



Inland Revenue
Te Tari Taake

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Student loans – making repayments



www.ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** to manage your tax and entitlements online.
- **Demonstrations** - learn about our services by watching short videos.
- **Get it done online** - complete forms and returns, make payments, give us feedback.
- **Work it out** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your myIR user ID or password?

Request a reminder of your user ID or reset your password online. You'll need to know your IRD number and have access to the email address we hold for you.

How to get our forms and guides

You can get copies of all our forms and guides by going to www.ird.govt.nz and selecting "All forms and guides" from the homepage, or by entering the shoulder number in the search box. You can also order copies by calling 0800 257 773.

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Note

This guide is for New Zealand-based borrowers. If you're overseas, some of the details for repayment may differ. Go to www.ird.govt.nz/studentloans or view our factsheet *Student loans - going overseas (IR223)* to find out what you need to do as an overseas borrower.

Start repaying your loan

How and when you repay your student loan depends on the type(s) and amount of your income.

The information below sets out generally when you'll need to make repayments. For more information go to www.ird.govt.nz/studentloans

If you earn salary or wages or a student allowance

You need to show your tax code on the *Tax code declaration* (IR330) that includes the "SL" repayment code. Give this to your employer who will then make student loan repayment deductions, based on the pay period repayment threshold, from your income on your behalf.

If you have a secondary job, select a secondary tax code that includes the "SL" repayment code. If your main source of income is under the pay period repayment threshold, you may qualify for a student loan special deduction rate.

If you're studying full-time and working you may qualify for a student loan repayment deduction exemption.

For more information on student loan special deduction rates or student loan repayment deduction exemptions, go to www.ird.govt.nz/studentloans

Note

If you're on the wrong tax code we can ask your employer to change the code to the right one.

If you have income other than salary or wages

Repayments won't be automatically deducted from this income. Your repayment calculation depends on the sources of your non-salary/wage income.

Adjusted net income requiring a tax return

If you have non-salary/wage income, eg, self-employed, rental, business, you'll need to complete an *Individual tax return* (IR3) at the end of the tax year and we'll work out how much you need to repay towards your student loan.

See page 8 for more about adjusted net income.

Adjusted net income not requiring an IR3

If you do not have to complete an IR3 but have income from interest, dividends, casual agricultural work, election-day work or Māori authority distributions, we'll work out how much you need to repay towards your student loan after we issue your income tax assessment after the end of the tax year.

If you have repayments to make

Any end-of-year student loan repayments will normally be due 7 February the following year.

Interim payments

If your student loan end-of-year repayment obligation is \$1,000 or more, you may also need to make interim payments the following year.

If your income year ends on 31 March your payment dates will be 28 August, 15 January and 7 May. If your income year ends at any other time, call us.

There are two options to calculate your interim payments:

Standard option - when you file your *Individual tax return (IR3)* or receive an income tax assessment completed after 31 March we'll work out what you need to repay, based on your repayment amount from the previous year, plus 5%. If these are not received before the interim payments are due, they're based on the year before the previous year, plus 10%. We'll send you an end-of-year repayment obligation notice, showing your interim payments and due dates.

Estimation option - you can estimate your interim payments if you think you'll receive less income than last year. Go to www.ird.govt.nz "Forms and guides", complete a *Student loan interim payment estimation (SL3E)* and send it to us.

Once you've estimated your interim payments you cannot change back to the standard option for the rest of the year. You can re-estimate as many times as you like up until your third instalment date.

For more information on interim payments go to www.ird.govt.nz/studentloans

Making repayments

There are a number of ways you can make your repayments. They are:

- through our website by debit or credit card
- by internet banking using your bank's tax payment facility
- by setting up an automatic payment at your bank
- by getting your employer to deduct more from your pay
- money transfer if you're overseas. Check our website for providers with free or low-cost charges for this service.

For full details on payment options go to www.ird.govt.nz (search keywords: making payments).

Making extra repayments

Making extra repayments is a voluntary option that enables you to pay your loan off faster. This is possible by making extra repayments on top of your required payments.

You can make extra repayments whether you're earning under or over the repayment threshold.

You can make your repayments to us direct or your employer can make extra repayment deductions from your salary or wages. You'll be able to keep track of your repayments through your myIR secure online services account.

Deductions from your salary or wages will show online and on your statement as "extra repayment deductions (your request)."

To see what difference extra repayments could make, use the calculator at www.ird.govt.nz (search keywords: student loan calculator).

Paying your loan in full

If you decide to repay your student loan in full, in one payment, you'll need to get an up-to-date loan balance. You can do this any time, by:

- requesting a statement through your myIR secure online services account
- calling 0800 377 778 and asking for a statement.

