



Introducing the final business transformation changes



The information in the presentation is current as at June 2021



Introducing the October 2021 changes

FOR

- Māori Authorities

TOPICS

- Introduction
- Child support
- myIR upgrade
- Tax on income & other changes


The information in the presentation is current as at June 2021

For more than four years we, in Te Tari Taake (Inland Revenue), have been transforming how we deliver services to make tax and social policy fit seamlessly into people's lives. This has included a new computer system, changes to policy, legislation and business processes, along with the design and structure of our organisation.

We're now nearing the end, and in October we'll deliver the final business transformation changes for whanau, employers and others. In this presentation we will introduce some of the changes Inland Revenue is making this year.

It is important we provide you with all the information you need so you'll hear more about these changes in the coming months.

Just a quick reminder – the information in this presentation is correct as at June 2021; some things may be subject to change



We're delivering the final changes in two releases this year

- The first was delivered on 1 March
- The second release is planned for **October 2021** and includes:
 - Child Support
 - Upgrading to a new version of myIR
 - Other changes

We're bringing in changes in two releases this year.

The first was delivered on 1 March and included changes to:

- Paid Parental Leave
- New Zealand Foreign Trusts
- Duties (Casino, Lottery and Totalisator Duties)
- Unclaimed money

The second will be delivered in **October** and includes

- Child Support
- Upgrading to a new version of myIR
- Tax on income
- Some other changes

In this presentation we'll talk more about this second release.



Te tautoko tamariki

Child Support

We'll start with some of the key things that will be changing to Te tautoko tamariki, child support.

Moving child support into our new system



Improved self-management services in myIR

- Update your details
- Manage your account online
- Register for, or cancel, child support

Improvements to our system - streamlined processing.

You'll notice some changes which will make managing child support easier and quicker for you.

- By moving all of child support into our new system we're improving what you can do in myIR to manage your child support, for example:
 - You'll be able to update your details and manage your child support online, including your contact details, bank account details and any changes to your circumstances.
 - You'll also be able to register for, or cancel, child support and process administrative review applications and objections in myIR, reducing the number of paper forms you'll need to complete for us.
 - We'll be able to pre-populate information we already have on hand for you such as contact and bank account details.
- Improvements to our systems will streamline, and in some cases automate, some of our processes. An example of this is, we'll be able to pass child support payments on to you faster. (This is of course dependent on us receiving payment from the (paying) parent on time.)

New legislation includes...



Changes that came into effect in April 2021:

- incremental penalties no longer applied
- simplification of penalty write-offs

Changes coming in October / November include:

- further changes to penalties
- compulsory deductions from salary/wages
- a time bar on child support reassessments

In April this year, we introduced some child support legislative changes around penalties:

- we will no longer charge the monthly incremental late payment penalties. Any incremental penalties charged before 1 April 2021 will remain, but no further incremental penalties will be charged.
- We've also simplified the penalty write off rules:
 - we can write off existing incremental penalties at any time; and
 - we've reduced the circumstances when initial penalties can be written off.

In October and November further new legislation for child support will come into effect. These include:

- Further changes to the penalties
 - moving the second stage of the initial late payment penalty to 28 days after the due date.
 - removing the \$5 minimum from the initial late payment penalty.
 - introducing a 60-day grace period for customers new to or re-joining child support, before they are charged penalties.

- For newly liable or returning customers, we are introducing compulsory employer child support deductions from salaries and wages.
- We're introducing a four-year time bar on child support reassessments and applying for administrative reviews.

New legislation includes...



