



28 January 2026



Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 9 December 2025. Your request is about the student loan repayment deductions continuing after the loan has been fully repaid and how often this occurs. Your full request is attached as **Appendix A**.

Inland Revenue does not record how often a student loan balance is overpaid, therefore this part of your request is refused under section 18(g) of the OIA, as the level of information requested is not held by the department and we do not believe it is held by another department.

However, we can advise of the number of letters Inland Revenue issues advising student loan borrowers that their student loan is forecast to be repaid in the next three pay periods. The student loan letter aL0256 – *Your student loan is nearly repaid* – is issued to a student loan borrower when:

- the loan balance is forecast to be repaid within the next three pay periods, and
- we have a valid employer/employee relationship in our system.

During the 2025 calendar year, Inland Revenue issued 50,083 aL0256 letters and attempted to issue a further 1,333 but were unable to do so due to invalid addresses.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



James Barker
Domain Lead, PD&D Compliance

Appendix A – full OIA request

Sent: Tuesday, Dec 9, 2025 10:39:39:43 AM

Subject: Student Loan issues

Hello,

I have followed up with my employer (who employs over 10,000 people in NZ), and they have said they very rarely/if at all receive information as per the guidance provided by IRD as stated on <https://www.ird.govt.nz/student-loans/living-in-new-zealand-with-a-student-loan/when-i-pay-off-my-student-loan>

They sounded like as though they expect overpayment to the student loan to occur for one or two payments after a student loan has closed until the tax code has been changed. Rather than any sort of pre-empting system as stated on <https://www.ird.govt.nz/student-loans/living-in-new-zealand-with-a-student-loan/when-i-pay-off-my-student-loan>

How often does this issue occur nationwide?

They have said that typically only weeks after will they receive a notice to change the tax code, and will often as in my case have deductions ongoing beyond the student loan finishing, where the IRD will refund the employee (as happened to me for two pay cycles).

The information on <https://www.ird.govt.nz/student-loans/living-in-new-zealand-with-a-student-loan/when-i-pay-off-my-student-loan> should be updated, if this is not followed.

A recent response from IRD indicated this is the usual process, if that is the case I would urge a review of the systems that are sending out this information to employers. As if my employer isn't receiving this, I doubt it is functioning as intended. There will be many employees who end up out of pocket because the system isn't functioning as intended.

I would receive the money I expected 5 days after it was due to be paid to me by the employer for two pay cycles. This may put some people into undue hardship.

My employer advised rather than assuming the process as per <https://www.ird.govt.nz/student-loans/living-in-new-zealand-with-a-student-loan/when-i-pay-off-my-student-loan> will occur, I should have placed through an IR330 form as soon as the loan was paid off.

However this will mean that when the loan is paid off an overpayment will still occur. This does not give the employee any way to prevent over deduction, especially on the final payment. And this needs to come from IRD.

Please provide information on if there is an issue, and if it will be fixed. As this is often only a one time issue for holders of student loans I doubt many people follow up on it and just have to deal with the failures of the system for a few weeks until the refunds and tax codes are sorted.

Kind regards

