

Congratulations on your new baby



WORKING FOR
families

Me whakaruruhau te iwi

From the time your new baby arrives, you may be entitled to payments from Inland Revenue to help with the costs. There are two main entitlements, parental tax credit and paid parental leave, but you can't receive both payments for the same child.

Parental tax credit (PTC)

PTC is one of the Working for Families Tax Credits (WfFTC) payments. How much you can receive depends on your family circumstances.

Your entitlement

The payment is for the first 70 days (ten weeks) following your baby's arrival. Depending on how much you earn, you can receive as much as \$2,200 PTC for each child.

If you apply within the first three months of your baby's birth, you can choose to receive PTC payments weekly, fortnightly or as a lump sum after the end of the tax year. If you apply after the first three months, you can only get a lump sum after the end of the tax year.

How much you'll receive depends on:

- the number of dependent children you have in your care and how old they are
- any shared care arrangements
- the amount you and your spouse or partner earn—your family income
- where your income comes from (eg, salary or wages, business, a student allowance or a benefit).

Income that may affect your PTC entitlement

You're not entitled to PTC for any days you receive an income-tested benefit, student allowance, NZ Super or a veteran's pension during the first eight weeks. Receiving ACC payments may also affect your entitlement.

How to apply for PTC

You'll need to register for WfFTC and each child will need their own IRD number.

The quickest and easiest way to register for WfFTC is by going to www.ird.govt.nz "Get it done online", or you can order a *Working for Families Tax Credits registration pack (IR200)* by calling 0800 257 777 or 0800 227 773. Please have your IRD number handy.

If you're already registered for WfFTC, you can add your baby's birth date at any time through your myIR secure online services account. Go to www.ird.govt.nz to log in or register and select "My family details and income". Or you can call us on 0800 227 773.

If you haven't registered your baby's birth yet, you can apply for your baby's IRD number when you complete the birth registration form.

Otherwise, to apply for an IRD number for your baby use the *IRD number application – resident individual (IR595)* form and take it with the required documentation to either a PostShop or the Automobile Association (AA).

How much you can earn and still receive PTC

Number of children	Annual family income
1	84,314
2	99,208
3	114,101
4	132,461
5	150,821
6	169,181

Rates shown are based on you having one newborn child and being entitled to in-work tax credit. If your situation is different, please call us.

Paid parental leave (PPL)

PPL is a government-funded entitlement for eligible mothers and other primary carers (such as adoptive parents, Home for Life Parents, whāngai, grandparents and other permanent guardians). These payments go towards the loss of income when they take parental leave or stop working to care for their newborn or a child under the age of six who is now in their care.

You can transfer your paid parental leave to your spouse or partner, as long as they also qualify for paid parental leave. If you and your spouse or partner are becoming joint primary carers of a child under six, you must elect which one of you claims PPL. You can still transfer entitlement once you have elected to claim PPL.

PPL payments

PPL is paid for up to 18 weeks. The maximum payment amount is \$538.55 before tax each week or 100% of your weekly pay before tax, whichever is lower.

If your baby arrives early

If your baby is born prematurely (before the 37th week of pregnancy) you will qualify for additional pre-term child payments for the period your baby is premature, up to the beginning of the 37th week.

Work requirements

If you're an employee, you're entitled to PPL if you've worked an average of at least 10 hours a week for any 26 of the 52 weeks immediately before your due date, or the date you assume primary care of a child. This work can be for any employer or combination of employers, even if there were periods where you didn't work. There are different leave entitlements for employees depending on your work history. For more information on what kind of leave you're entitled to, contact the Ministry of Business, Innovation & Employment.

If you're self-employed, you're entitled to PPL if you've worked an average of at least 10 hours a week for any 26 of the 52 weeks immediately before your due date, or the date you assume primary care of a child. You're entitled to at least the minimum rate of \$157.50 each week, before tax.

You must meet one of these criteria, and actually take leave from your employment or not be working, to receive PPL.

If you're receiving PPL you can still apply for other WffTC payments (just not PTC). Our pamphlet *Working and raising a family? (IR201)* tells you about the payments available.

More information about PPL

Go to the Ministry of Business, Innovation & Employment website www.employment.govt.nz for more information about PPL (including entitlements and who is eligible), to calculate your entitlements using the online calculator, or to get a PPL application form.

Alternatively, you can call the Ministry of Business, Innovation and Employment on 0800 209 020 during business hours.

Paid parental leave or parental tax credit?

You can't receive both PPL and PTC for the same child. If you qualify for both you'll need to decide which payment you'd like to receive. Once your payments have started, you won't be able to change.

There are many differences between PPL and PTC. The following are some examples.

- PPL payments are for up to 18 weeks (or more if your baby is born pre-term before the 37th week of pregnancy) and PTC payments are for 10 weeks.
- The maximum PPL payment is \$538.55 each week (before tax) and the maximum PTC payment is \$220 each week.
- PPL is based on your income but PTC is based on how many babies you have. If you have twins or multiple births, you will receive up to \$220 each week per baby.
- The minimum PPL payment for self-employed people is \$157.50 each week (before tax).
- PPL payments are taxed but PTC is not.

For most people, PPL payments will be higher than PTC.

If you're eligible for both payments and you'd like some advice about which one would be better for you, call us on 0800 377 777.

Other Working for Families Tax Credits

You may also be entitled to other Working for Families Tax Credits, depending on your personal situation.

For more information go to www.ird.govt.nz/wff-tax-credits or call us on 0800 227 773. We're available from 8 am to 8 pm weekdays and from 9 am to 1 pm Saturdays.