

Community-Wise

Inland Revenue's community update

Useful information on Inland Revenue's website

Most of the information agencies and individuals need about child support, family assistance, and student loans can be found on Inland Revenue's website www.ird.govt.nz

There is a full range of publications and forms in PDF format. Each section of the website has answers to the most frequently asked questions.

Inland Revenue also has many online services available through the website which are easy to use and provide customers with a greater choice and speed in interacting with Inland Revenue.

For instance, we have a new secure Online Correspondence System that allows customers to email us about their personal dealings and receive our responses securely and confidentially. To register, customers just need to answer a few questions and have their IRD number handy to register, or their employer's number if registering for work purposes. We have in place identity verification processes to ensure customers' personal information is sent only to them.

The online services provide an additional option for accessing information, but do not replace traditional ways of dealing with us. You can also phone us on our freephone numbers, make an appointment to see an officer, and use INFOexpress to order printed copies of publications. For community groups, Community Liaison Officers and Social Policy Liaison Officers, listed on page 10, are available to provide education and information.



Carol from Wellington Central CAB uses Stationery Express to order publications

Below is a sample of the online services available through the website:

Family assistance – help for working families

Find out how to:

- calculate how much family assistance a family is entitled to.
- apply for family assistance using the online form.
- apply for Parental Tax Credit.

Child support

- An online calculator shows how much child support a paying parent needs to pay.
 - The calculator can be used for current or back years, and uses the correct allowances for each year.
 - Customers need to enter the details that affect the rate of their living allowance that is used in working out an assessment.

continues on page 2

Online services continued

- Paying parents can pay their child support online.
- A number of forms can be completed online, including the change of circumstances form.

Student loans

- Direct access to the repayment calculators (both resident and overseas) and access to Inland Revenue's student loan information by using www.owezero.org.nz
- The student loan repayment calculator gives borrowers the opportunity to see how much they can save by making extra repayments.
- Interest write-off – borrowers can register their details to get their write-off.
- Statement of account – order an up-to-date statement.

We also have a range of online services for business and personal tax needs. These include the ability to generate a list of all tax due dates that apply to an individual or business and a personal tax summary calculator which lets you find out if you have an income tax refund for the 2002 or 2003 years.

Customer feedback on the website is sought and closely monitored, to understand needs better. Based on customer response, we will continue to enhance our online services. For instance, we are working on a service which will allow customers to look up their Inland Revenue account information online. Once this becomes available, we will let you know more through *Community-Wise*.

For a full list of our online services go to the Inland Revenue website or straight to www.ird.govt.nz/otherservices/online

**Christmas message**

Child support, family assistance and student loan staff wish you and your families a very happy and peaceful holiday season.

- **Child Support 0800 number** (0800 221 221) will not be operating from 5pm on 24 December 2003 to 4 January 2004. The phones are open again from 8am on 5 January.
- **Family assistance, student loans, taxation 0800 numbers**
All call centres are open 24 December
All call centres are closed 25 to 27 December
Wellington Call Centre will be open during business hours for general calls on 28 to 31 December
All call centres are closed on 1 to 4 January 2004
Regular hours begin on 5 January 2004.
- **Family assistance 0800 227 773**
- **Student loan 0800 377 778**

**Thanks...**

Thanks to all those readers who responded to our recent survey about *Community-Wise*. We are analysing the responses and will incorporate any amendments in to the next edition.

When parents' circumstances change

It is very important that a custodian or a paying parent contacts Child Support if any of the following changes occur. Parents need to contact us as soon as the change occurs so that the correct amount of child support is always paid or received, and unnecessary debt situations are avoided.

When should the custodian contact Child Support?

The custodian (the person who looks after the child) needs to contact Child Support in **any** of these circumstances:

- they start or stop looking after a child (or children)
- their personal details change, eg address and/or phone number
- they reconcile with the paying parent
- they start or stop receiving a benefit from Work and Income
- one or more of their children no longer qualifies for child support
- their arrangements for shared care start or finish.