Changes coming in October / November include:

- Offsetting amounts owed
- New grounds for exemptions
- Changes to key age-related definitions
- New timeframes for applying for, and providing, parenting orders
- Customers will have 28 days after their first assessment to advise of existing circumstances

For more detail on the legislation change you can also see the [Child Support Amendment Act 2021](#)

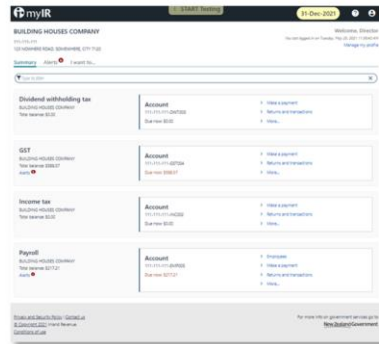
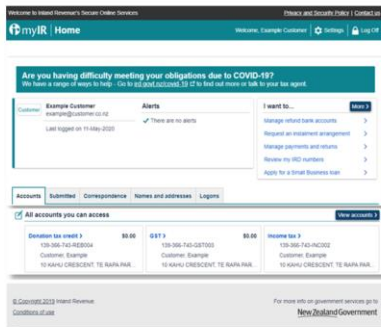
The new legislation also includes:

- Allowing IR to offset liable parent debt when two parents owe each other, without the customers having to apply for an admin review.
- Extending existing temporary exemptions to liable parents based overseas who are in prison or overseas hospital patients, and introducing exemptions for customers suffering long term injury or illness who cannot work.
- There will be changes to some age-related definitions: these are
 - Introducing a minimum age of 16 for a child to be considered financially independent.
 - When a child remains at school past the age of 18, their child support will cease on the 31st December of the year in which they turn 18.
- Introducing new timeframes for applying for, and providing, parenting orders that must be met for child support to be backdated.
- Introducing timeframes for first assessments – customers will have 28 days from the date they are notified of their assessment to advise of their existing circumstances.



myIR upgrade

Now we'll look at the myIR upgrade.



New

- In October 2021 we will upgrade to a new version of myIR
- All customers who use myIR will notice the changes
- We are currently in the design, build and testing phases

Design is subject to change

In October we will upgrade to a new version of myIR. This will include:

- Custom-built changes catering for our specific needs and audiences.
- Out-of-the-box changes – the new version will deliver the majority of changes as-is.
- The main changes will be to the look and feel and navigation of myIR. Once you find your way around, what you do in the system will be the same.
- All customers who use myIR will notice a change - how much will depend on the extent you use myIR and the complexity of your needs.
- We are currently in the design and build phases
 - We've been getting very positive feedback from customer groups who have tested the new version
 - We are now starting to communicate the changes more widely
- We realise there will be a period of readjustment - we'll provide more guidance and information as we get closer to October. Here we'll give you a quick introduction to how it will look.

The first thing you're likely to notice are changes to the look and feel.

- The new version is cleaner and tidier making it easier to see what's on the

screen.

- You'll notice the panel format in the new version - rather than the busier tiles, tabs and lists in the current screen.

BUILDING HOUSES COMPANY
111-111-111
123 NOWHERE ROAD, SOMEWHERE, CITY 7120

Welcome, Director
You last logged in on Tuesday, May 20, 2020 11:06:42 AM
[Manage my profile](#)

[Summary](#) [Alerts](#) [I want to...](#)

Type to filter		
Dividend withholding tax BUILDING HOUSES COMPANY Total balance: \$0.00	Account 111-111-111-DWT003 Due now: \$0.00	Make a payment Returns and transactions More...
GST BUILDING HOUSES COMPANY Total balance: \$588.57 Alerts	Account 111-111-111-GST004 Due now: \$588.57	Make a payment Returns and transactions More...
Income tax BUILDING HOUSES COMPANY Total balance: \$0.00	Account 111-111-111-INC002 Due now: \$0.00	Make a payment Returns and transactions More...
Payroll BUILDING HOUSES COMPANY Total balance: \$217.21 Alerts	Account 111-111-111-EMP005 Due now: \$217.21	Employees Make a payment Returns and transactions More...

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[New Zealand Government](#)

Navigation

- Simpler navigation
- More information centralised
- Common tasks visible on the landing pages
- Supporting customers through the change

Design is subject to change

- Navigation will be simpler making information more easily available. For example, more information will be centralised on the landing pages, including the most common actions a customer is likely to take on an account. This reduces the need to navigate through the system.
- We will support customers as they adjust. This will include webinars with more detailed information.
- You'll also see that whatever device you use to access myIR – for example your phone, tablet or laptop – the content will immediately resize on your screen for optimal viewing.
- And unlike now, all functionality will be available across all devices.



