

STUDENT LOAN INFO

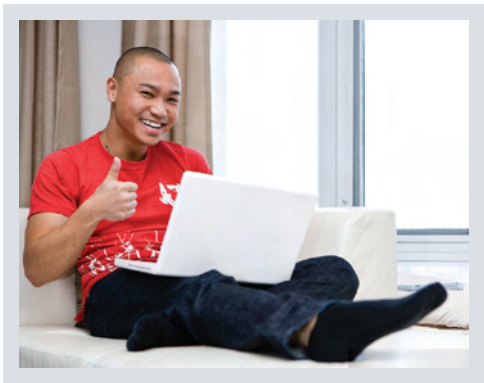
Inland Revenue's student loan update

October 2009 • IR 229



10% voluntary repayment bonus

It's here! The voluntary repayment bonus is now law so, if you make any voluntary repayments of \$500 or more you'll get an extra 10% credited to your loan balance.



You're eligible to receive a 10% bonus on your voluntary repayments if:

- you're up-to-date with all your repayments, and
- your voluntary repayments for the tax year come to \$500 or more, and
- your loan balance with us is \$550 or more at the beginning of the tax year (1 April).

Note: Any voluntary repayments made to StudyLink won't qualify for the voluntary repayment bonus.

What's a voluntary repayment?

Voluntary repayments are payments made on top of what you need to repay for a tax year (1 April to 31 March). They don't have to be lump sum payments. For example, extra repayments of \$10 a week throughout a tax year would be eligible.

How it works

When we know your repayment amount for the year (approx. June or July), we'll check to see if you're eligible. If you are, you'll get an extra 10% of your voluntary repayments credited to your loan balance.

For example, if you make voluntary repayments that come to \$800, you'll receive a voluntary repayment bonus of \$80 and your loan balance will be reduced by \$880.

Paying your loan in full

For this tax year, if you're repaying your loan in full, any voluntary repayment bonus you're entitled to will be credited to your loan balance from 1 April 2010. For future years it'll be credited to your loan shortly after your final repayment.

As when making any financial decisions, you're advised to seek appropriate financial advice before taking advantage of the voluntary repayment bonus.

For more information about the voluntary repayment bonus go to our website www.ird.govt.nz/sl/bonus/

Save time and money – pay online

If you're overseas, it's easy to make repayments with your debit or credit card through our website and we don't charge you anything.

Go to www.ird.govt.nz and find the option to make a debit/credit card repayment under "Get it done online". You can use both Mastercard and Visa.



Inland Revenue
Te Tari Taake

Welcome to Student Loan Info

In this issue: 10% voluntary repayment bonus, pay online, student loan interest write-offs, hello online newsletters, student loan repayment calculator, web page finalist.



Reminders

End-of-year repayment:

You may need to make an end-of-year student loan repayment by 7 February 2010. If you do, we'll have sent you an end-of-year repayment calculation.

You can make repayments by:

- internet banking
- paying in cash, cheque or EFTPOS at any Westpac branch
- using your debit or credit card through our website (see article bottom left for more info)
- posting us a cheque.

If you pay by the due date you'll avoid monthly penalties of 1.5% on any outstanding amounts.

If you can't make your full repayment, contact us as soon as you can and we'll work with you to find a solution. You can:

- call us on 0800 377 778, or if calling from outside New Zealand 64 3 951 2020
- write to us—visit www.ird.govt.nz/contact-us to find the correct postal address for your area.

Student loan interest write-offs for those studying in 2000–2005

If you were studying in 2000–2005 you may not have received your full interest write-off if you didn't put your IRD number on your course enrolment form/s. We've identified these people and updated their student loan accounts—as a result their loan balance will have reduced. If you're one of these people you'll see the interest write-off on your enclosed student loan statement.

How the interest write-off will appear on your student loan statement

It'll show as "Interest write-off" or "Interest write-off adjustment" on the enclosed statement. The year the write-off applied to will also show, eg, "Interest write-off 2006".

Refunds resulting from the interest write-offs

If an interest write-off causes your student loan to be paid off, or if it has already been paid off, you're entitled to a refund of any balance. **You don't need to do anything—we'll issue the refund to you.**

More information

If you're an IR 3 filer you'll need to ensure that you've filed your IR 3 return in order to receive any interest write-off you're entitled to.

See www.ird.govt.nz/slwo for more information on interest write-offs for the years 2000–2005.

Student loan repayment calculator

If you want to see how making extra repayments can help you pay off your loan faster, check out our student loan repayment calculator. We'll be updating it shortly to include the voluntary repayment bonus so you'll be able to see the benefits of paying a bit extra.

You can also use the calculator to work out your repayments and see how a change in your circumstances (such as going overseas) could affect them and the interest charged on your loan.

To find the calculator go to www.ird.govt.nz/studentloans/ and click on the icon at the bottom of the page.

Student loan web page finalist for plain English award

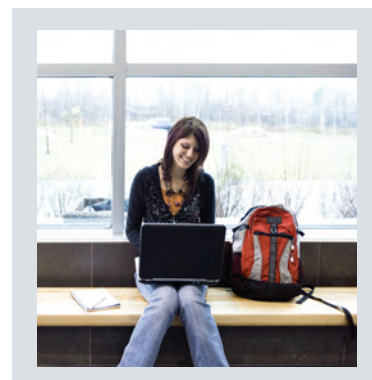
We were a finalist for a WriteMark Plain English award for our new-look student loan web pages. The information is clearer and it's easier for you to find everything about managing and paying off your loan in New Zealand or overseas. Go and have a look at www.ird.govt.nz/studentloans/

We made the improvements based on your feedback. We completely rewrote and restructured the content, and added pictures and icons that link to handy tools, such as the repayment calculator.

We hope you like the improvements. Tell us what you think by filling in our online feedback form at www.ird.govt.nz/sl/feedback/

Hello online newsletters

Our *Student Loan Info* newsletter is going online only. The last printed copy will be included with your April/May 2010 statement. Sign up for our Notify Me email service to keep receiving student loan updates.



When you subscribe to Notify Me you'll get three to six emails a year telling you about:

- changes to student loan policy, eg, voluntary repayment bonus
- new initiatives
- reminders of due dates for repayments
- what to do if you're going overseas
- using the right tax code.

You don't need to have a student loan to subscribe. You can be a nominated person managing someone else's loan, or just be interested in knowing more about student loans. All we need is your email address. Get your friends to sign up too.

Subscribe to Notify Me at www.ird.govt.nz/sl/notify-me/

✓ KEY DATES & EVENTS

April/May and October/November:

Statements of accounts go out.

28 August, 15 January, 7 May:

Interim repayments are due for New Zealand-based borrowers.

30 September, 31 March:

Repayments are due for overseas-based borrowers who aren't on a repayment holiday.

30 September, 31 March:

Repayments due for borrowers who still have amnesty obligations.

7 February:

End-of-year payments due for New Zealand-based borrowers if they haven't paid enough throughout the year.