we hold are correct.
7 March Student loans	Third student loan interim instalments due.
8 – 11 March Child support	Second Child Support annual assessment run mailout. This mailout is for all salary and wage earners.
8 – 11 March Child support	Notices of Entitlement sent to all custodians, advising the amount of child support payments they will receive in the coming year.
Early March Family assistance	1 April 2005 – 31 March 2006 certificates of entitlement sent to family assistance customers who receive payments fortnightly.
15 – 17 March Child support	Mailout to employers and Work and Income advising of automatic deductions for customers who have their child support deducted from their salary/wages or from their benefit.
31 March Student loans	Fourth non-resident assessment instalment due for borrowers living overseas.
1 April Child support	New child support year begins and the new minimum and maximum assessments come into effect.