When should the paying parent contact Child Support?

The paying parent (the parent not living with their child) needs to contact Child Support in **any** of these circumstances:

- they start or stop looking after a child (or children)
- their personal details, eg address and/or phone number change
- their child no longer qualifies to be included in a living allowance
- their child is no longer living with the custodian
- their income changes
- their employment changes.

Note: Even if they have already advised Work and Income of the change, a customer also needs to tell Child Support about a change in circumstances.

Contact Child Support by phoning 0800 221 221 or filling in and sending the *Change of circumstances (IR 116)* form on the website

www.ird.govt.nz/childsupport/



Notification of assessment and entitlement in early 2004

Around 200,000 customers will receive letters from Child Support in February and March 2004.

All New Zealand-based paying parents will be sent a notice of assessment. This is an annual Child Support communication which sets out how much each paying parent needs to pay in the 1 April 2004 – 31 March 2005 year, based on each parent's income and living circumstances. A notice of entitlement will also be sent to custodians letting them know how much they can expect to receive in child support for the year.

Parents will need to call 0800 221 221 to let Child Support know immediately if any of the information on the notice is incorrect so that we can update our records.

Changes to maximum and minimum assessments

When customers receive notification of their assessment or entitlement early next year, they may notice that there could be changes to the amount they are required to pay or will receive, even if none of their personal circumstances have changed. This is because each year the minimum rate of child support is adjusted by an inflation percentage that is based on the Consumer Price Index. In the last year, the minimum rate rose from \$12.75 per week to \$13 per week.

The maximum also gets adjusted in line with the average New Zealand income. Last year the maximum assessable income rose from \$86,684 to \$90,823.

Having the "maximum assessable income" means that even if a parent earns more than the maximum, the income which they are assessed on is only the stated maximum amount.

Living allowances used in calculating a paying parent's assessment also get adjusted and this will affect the amount of child support to be paid or received.

The calculations to determine whether the amounts need to change are carried out in the new year, and any new amounts will be reported in the next *Community-Wise*.

Child Support administrative review process evaluation

Over 60% of administrative review participants believe that their review process was handled well by Child Support, according to recent customer feedback.

An independent research company conducted a telephone survey, consisting of 300 interviews with paying parents and custodial parents. The purpose of this was to get customers' feedback on their experience with the review process that has been in place for several years.

Administrative reviews provide an opportunity for either a custodian or paying parent to challenge the amount of child support they either receive or pay under a formula assessment. An administrative review may be applied for if either parent feels that there are special circumstances that the formula does not take into account. In the year to June 2003, 3,763 reviews were carried out.

Eighty percent of the review participants were favourable about the review officer being knowledgeable, and 85% say they were fully informed about the outcome of the review.

Sixty percent of review participants contacted Child Support prior to their hearing. Fifty seven percent attended a hearing in person; 36% by phone, and 6% had written correspondence. Of those who had a phone hearing or written correspondence, 59% would have had to travel outside of their area for a face-to-face hearing. Of this group, 28% felt that conducting the hearing by phone or written correspondence was not suitable.

Other issues raised in the research included:

- the statement of financial means, which some applicants and other parties had difficulty completing, and
- the amount of time to prepare for a hearing.

Paying parents and those with unsuccessful outcomes are generally more critical of the review process than others.

Recommendations for improvements will be considered over the coming months and we will report on any changes to be made in future editions of *Community-Wise*.

Wellington Community Liaison Officer Elena Lemalama

Elena is the Community Liaison Officer (CLO) who covers the Wellington area, as well as the Wairarapa and up to Levin.

Elena enjoys the role—being out in the community and helping groups and individuals to understand more about child support. Presentations to schools have been a particular highlight so far. Developing the networks that previous CLOs have made and meeting people in new community groups is also a particularly enjoyable part of the job.

