

## Community-Wise

### Inland Revenue's community update

MARCH 2002

#### Welcome to *Community-Wise*

I would like to welcome you to the first edition of *Community-Wise*.

*Community-Wise* replaces the Child Support Update (community newsletter) and now includes information on both Child Support and Family Assistance.

The newsletter will include regular updates on what is happening within Child Support and Family Assistance and provide you with easy-to-read information to help you.

The newsletter will also highlight the various community initiatives we are undertaking, through the Heartlands programme, Pacific Island fonos, public awareness campaigns and so forth.

You may have already met your local Community Liaison Officer (CLO) or Social Policy Liaison Officer (SPLO), who will be continuing to work with you this year, providing advice and information about Child Support and Family Assistance. If you do have any questions or require information, please do not hesitate in contacting them—they are here to help you.

Inland Revenue is committed to building relationships with community agencies such as yours and with the community. We are keen to work with you and look forward to any feedback you may wish to provide about this newsletter.

Enjoy reading *Community-Wise*.



Bruce Thompson  
General Manager Service Delivery



Bruce Thompson, General Manager Service Delivery (left) is briefed by Community Liaison Officer Hannah McLean and Social Policy Liaison Officer Marshall Te Tau.

**Explaining *Child Support* and *Family Assistance*.**

See the back page for more information.

**Campaign proves successful**

We recently ran a national advertising campaign to highlight the importance of customers advising us of any change in their personal circumstances.

A personalised letter to all our customers supplemented the campaign.

Margaret Hawkes, Child Support National Advisor, says the response to the radio advertising and letter drop has been excellent.

“The aim of our campaign was to educate customers about what they need to inform us about, so we can ensure we are collecting or making accurate child support payments,” says Margaret.

The campaign was timed so that as many customers as possible phoned us with any changes that could affect their child support amounts prior to the main assessment run this month. This has helped in ensuring a correct assessment or entitlement notice is sent to our customers.”

“The key message we wanted to convey during the campaign was ‘help us to help you’, highlighting that we want to work with our customers,” says Margaret.

“This message is one we will be continuing to promote in our dealings with our customers.”

**What changes do we need to know about?**

It is important that customers inform us about changes in their personal circumstances so we can ensure we are collecting or making accurate child support payments.

Customers need to let us know if:

- they start or stop receiving a benefit
- they reconcile with the paying person (liable parent)
- any of their children leave or return to their care
- any of their children start work
- any of their children start receiving a benefit in their own right or a student allowance
- they change their address
- they change their bank account number
- their income or employment details change.

We can update most of the changes over the phone.

**Did you know.....**

That our *Change of circumstances (IR 116)* form is now available online?

With the internet being used more and more frequently, we thought it was important to give customers the ability to use our website to advise us of any change in circumstances.

And the new online form has been a hit. The form has only been available online since early January and we have been receiving approximately 70 forms per week.

You can find our *Change of circumstances (IR 116)* form at [www.ird.govt.nz](http://www.ird.govt.nz)

**New poster promotes “Help us to help you”**

In addition to the advertising campaign and letter drop, we have produced a new poster following the theme of “help us to help you”.

The poster asks customers to let us know if anything changes, like their contact details, income or employment, so we can make sure what our customers pay or receive is correct.

You should have received some copies of this poster. If you haven’t, please call our freephone (0800 221 221) and ask for your local CLO, who will get some copies to you.



### It's AA time again

It is time for Child Support's annual assessment run.

The assessment run calculates the amount of child support paying parents must pay for the coming year. This is based on their current income and how many children they support.

Notices of assessment are sent to all paying parents (in February for non-salaried parents and March for salary and wage parents), outlining the details we have about their current circumstances. If the information we have is incorrect, the parent needs to contact us on 0800 221 221 so we can update our files.

Based on the notice of assessment, we calculate the amount of child support due for the year and send notices of entitlement to the custodial parents outlining how much child support they will receive this year.

Deduction notices are sent to those employers who deduct child support payments from their employees' wages.

The annual assessment covers the period of 1 April 2002 to 31 March 2003. The first payment based on the assessment is 20 May 2002 and custodial parents should receive the money on 7 June 2002.

### Frequently asked questions

#### Child Support legislation

##### What do the recent changes to the Child Support Act mean?

New legislation means the minimum amount payable for child support will rise from 1 April 2002. There have also been changes to the maximum child support income that can be assessed.