Then, just pay the full amount to clear your loan.

If you're liable for interest on your loan, and make your repayment within 30 days of getting your loan balance, we'll cancel any interest that may be charged during this time.

At the end of the tax year

Salary or wages

If you only receive salary or wages, a student allowance, or income-tested benefit, your student loan repayment deductions are generally final.

If we determine there has been a significant under-deduction for a period, we may ask your employer to make extra repayment deductions from your salary or wages. These extra repayment deductions will be shown on your statement as "extra repayment deduction (compulsory)".

If we determine you've had a significant over-deduction for a period you can either:

- keep the amount on your loan to help repay it faster
- transfer the amount to a future student loan repayment obligation
- transfer the amount to another tax type
- have the amount refunded. This will increase your loan balance by the amount you choose to have refunded.

For more information on significant over- and under-deductions, go to www.ird.govt.nz/studentloans

Adjusted net income

Do you have \$1,500 or more of non-salary or wage income (including casual agricultural or election-day income), eg, self-employed, rental, business? If you do and your total income (including salary or wages, but excluding casual agricultural or election-day income) is \$1,500 or more above the annual repayment threshold of \$19,760, you'll need to file an *Individual tax return (IR3)* after the end of the tax year. We'll process your return and send you an end-of-year repayment obligation, which will show if you've paid too much or not enough.

If you do not have to file an IR3 but your total income (including salary or wages but excluding casual agricultural or election-day income) is \$1,500 or more above the annual repayment threshold of \$19,760, and you have \$1,500 or more of any of the following:

- interest
- dividends
- income from casual agricultural work
- income earned as an election-day worker or
- income from a Māori authority distribution

we'll work out how much you need to repay towards your student loan and send you an end-of-year repayment obligation.

There are other types of income that you may have to declare.

These changes align the definition of income for student loan repayment purposes with the definition of "family scheme income" under the Working for Families Tax Credit rules.

For more information go to www.ird.govt.nz/studentloans

Overpayments

If you've repaid more than you needed to, you can choose what to do with the overpayment. You can:

- use it to reduce your loan
- apply for a refund
- transfer it to a future student loan repayment obligation
- use it to pay another tax bill.

Use it to reduce your loan

You do not need to do anything. The overpayment will reduce the balance and term of your loan.

Request a refund

You'll need to request your refund within 6 months of receiving your end-of-year repayment calculation. You can send us a secure email if you're registered for myIR secure online services, or contact us - see page 10.

Transfer to a future student loan repayment obligation

Tell us if you want the refund to go towards a student loan repayment obligation you have which is not yet due.

Pay another tax bill

Tell us if you want the refund to go towards paying a student loan bill in another tax year or another tax bill, eg, income tax.

Note

If you have an overdue student loan amount for a previous tax year, we'll use your overpayment to pay this off first.

Underpayments

If you have not paid enough towards your student loan for the tax year, you have until 7 February in the following year to pay the amount still owing. If you have a tax agent, you may have until 7 April to pay.

You'll need to pay the full amount owing by the due date or we'll charge late payment interest each month the amount remains unpaid.

If you're finding it hard to manage your repayments, you may have some options. Go to www.ird.govt.nz/student-loans

More information

myIR

A myIR account lets you manage all your Inland Revenue matters securely online. You can update your address, phone, email or bank account details, check your eDocuments, work out your income tax filing options and check your KiwiSaver account.

Register for a myIR account today to:

- check if you're due a refund
- check all your details, including your student loan
- check and update your Working for Families Tax Credit details
- review your KiwiSaver contributions
- manage your child support payments
- file returns.

myIR is available 24 hours a day, seven days a week. Go to www.ird.govt.nz/myIR to find out more.

Forgotten your user ID or password?

Request these online and we'll send them to the email address we hold for you.

Need to speak with us?

Have your IRD number ready and call us on one of these numbers:

General tax, tax credits and refunds	0800 775 247
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 377 771

Our contact centre hours are 8am to 8pm Monday to Friday, and Saturday between 9am and 1pm. We record all calls. Our self-service lines are open at all times and offer a range of automated options, especially if you're enrolled with voice ID.

For more information go to www.ird.govt.nz/contact-us

0800 self-service numbers

This service is available to callers seven days a week except between 5am and 6am each day. Just make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN. Registering for voice ID is easy and only takes a few minutes. Call 0800 257 843 to enrol.

Order publications and taxpacks	0800 257 773
All other services	0800 257 777

When you call, just confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your liabilities or your entitlements under the Acts we administer. We may also exchange information about you with some government agencies and another country.

For full details of our privacy policy go to www.ird.govt.nz (search keyword: privacy).