“I work closely with Wellington Social Policy Liaison Officer Penoa Tuigamala to go out into the community and provide a full service for Inland Revenue,” says Elena. “Penoa and I are both fluent in Samoan, so this is an advantage in explaining Inland Revenue services to clients in a way they can relate to and understand.”

Elena is mother to a 9-year old daughter and 5-year old son who keep her busy but grounded in the important things in life.



Wellington CLO Elena Lemalama

“My peers and family tell me how happy I look now that I have found the perfect role for me, and how passionate I have become about my job,” says Elena.

To have Elena come and talk to your group to explain child support, call her on 0800 221 221.

Frequently asked questions

Child support and the school holidays

Do I have to contact Child Support if my child gets a holiday job?

Parents should contact Child Support about any changes in their circumstances such as a child starting or stopping work.

When a child is in full employment the paying parent no longer needs to pay child support as the child is no longer financially dependent.

Full employment means working on average 30 hours each week. It is not dependent on how much the child earns. If a child has a job for less than 30 hours each week, the paying parent continues to pay child support. If a child stops full employment, the custodian needs to reapply for child support.

An application can be made at the time the child starts their job and this will be held until the job finishes. This way there is no delay in stopping or starting child support payments.

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

Where a paying parent cares for a child for fewer than 40% of nights a year, such as only for periods during school holidays, shared care provisions will generally not apply.

Parents should contact Child Support where they consider the care of children over school holidays would mean a paying parent's care increases to 40% or more of nights. This could result in a reduction in payments.

What happens when child support is not paid?

Although most parents pay their child support in full and on time, there are some who can't or won't pay. The child support legislation sets out what steps must be taken when a paying parent does not pay what is owed.

If a parent does not pay on time, we are required to charge them a penalty.

We send a notice advising the paying parent of this and the amount charged. The statement of account will also list any penalties owing.

If the full child support amount is not paid on time, they are charged a penalty of either \$5 or 10% of the unpaid amount, whichever is the greater. A further penalty of 2% (or \$1, whichever is the greater) of the total overdue amount, including penalties that have already been incurred, will be added for each month that the amount remains unpaid.

Example

Chris did not pay his monthly assessment for May of \$100. He received a \$10 penalty (which was 10% of the amount due) on the 21st of June. He now owes \$110. If he does not pay this amount in full by 20 July, he will be charged a penalty of 2% of the total overdue amount of \$110 (which is \$2.20).

If child support is not paid on time, we may need to deduct child support from the paying parent's:

- wages or salary – deducted from the paying parent's salary or wages each payday
- ACC payments
- tax refunds
- bank accounts, or
- from any other money that may be payable to the paying parent, such as a trust account and superannuation payouts.

We can also take legal action. The legislation sets out a full range of options, from court assessment of a parent's means to pay, to a court case. But we will always try to work out a payment arrangement with the paying parent before taking any legal action. This is why it is important for paying parents to contact us immediately when their financial situation changes, to avoid getting into debt.



CLOs and SPLOs out in the community

Owezero update

In May 2003 we launched owezero.org.nz a site directing borrowers straight to our resident repayment calculator. Since then the resident calculator has received over 35,000 hits. The overseas calculator is also available at owezero

With the launch of the overseas calculator and supporting communication campaign in cinemas and on the internet from 1 October, we hope to further help all borrowers understand their obligations and help them repay their loans sooner.

Repayment calculator for student loan borrowers overseas

We've developed a new online repayment calculator for student loan borrowers who are currently living overseas or thinking of going overseas soon. The calculator enables borrowers to find out their estimated repayment obligation as well as seeing the impact of paying a little (or a lot) extra towards their student loan.

It includes information on the repayment obligation calculation and repayment due dates as these are different for a borrower living overseas. The repayment structure is based on the loan balance, whereas for borrowers in New Zealand the repayment obligation is based on income earned over the repayment threshold (currently \$15,964 per year).

Both our overseas and resident repayment calculators are available at www.ird.govt.nz/studentloans

Avoiding a student loan bill

If a student loan borrower earns more than \$15,964 a year, they are legally required to start making repayments towards their student loan. For salary and wage earners, the easiest way to do this is to use the correct tax code.