Other changes

Now we'll look at some of the other changes coming this year.

- Child support compulsory employer deductions
- Negative adjustments for Employment Information
- Version 1 of payday filing will be retired **for filing**.

You can find out more at:
www.ird.govt.nz/payday-filing-version-2

As we mentioned earlier the new legislation for child support will include the introduction of compulsory employer child support deductions from salaries of newly liable or returning child support customers. This will impact employers who have employees who are newly liable or returning child support customers.

- Some employers will already be making child support deductions and will just need to be aware that, in future, they'll need to do this for all employees who are newly liable or returning child support customers; other employers may need to adapt their processes in order to start making these deductions.
- It will be critical that Employment Information forms are filed on time and correctly completed, including making sure the correct pay date is recorded; or a ceased code is provided as soon as a person is no longer employed.

When completing Employment Information (EI) files as part of the payroll process, you'll be able to enter a negative value in the 'prior period adjustment' field to make adjustments for prior periods. You'll only be able to do this if certain validations are met. We will talk more about what these validations are in coming months.

Now speaking of the EI files from 1 April, it became a requirement that employers use version 2 (employment information and employee details). This impacted those filing through software as those filing through paper or myIR onscreen were already using version 2.

- in October, Version 1 will be retired for filing.
- you must still amend EI's using the same version you filed, so version 1 amendment files (EIA) will still be accepted.
- if you file through software and are unsure about which version you are using please contact your software provider.
- You can visit our website to find out more about payday filing version 2.

- Standard credit/debit card convenience fee for overseas student loans and child support customers
 - Consistent with the fee passed on to all other IR customers
 - Several payment options available to our overseas customers.
- Visit: [Ways of paying \(ird.govt.nz\)](https://www.ird.govt.nz/ways-of-paying)

- Overseas student loan borrowers and child support customers who use an overseas banks' credit or debit card for their payments will be charged the standard 1.42% credit/debit card convenience fee.
- This is consistent with the fee that is passed on to all other Inland Revenue customers.
- There are several payment options available to our overseas customers. Visit our website to find out more.

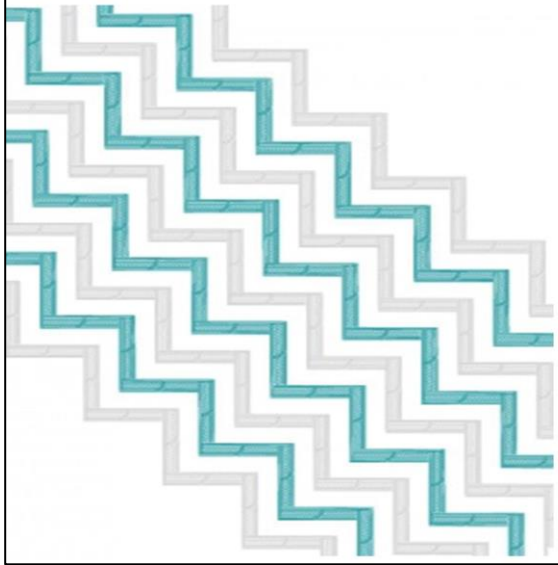
Changes include...

- New RWT on interest rate to be made available
- Bankruptcy customers will no longer be allocated a new IRD number
- SPK2IR services will be expanded

Some changes that we introduced in April this year will come into effect in October. These include:

- A new top tax rate of 39% was introduced for individuals who earn over \$180,000 in a year, effective from 1 April 2021
- New RWT on interest rate will be made available from 1 October 2021
 - Payers of interest, such as banks and other financial institutions, have until 1 October 2021 to have an RWT rate of 39% for you to use
 - If you've given your interest payer your IRD number, you may currently use the 10.5%, 17.5%, 30% or 33% rate. This is the amount of tax to be deducted during the year and should match your income tax rate. (For individuals, If you do not choose a resident withholding tax rate, tax will be deducted from your interest payments at 33%).
 - From 1 October 2021 impacted customers will also have the option to change their RWT rate to 39%.
 - Some customers may receive an end of year tax bill if their RWT does not match their income tax rate.
- Customers who go through bankruptcy processes will no longer be allocated a new IRD number.
- SPK2IR services will be expanded which will reduce the need for some customers to engage with Inland Revenue staff.

