



29 November 2021



Dear [REDACTED]

Thank you for your request of 1 November 2021 made under the Official Information Act 1982. You requested the following in relation to student loan customers:

1. *How many borrowers are currently based overseas?*
2. *How many of those have been away for more than 6 months and are incurring interest on their loan?*
3. *Is there any way to compare this to pre-Covid? Ie. Are there stats for the past year, which are comparable to previous years, so that I can see whether the number of people has grown?*
4. *Does IRD have an exemption policy for those with student loans, who have been caught overseas for longer than expected? (Other than the scheme I refer to above, for those who can prove they planned to come home within 6 months.)*
5. *If so, what is that policy? And how many people have been granted exemptions under this scheme since the borders closed in March 2020?*
6. *If not, why not? And what is IRD's position on the issue of people incurring greater student loan debts as a result of the closed borders?*

As background, student loan customers are classed as overseas-based after leaving New Zealand for more than 183 days, which takes effect from their date of departure. Customers who are overseas-based are not entitled to an interest free loan from the date they are classed as overseas-based, with some exceptions outlined further below.

I respond to the questions in the order you have raised them.

1. *How many borrowers are currently based overseas?*
As at 31 October 2021 a total of 103,990 were overseas based.
2. *How many of those have been away for more than 6 months and are incurring interest on their loan?*

At 31 October 2021, a total of 103,390 were overseas-based, and incur interest on their loan.
3. *Is there any way to compare this to pre-Covid? Ie. Are there stats for the past year, which are comparable to previous years, so that I can see whether the number of people has grown?*

The following table shows the number of overseas-based customers by financial year (1 July to 30 June) since 2018. The impact of COVID-19 was within the 2020 financial year.

Year	Total
2018	108,355
2019	108,840
2020	108,274
2021	104,461

4. Does IRD have an exemption policy for those with student loans, who have been caught overseas for longer than expected? (Other than the scheme I refer to above, for those who can prove they planned to come home within 6 months.), and
5. If so, what is that policy? And how many people have been granted exemptions under this scheme since the borders closed in March 2020?

There is legislation in place to deal with these situations. Customers can apply to be treated as physically present in New Zealand (PPINZ) under section 25(1)(c) of the Student Loan Scheme Act 2011. Unexpected delay is one of the reasons for granting PPINZ. Student loans are interest free for customers with PPINZ status. Information about how overseas customers can apply to keep their loan interest free is publicly available on our website. [Apply to keep my student loan interest free \(ird.govt.nz\)](https://www.ird.govt.nz/apply-to-keep-my-student-loan-interest-free)

Information about unexpected delays is also publicly available on our website: [Unexpected delay returning to New Zealand when I have a student loan \(ird.govt.nz\)](https://www.ird.govt.nz/unexpected-delay-returning-to-new-zealand-when-i-have-a-student-loan).

Set out below is a copy of our policy in relation to unexpected delays.

Unexpected delay returning to New Zealand

The customer must meet the following criteria to apply to be treated as overseas interest free under the grounds the customer has experienced an unexpected delay returning to New Zealand.

For example:

- Airline strikes
- Personal illness
- Death or illness of a family member
- Fire, flood, storm, earthquake, landslide, volcanic eruption or other act of God
- An explosion or nuclear, biological or chemical contamination
- Sabotage, terrorism or an act of war

The customer must be a tax resident during the time they were overseas and provide proof of all the following:

- When they originally intended to return to New Zealand
- That they would have satisfied the 183-day requirement if they hadn't been delayed
- That the unexpected delay was due to an event or circumstances beyond their reasonable control

Examples of proof:

- An airline ticket showing the change in departure/arrival date
- A medical certificate or letter from the doctor confirming the illness
- A copy of the death certificate, or a letter from the doctor or coroner, or a funeral account confirming death
- Documentation of an airline strike

In cases of natural disaster or an act of war, media coverage of the event may be enough to confirm the reason for their delay as long as the customer can prove that they were affected by this event.

In terms of how many people have been granted PPINZ since the borders closed in March 2020, there are a number of reasons why customers may be delayed. It may not be solely due to closed borders.

The table below shows the number of customers who have been granted PPINZ status due to unexpected delays returning to New Zealand for both the 2020 and 2021 financial years (1 July to 30 June).

PPINZ reason	2020	2021	Total
PPINZ - Unexpected delay returning to New Zealand	35	4	39

6. If [there is no policy], why not, and what is IRD's position on the issue of people incurring greater student loan debts as a result of closed borders?

For customers who do not meet the above criteria, Inland Revenue has a range of relief provisions available. The best first step is for the customer to contact us so that we can consider their situation as each case is decided on its merits.

Customers can use the secure e-mail within their myIR account to send us a message and we will work with them to reach a solution.

Thank you for writing. I trust my comments are of assistance to you.

Yours sincerely



Jane Elley
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Customer and Compliance Services, Individuals