By using the correct tax code, the borrower's employer will automatically deduct any student loan repayments from each pay. The employer then pays those deductions to us to credit against the borrower's student loan. By having these repayment deductions made, the borrower is going a long way towards avoiding a student loan bill at the end of the year.

Frequently asked questions

How do they know if they are on the right tax code?

First, they should check with their employer to find out what tax code they are currently on. If they aren't sure what tax code they should be using, they should have a look at the "How to repay your loan" section at www.ird.govt.nz/studentloans or fill out an IR 330 form.

When do they get a statement?

We send at least two statements each year, in May and October.

But a statement can be requested at anytime by:

- going to www.ird.govt.nz/studentloans-Request a statement and completing the online form
- phoning us on 0800 377 778
- phoning INFOexpress 0800 257 777.

A statement will be sent out within seven working days.

Why is interest showing while they are still studying?

Before we can apply any interest write-off we need to confirm what criteria the borrower meets and we can only do that when the income year ends (31 March).

If the borrower believes they are eligible for a full interest write-off because they are studying (full-time study, or in part-time study and earning under \$25,909), we can only confirm their study status with the Ministry of Education after 31 March. If the borrower meets the criteria the write-off will effectively reverse any interest they were charged and this will show on their next statement.

What if they can't afford to pay the overdue amount?

Tell them to get in touch with us. If a borrower is having, or think they will have, difficulty paying there may be something we can do depending on their situation. But they need to contact us so that we can work out what we can do.

Paid parental leave – increase in maximum rate

The maximum payment for paid parental leave (PPL) has increased from \$325 per week before tax to \$334.75 per week before tax.



PPL Paid Parental Leave is a government-funded payment for parents when they take parental leave from their job to care for their newborn or adopted child. The parent can claim 100% of their wages up to the new maximum of \$334.75 per week before tax, for up to 12 weeks.

PPL should not be confused with the parental tax credit (PTC), which is an income-tested payment of up to \$1,200 to working families with newborn children. Parents may claim either one or the other during this time (if they are entitled), but not both. For most parents, PPL payments will be more than the PTC.

To find out more about PPL, please phone us on 0800 377 777.

Letters to fortnightly family assistance customers

As well as our advertising campaign, we will send letters to all current fortnightly family assistance recipients in November to remind them to tell us of any changes to their circumstances which may affect their payments. Such changes may include a change of partner, additional children in their care, children no longer in their care, an increase or decrease in income, or if they have gone onto a Work and Income benefit.

It is very important that they notify us of these changes as they may be underpaid as a result, or overpaid and have to pay it back.

For more information about changes in circumstances and how they affect family assistance payments, check out our website

www.ird.govt.nz/familyassistance or phone us on 0800 227 773.

Frequently asked questions

How to find out more about family assistance (including Family Support, Child Tax Credit, Family Tax Credit and Parental Tax Credit)?

For the latest detailed information on family assistance, including entitlements, go to our website www.ird.govt.nz/familyassistance

Alternatively, customers can call freephone 0800 227 773 or, if they and/or their partner are in business, freephone 0800 377 774 (free within New Zealand) to talk with an Inland Revenue staff member. Our hours are 8am to 8pm weekdays, and 9am to 1pm Saturdays.

What happens if circumstances change?

When receiving family assistance from Inland Revenue, it's vital to tell us about any changes which might affect entitlement. The kind of changes we need to know about are:

- an increase or decrease in family income
- a change in the type of income received, for example, from wages to a student allowance or benefit
- a change in relationship status (including de facto)
- any children leaving or entering their care
- any child leaving school to start work, receive a student allowance or benefit

If they don't tell us of these changes they may miss out on extra payments, or may receive too much and have to pay it back at the end of the tax year.

Family assistance advertising campaign



In October we began a family assistance advertising campaign which will run until March 2004. The aim of the campaign is to promote family assistance to two groups.