It's the final stage of our Business Transformation programme...



We will have:

- put all tax and social policy products into our new system
- progressively moved more services online
- redesigned our organisation
- reshaped the entire way we work with our customers
- built our systems and capability to support our people

IR will have:

- the latest version of a system that is agile and responsive to New Zealand's needs
- an organisation that works together better to improve outcomes for customers
- the knowledge, practices and processes we have developed over the life of the programme

At the end of our programme we will have:

- put all tax and social policy products into our new system
- progressively moved more services online
- redesigned our organisation
- reshaped the entire way we work with our customers
- built our systems and capability to support our people

And we will leave IR with:

- a system that is agile and responsive to New Zealand's needs
- an organisation that works together better to improve outcomes for customers
- the knowledge, practices and processes we have developed over the life of the programme



**Kia āwhinatia te
tangata kia oti
pai i āna
herenga**

**Helping people
meet their
obligations**

Inland Revenue is committed to working within the spirit of te Tiriti o Waitangi in delivering better outcomes with Māori. We are here to help whānau and Māori organisations understand their responsibilities and meet their needs.

Customers are at the centre of everything we do. We are making tax simpler and more seamless so whanau , whether they are employers , support their marae, kohanga reo or just managing their everyday lives and circumstances can meet their obligations and receive the payments they are entitled to.

We live in a time of rapidly changing digital technologies that affect the ways we work, access entertainment, communicate, and how we see the world. Inland Revenue is committed to embracing our place in the digitally-connected world and improving customers' experience through simpler services and digital options, an objective we stated at the beginning of the business transformation programme and will continue with moving forward.



Kaitakawaenga Māori

- » Kaitakawaenga Māori have been in place since 1990
- » We deliver in a whānau, hapū and iwi-centric way
- » We consider our Māori customers in all areas of our work

www.ird.govt.nz/maori

We understand that for many our whanau, engaging with us (Inland Revenue) is best done kanohi ki te kanohi (face-to-face). For those whanau who need it, our Kaitakawaenga Māori deliver Inland Revenue services in a whānau, hapū and iwi centric way to ensure our Māori customers have the tools to self-manage your tax affairs whether you are an individual, or in business.

Our Kaitakawaenga Māori advisors can:

- provide one-to-one tax advice and information
- provide tax training and seminars to Māori groups
- provide tax agencies at resource centres or marae
- supply information booklets on a range of different tax obligations.

For more information on our Kaitakawaenga Māori service and other resources visit our Māori landing page www.ird.govt.nz/maori.

If you need assistance, best done kanohi ki te kanohi, I would encourage you to go to our website and request our Kaitakawaenga Māori to make contact, and support you.



Life after business transformation

As we said at the beginning of this presentation, this year will see the end of IR's business transformation programme.

They say that a journey of a thousand miles starts with the first step. For IR, we took our first of many steps towards transformation with Cabinet's approval of our business case in 2015. Since then we have been transforming New Zealand's revenue system in what has been one of the largest and most ambitious programmes ever undertaken in the southern hemisphere. We've changed every aspect of the way we operate and have kept collecting tax and paying entitlements while doing so. Now, after four and a half years of transformation, we're on the home stretch.

... but it's not the end of change.



THANK YOU

- We'd like to acknowledge the amount of change our customers have managed so well over the course of this transformation. It isn't always easy - a better system and improved processes still require learning and adjustment. Even more so, more recently, doing it during the COVID-19 pandemic.
- We believe, with the changes being implemented "Kua ngāwari ake ā mātou mahi mō ā mātou kiritaki" we are making it easier for customers. However, we also want to assure you that the journey won't end there - the end of the business transformation isn't the end of change. We will be delivering continuous improvement as part of our ongoing business to reflect the needs of customers and any future changes in the tax and social policy landscape.

That's it for now , Thank you for taking time out of your day to listen to this presentation and we look forward to talking to you over the coming months about the upcoming changes this year.

Ka kite ano.