



30 March 2023

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 8 March 2023. You requested the following:

*Information in relation to the standard practice by IRD when IRD accidentally overpays a Working for Families receiver.*

### **Working for Families – Overpayments**

Working for Families (WFF) entitlements are calculated during the year based on the estimated income for the family and on the information Inland Revenue holds about the children, partner and hours worked. If a recipient's income or family circumstances change, their entitlement may also change.

WFF payments are abated as income levels rise. If a family's estimated income is less than their actual income at the end of the year, the family is likely to have received too much WFF throughout the year, which creates an overpayment. Further to this, if a recipient earns less than estimated, they may be entitled to more WFF than calculated and may receive an extra payment at the end of the year.

Overpayments can also occur if a recipient does not inform us about changes that result in their WFF entitlement reducing. This can include not informing Inland Revenue about:

- A change in income, or receiving additional income such as overtime
- Stopping work
- Children coming in and out of care
- A child becomes financially independent
- Changes in shared care arrangements
- A relationship/partner change
- Being paid by the Ministry of Social Development and Inland Revenue at the same time.

When Inland Revenue is informed of the changes during the year, the amount of entitlement that remains in the tax year is calculated and spread equally across the remaining payments for the year. This is to reduce the risk or amount of an overpayment by reducing or stopping the weekly or fortnightly WFF payments.

If Inland Revenue is notified about income or family changes too late, an overpayment may already have occurred. This is assessed as a debt when the recipients end-of-year assessment is calculated using their actual income and family circumstances. Inland Revenue has a range of options available to manage debt, from setting up instalment arrangements to hardship relief. More information on repaying WFF overpayments can be found on our main website here: <https://www.ird.govt.nz/working-for-families/managing/repaying>.

### **Accidental WFF overpayments**

Inland Revenue does not have any legislation that allows us to write off an accidental overpayment where the customer has unintentionally incurred a debt, instead we work with them to understand their individual situations and how best to resolve the debt. This may include the financial relief options discussed above, or we may consider waiving penalties charged. For more information please refer to <https://www.ird.govt.nz/managing-my-tax/penalties-and-interest/penalties-and-debt/waiving-payment-penalties>.

### **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 for your request.

Yours sincerely



Sue Gillies  
**Customer Segment Leader, Families**