This year we are especially targeting Maori and Pacific Island families as well as the self-employed. Research has shown us that these groups in particular may be missing out on financial assistance which they are entitled to.

We are also targeting those parents who are already receiving family assistance. It is important that they let us know if there has been any change in their income or family circumstances as changes may affect how much they are entitled to. We need to know so we can make sure that these people receive the right amount of family assistance. To advise of a change in circumstances, please ring us on 0800 227 773.

The campaign includes advertisements in community newspapers, bus shelters and on radio.

For more information about who is entitled to family assistance please check out our website www.ird.govt.nz/familyassistance or phone us on 0800 227 773.

SPLOs attend family show

Social Policy Liaison Officers (SPLOs) from Takapuna and Manukau ran an information stand at the annual ASG Parent and Child Show in Greenlane, Auckland recently.

The SPLOs, Shannon Brady and Denise Lindsay, and Emmie Lemalu and Raewyn Bates, took turns attending the stand over the three-day event, which attracted thousands of Auckland families. Extra assistance was provided by Renaldo Barry, a services officer from Takapuna.

"This year's event was bigger than last year's, with more than 4,000 visitors on the first day. The second and third days attracted even more visitors," says Shannon Brady. "We averaged about 200 enquiries a day at our stand."

Shannon says that about 90,000 families receive family assistance in Auckland. "We believe that there are many working families in the city who are not aware of this entitlement."

"In addition to family assistance queries, we got quite a few questions from couples who were about to start a family, asking if they were entitled to any financial assistance after their child was born. We were able to give them information about paid parental leave and the Parental Tax Credit."



Auckland SPLOs Shannon Brady and Denise Lindsay at The ASG Parent and Child Show

Our Child Support Community Liaison Officers

If you would like to speak to one of our Community Liaison Officers (CLOs), or if you would like them to come and talk with you or your group, call us on freephone 0800 221 221 and ask for:

CLOs	Areas
Mihaka Panapa	Whangarei
Jeanette Tu	Auckland
Alan Marino (men's groups and prisons)	
Capra Robertson (assists with schools)	
Sharon Tongalea	
Sophie Chungson	
Rata Nepe	Gisborne
Erica Nelson	Hamilton
Jan Hoare	Tauranga
Lorryl McIndoe	Rotorua
Wendy King	New Plymouth
Jo Damen	Napier
Paul Smith	Palmerston North
Elena Lemalama	Wellington
Kaye Latham	Nelson
Katie Collins	Christchurch
Peter Read	Dunedin
Lynley Ballantine	Invercargill

Our Social Policy Liaison Officers

If you would like one of our Social Policy Liaison Officers (SPLOs) to come and talk to you or your group about family assistance or student loans, call us on freephone 0800 227 773 and ask for:

SPLOs	Areas
Margaret Gunson	Whangarei
Shannon Brady	Takapuna
Denise Lindsay	
Denise Savea	Manukau
Emmie Lemalu	
Helen Richards	Hamilton
Diane Randell	
Lorraine Morten	Tauranga
Colleen Lynch	Gisborne
Karen Nicholson	Napier
Sarah Roper	Rotorua
Jenny MacDonald	New Plymouth
Sarah Manderson	Palmerston North
Vanessa Pierre	Wellington
Alisa Tonu'u	
Penoa Tuigamala	
Margaret King	Nelson
Juliette Henry	Greymouth
Anna O'Keefe	Christchurch
Geoff Mayo	Timaru
Jenni Mattingly	Dunedin
Peter Murphy, Mary Rae	Invercargill

Industry Partnership field teams give help to industry members

Inland Revenue is forming relationships with industry groups to make it easier for their members to meet tax obligations and increase compliance. To date, relationships with electrical, painting, hairdressing, long-distance coach driving, plumbing, automotive repair and collision repair industries have been established under the Industry Partnership initiative.