##### What does this mean for minimum payments?

The minimum amount payable for child support will rise from \$520 to \$663 a year—a rise from \$10 to \$12.75 per week.

##### What does this mean for maximum payments?

The maximum income able to be used to assess child support payments has increased. This has changed from twice the average weekly wage to become two-and-a-half times the average weekly wage. For the child support year commencing 1 April 2002, the maximum income rate is \$86,684.

##### When does the new legislation take effect?

These changes take effect from 1 April 2002. The minimum payment and maximum income amounts will be recalculated each year.

#### Child Support exemptions

##### Can parents be exempt from paying child support?

A paying parent can apply for an exemption from paying child support if they are a long-term patient or inmate of a qualifying institution (for example a hospital, prison or drug and rehabilitation centre), and receive no income other than the minimum assessment (\$12.75 per week from 1 April 2002) from investments. To qualify, they must be in hospital or prison for at least 13 weeks.

##### How long does the exemption apply?

Provided they meet the criteria, their exemption will apply for the time they are in hospital or prison. However, to qualify they must apply for an exemption while they are a hospital patient or prison inmate.

##### How do they apply for an exemption?

They will need to complete an *Application for exemption from child support payments (IR 105) form*. The forms are available through our website or our automated phone system INFOexpress (0800 257 777).

For more information, please contact us on 0800 221 221.



Peter Read takes time out from his busy schedule working with local Dunedin communities.

Who to call?

If you would like to speak to one of our 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** ... who cover the following locations (and surrounding areas)

Lynley Ballentine	Invercargill
Peter Read	Dunedin
Pip McArtney	Christchurch
Carol Wilson	Nelson
Hannah MacLean	Wellington
Paul Smith	Palmerston North
Jo Damen	Napier
Wendy King	New Plymouth
Diana van den Akker	Rotorua
Rata Nepe	Gisborne
Margaret Trevarthen	Hamilton
Denise Skinner	Tauranga
Lizz Jenkins	Manukau
Anne White	Takapuna
Jocelyn Pindred	Whangarei

CLOs – out in the community

The role of our Community Liaison Officers (CLOs) was designed to provide a Child Support presence in the community—and it does just that!

Our 15 CLOs put a “face” to Inland Revenue while actively promoting Child Support in the community to help achieve and maintain a high level of voluntary compliance.

Dunedin CLO Peter Read says he’s found that people often don’t know what the child support rules are and they prefer to talk to a local community group rather than come to Inland Revenue.

“If we can work with and inform community groups, it is one way of ensuring the information is being passed on.

I meet regularly with community groups in my area. It’s a good way to not only educate them about Child Support, but also to promote new initiatives that we’re undertaking, like the change of circumstances advertising. We also highlight issues that create problems for customers so that the community groups are armed with all the information they need.”

The CLO role has come a long way since it was established, with programmes running regularly in prisons, schools and the community—as well as being involved with government initiatives like Heartlands and Strengthening Families.

## A helping hand for families

Late last year we began our Family Assistance public awareness campaign for 2001/2002. This campaign builds on from previous initiatives with the main focus being to:

- continue to create awareness of the Family Assistance scheme
- stimulate applications for Family Assistance from working families, both employed and self-employed, and
- continue to build relationships with key stakeholders.

Steve Crump, National Advisor BusinessDirect, says this year's Family Assistance advertising has a number of components.

"We are utilising radio and magazine advertising again, plus we have some new features this year, including community newspapers and parenting magazines, such as *KiwiParent* and *Little Treasures*," says Steve.

"We are also working with other government agencies to promote Family Assistance and, building on last year's success, we are running a series of Pacific Island fonos in both the greater Auckland and Wellington areas."

Other elements of the public awareness campaign include:

- issuing a series of media releases to support the campaign
- featuring articles in other Inland Revenue publications
- ensuring a Family Assistance presence at Parent and Child Expos, shopping mall displays and other community events.

Steve Crump says our Social Policy Liaison Officers are critical to the success of the public awareness campaign.

"Currently we have 23 liaison officers throughout the country who go into their local communities, visiting malls, schools, local church and ethnic groups educating and raising awareness of Family Assistance," says Steve.

"All of this year's public awareness initiatives are also being supported by our Social Policy Liaison Officers, so if you have any questions or you would like further information, please give your local officer a call."

