



3 August 2022

[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 27 June 2022. You requested the following information for the last five tax years:

1. *The total numbers of families claiming Working for Families, and more specifically, Family Tax Credits?*
2. *Families receiving Working for Families, and more specifically, Family Tax Credits, by their number of children. Is it possible to have the average number of children in these families too?*
3. *Families receiving Working for Families, and more specifically, Family Tax Credits, by the duration they have received it. Is it possible to have the average duration time too?*
4. *Families receiving Working for Families, and more specifically, Family Tax Credits, by*
 - (a) *the families receiving income from paid work and*
 - (b) *the families receiving no income from paid work?*

On 6 July 2022, you clarified questions 3 and 4. For question 3 you refined your request to data on *how long families have typically received Working for Families (Wff) with duration more detailed than one year or less/more than one year in order to facilitate calculations on average payouts over the life of children or households*. For question 4 you clarified 'income from paid work' to taxable income.

On 12 July 2022, we explained that the figures provided would be excluding Wff tax credit recipients that only received In-Work Tax Credits, and therefore would affect the data provided as only reporting on one component of Wff does not provide the whole picture.

As background, Wff payments are made to low and middle income earners to assist with the cost of raising a family. The Family Tax Credit (FTC) is one component within the Wff scheme. Some customers may not receive the FTC, but may receive another component (such as the In-Work Tax Credit).

The FTC is also paid by both Inland Revenue (IR) and the Ministry of Social Development (MSD). The data provided below is a combination of FTC recipient families paid by both MSD and IR.

Question 1: Total number of families claiming FTC

Tax year	Recipient Families (000s)	Average FTC entitlement
2015	310.7	\$5,798.52
2016	300.3	\$5,754.25
2017	284.4	\$5,731.72
2018	279.1	\$5,806.96
2019	292.2	\$6,861.10
2020	282.0	\$7,599.65

Further information can be found on IR's website www.ird.govt.nz/about-us/tax-statistics/social-policy/wfftc. These published figures will be next updated in December 2022, to include the 2020-21 tax year. The published eligible population includes families who receive their FTC from MSD and who have no direct contact with IR.

Data from question 2 and onwards is limited to customers IR calculated an FTC entitlement for. This includes some recipients from MSD.

Question 2: Families receiving FTC by number of children

Tax year	FTC recipients	Number of children	Average number of children
2015	266,530	447,613	1.68
2016	254,133	437,737	1.72
2017	238,047	418,890	1.76
2018	219,006	395,768	1.81
2019	231,916	458,201	1.98
2020	221,414	439,019	1.98

Question 3: Duration of families receiving FTC

The table below provides the total number of years families received the FTC. This is based on the total FTC recipients between the 2000-2020 tax years. This works out to be an average duration that families receive FTC of 6 years.

Years received	Families
1	139,658
2	107,266
3	86,808
4	72,120
5	64,506
6	56,432
7	49,744
8	44,537
9	39,500
10	35,050
11	30,291
12	26,590
13	22,849
14	19,549
15	16,704
16	13,065
17	9,014
18	6,834
19	4,982
20	3,498
21	2,565

Question 4: Family Income for Families that qualified for FTC

Due to system changes, between the 2015-2018 tax years, the data is based on the annual taxable income for the Principle Caregiver plus their partner (if any). From the 2019 tax year, income is calculated based on the total "family scheme income". Details of what is included as "family scheme income" can be found on IR's website at <https://www.ird.govt.nz/income-tax/income-tax-for-individuals/adjust-your-income>. The

table below provides a breakdown of the number of families within each family scheme income range. This is provided by tax year (April to March).

Family Income Range	2015	2016	2017	2018	2019	2020
<= \$40K	149,286	141,294	133,794	121,262	101,117	89,980
>\$40K - \$50K	36,139	35,046	34,012	32,184	33,268	32,583
>\$50K - \$60K	32,317	31,521	29,410	27,434	31,204	31,972
>\$60K - \$70K	21,482	20,262	19,458	17,853	24,747	25,567
>\$70K - \$80K	14,646	13,967	11,277	10,530	17,595	17,345
>\$80K - \$90K	7,141	6,723	5,802	5,564	12,087	12,046
>\$90K - \$100K	2,799	2,614	2,083	2,031	6,344	6,391
>\$100K	2,151	2,059	1,645	1,681	5,946	6,369

In the 2019 tax year, the income brackets used for eligibility for all WfF tax credits were increased. This meant more families on higher income were eligible for WfF tax credit components, including FTC.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you again for your request.

Yours sincerely



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