The main service available to members of these industries is the Industry Partnership field teams. There are five of these field teams, based in Manukau, Takapuna, Hamilton, Wellington and Dunedin. Each field team services a complete region, the cities as well as the surrounding areas. The Dunedin-based team covers the entire South Island.

The field teams can assist industry members with the full range of taxes (eg income tax, GST and PAYE) and social policy (eg family assistance, student loans and child support), and can also help sort out any difficulties a taxpayer may have with overdue payments or returns.

Although industry taxpayers may not yet have had contact with the teams they may do in the near future. Over the past few months, the field teams have been making an effort to get out and about in the community, and visit industry businesses. They have already helped many industry members with tax debt and child support matters.

As well as undertaking community visits, the teams offer an 0800 phone service, which has also been well received.

Industry Partnership Manager Stan Shrosbree says: "We have had positive feedback that our face-to-face approach and 0800 number are working well. Many people don't have a lot of spare time, and find that a visit or a phone call can be a hassle-free way of resolving their tax issues".

Industry members have the opportunity to contact one of the field teams using this number, and discuss an issue or arrange a visit. The number is 0800 TAX TALK (0800 829 825).

Online Correspondence

Inland Revenue's secure Online Correspondence service was short-listed in two categories in the Public Sector Innovation 2003 Awards, from over 40 entries from central and local government agencies.

Inland Revenue is the first central government agency to introduce a secure online correspondence system that does not require any special software or authentication keys to be installed.

This system is web-based and part of Inland Revenue's ir-File system with strict rules about protecting personal information. Taxpayers wanting to use this service will need to register online and open a correspondence account. Existing ir-File users will be provided with this facility through their present ir-File userID and password. This will prevent them from needing different userID and passwords for different services. Their account will be highly secure and confidential.

The Online Correspondence service is designed primarily for individual customers, but has the flexibility to cater for tax agents and other organisations. Existing users of ir-File will have Online Correspondence added to their "profile", eliminating the need to register and use separate userIDs and passwords for the two services.

Key dates and events

Date	Event
7 February 2004 Family assistance student loans	End-of-year tax payments for those with end-of-year income tax, family assistance overpayment or student loan payments due.
9 – 12 February 2004 Child Support	Child Support mail-out for the first annual assessment run – this is when payment amounts are assessed for the next child support year (starting on 1 April). This mail-out is for customers who are not salary and wage earners and all those who have earned overseas income or who have filed a return of income.
12 February 2004 Family assistance	Change in circumstances letter issued to all family assistance customers who receive their family assistance entitlement in a lump sum at the end of the year.
28 February 2004 Student loans	Student loans taken out for courses completed before 31 December 2003 are transferred from StudyLink to Inland Revenue. In early March a letter is sent out to each borrower detailing the relevant loan information.
3 – 5 March 2004 Family assistance	Inland Revenue automatically transfers current family assistance registration details (for example number of children and income details) to the next tax year (1 April 2004 to 31 March 2005). Customers will receive a letter outlining the details Inland Revenue currently holds and ask the customer to check that their family income and other details are correct.
9 – 12 March 2004 Child Support	Second Child Support annual assessment run mail-out – this is when payment amounts are assessed for the next child support year (starting on 1 April). This mail-out is for all salary and wage earners.
9 – 12 March 2004 Child Support	Mail-out for all custodians with their notice of entitlement, letting them know what child support payments they will receive in the coming year.
13 March 2004 Family Assistance	Family assistance customers who have had their registration details transferred to the tax year 1 April 2004 – 31 March 2005 will receive their certificate of entitlement. This outlines what their entitlement is for the next tax year or notice of ineligibility (if they are not entitled) to receive family assistance payments for 1 April 2004 to 31 March 2005.
13 – 15 March 2004 Child Support	Mail-out to employers and to Work and Income to advise about automatic deductions for customers who have their child support deducted from either their salary or wages, or from their benefit.
1 April 2004 Child Support	New child support year begins and the new minimum and maximum assessments come into effect.