### How can you help us?

Many low and middle-income working families are eligible for financial assistance and we want to work with you to ensure those who are eligible are getting the financial assistance they are entitled to.

Included in this month's *Community-Wise* is information about the entitlement criteria for Family Assistance. You may find this information useful when considering whether any of your clients or customers may meet the criteria for receiving any of the different components of Family Assistance, but who may not be currently registered with us.

Do you have children?  
Are you working?  
Inland Revenue can help.

We can provide financial help for working families with dependent children under 18, who live at home, including:

- A one-off payment when a child is first born.
- Ongoing help for low to middle income working families; and
- Extra help if a family is on a very low income.

How much you receive depends on how many children you have and what you earn. For example, if you have one child and earn less than \$33,940 a year, we could help.

To see if you qualify for Family Assistance call us free on 0800 227 773 or visit [www.ird.govt.nz](http://www.ird.govt.nz)

0800 227 773

Inland Revenue  
Te Tari Taake

### Keeping an ear and an eye out for our advertising

- Regular radio advertising on the Classic Hits network (and other local stations) through to mid-May 2002.
- Advertorials in the *New Zealand Woman's Weekly* and the *Woman's Day* through to May 2002.
- Features in *KiwiParent* (February 2002 edition), *Little Treasures* and *Plunket's Thriving Under Five* yearly publication.
- Community newspaper advertising continuing in April, May and June.



Takapuna SPLO Diane Foote out and about raising awareness of Family Assistance.

### Community focus

The role of our Social Policy Liaison Officers (SPLOs) is an extremely busy one. There are 23 SPLOs out and about talking to education institutions and community, church and ethnic groups about Family Assistance entitlements and student loan repayment education.

Work is often undertaken in partnership with the local Child Support Community Liaison Officer, Maori Community Officer or Pacific Island Tax Information Officer.

“One of the most fulfilling parts of the role is dealing with communities and local groups. I meet a range of people—church ministers, community volunteers, beneficiaries and low to middle-income families,” says Takapuna SPLO Diane Foote.

As for the value of the role: “I think it brings to the community an awareness that Inland Revenue is not just about tax. I believe the SPLO role is one of the best services we can offer to working families in the community,” says Diane.

### Family Assistance entitlements

Family Assistance, paid by Inland Revenue, is financial help for working families with dependent children. It is not a benefit, but recognition that bringing up a family can be extremely costly, and that some financial assistance can help families make ends meet.

Family Assistance has four parts:

- The Parental Tax Credit, a special one-off payment which is available to families when their child is first born – up to \$1,200 that can either be paid in four fortnightly payments or as a lump sum at the end of a family’s income year.
- Family Support, which is paid to low to middle-income working families.
- Child Tax Credit, where families can get up to \$15 a week for each of their children 18 years or younger living at home.
- Family Tax Credit, for families with one or more children, to top up their wage to make sure a family gets at least \$286 a week (after tax).

Whether families are eligible and how much they get depends on their income and the number of children they have. For example, if a family has one child and earns less than \$33,546 per year, they may qualify (this applies for the Child Tax Credit component). If a family has two children, they can earn up to \$41,693 per year.

There are also options in terms of receiving Family Assistance. People can choose to receive the money fortnightly and have it paid into their bank account, or get a lump sum after the end of the tax year.

People on an income-tested benefit are only entitled to Family Support and they receive this from Work and Income as part of their benefit.

For more information, a booklet *Family Assistance – Financial help for working families (IR 200)* is available. Call 0800 257 777 to order a copy (have your IRD number handy).

People can also find out if they qualify by giving us a call on 0800 227 773. We’re available from 8 am to 8 pm weekdays and 9 am to 1 pm on Saturdays.

## Personal tax summary time

Customers who received Family Assistance payments from 1 April 2001 to 31 March 2002 will automatically receive a personal tax summary (PTS) in June 2002.

People will receive a PTS if they:

- Received Family Assistance payments from us (including those registered with Inland Revenue who have elected to receive a lump sum rather than fortnightly).
- Receive Family Assistance payments from Work and Income and earn over \$20,000.

The PTS shows the total tax to pay or tax refund. Customers will also receive an end-of-year statement, which shows the Family Assistance entitlement for the year.

In some cases a PTS or statement can't be issued because we don't have all the information. We will send a letter to the principal child carer asking for this information to square-up Family Assistance and income tax details.

We ask customers who receive a PTS and statement to:

- check that the details are correct
- let us know about any changes.

Any changes can be made by either phoning us on 0800 227 773 or making the changes on the required forms and sending them back to us.

Any tax to pay from the square up will be due 7 February 2003.

## Who to call?

If you would like one of our Social Policy Liaison Officers to come and talk to your group or organisation about Family Assistance or student loan repayments, call us on freephone 0800 227 773 and ask for...

**SPLOs** ...who cover the following locations (and surrounding areas)

Margaret Gunson	Whangarei
Diane Foote	Takapuna
Charleen Vili, Denise Savea, Fatu Auavai, Lisa James and Tala Burgess	Manukau
Helen Richards and Karin Luyten	Hamilton
Lorraine Morten	Tauranga
Colleen Lynch	Gisborne
Frances Mott	Napier
Jo Cameron	Rotorua
Jenny MacDonald	New Plymouth
Lyn Godfrey	Palmerston North
Marshall Te Tau	Wellington
Margaret King	Nelson
Juliette Henry	Greymouth
Robyn Francis	Christchurch
Debbie Gard	Timaru
Jenni Mattingly	Dunedin
Peter Murphy and Mary Rae	Invercargill

## Sorting out problems

People may, occasionally, experience financial difficulty and struggle to meet their tax obligations. If someone can't pay all of their tax on time, it is important they contact us as soon as possible.

There are advantages in taking early action. Penalties and interest are only charged on amounts not paid on time. So by contacting us early the amount of penalties and interest that may be charged can be minimised.

We will work with the customer to come up with the best option for dealing with the amount owed. This may include either:

- requesting payment in full
- entering into an arrangement
- granting relief from payment of tax and/or penalties
- a combination of these.

Before coming to an agreement we take into account the customer's current financial situation and payment history.

## Community-Wise

### What's happening

4 – 6 March	Income estimate letters issued to customers who received Family Assistance fortnightly payments during 2002 tax year. The letter explains that payments will continue based on an income estimate calculated by Inland Revenue and family details that we currently have on record.
11 – 15 March	Child Support annual assessment run—new yearly assessments issued to paying parents, new entitlements issued to custodians and new deduction notices issued to employers.
15 – 18 March	Family Assistance certificate of entitlement—informs customers of their entitlement and confirms what payments will be for the period 1 April 2002 to 31 March 2003.
15 – 18 March	Family Assistance notice of ineligibility—issued to customers not entitled to Family Assistance based on income information held by Inland Revenue.
1 April	New child support year begins—new legislation (new minimum and maximum assessments) comes into effect.
12 April	Family Assistance end-of-year statement (IR 541)—lists family and income details that Inland Revenue has on record. Issued to business and self-employed customers who receive Family Assistance.
12 April	<i>Business adjustment (IR 215)</i> form—issued to business customers receiving Family Assistance to confirm if details held by Inland Revenue are correct.
7 May	Child Support annual statement run for paying parents—all paying parents receive a statement showing new balances.
June	Personal tax summary and Family Assistance end-of-year statement (IR 541) issued throughout the month to personal tax customers (salary and wage earners).

### Explaining Child Support and Family Assistance

There's more to Inland Revenue than collecting tax. Child support and Family Assistance are two ways that we are involved in helping the community.

Child support is money paid to financially support children when couples with children are not living together or have separated.

The amount of child support the paying parent (who isn't living with the child or children) pays is assessed annually using a formula, which takes into account the number of children to be supported, the paying parent's income and living expenses.

Child Support administers payments for over 300,000 children—approximately a third of all New Zealand children. At the end of September 2001, there were 212,564 custodial parents registered with Child Support (76% of whom were beneficiaries) and 211,509 paying parents.

Inland Revenue also pays Family Assistance—financial help for working families with dependent children. It is not a benefit, but recognition that bringing up a family can be extremely costly, and that some financial assistance can help families make ends meet.

How much a family receives depends on the number of children under 18 years of age living at home, how much the family earns and where the income comes from.

There are approximately 171,000 working families who receive Family Assistance through Inland Revenue. People on an income-tested benefit are entitled to Family Support (a component of Family Assistance). They receive this from Work and Income as part of their benefit.

### What's up?

#### Tauranga

Visit our stand at the Women's Lifestyle Expo

- 13 – 14 April at the QEYC Stadium, Tauranga. Open 10 am to 5 pm daily.