

# Adjust your income

## Student loans and Working for Families

Tax year ending (eg. 31 03 2023)

**1** ▶

Enter the tax year you are completing the form for.

First name

Last name

**2** ▶

IRD number (8 digit numbers start in the second box.

**3** ▶

Complete this form if you have to make income adjustments for a **student loan or Working for Families (WfF)**. Income adjustments may affect your entitlements and/or obligations, but they don't alter the income you have to show in your income tax assessment.

You can make all your income adjustments for a student loan or WfF on one form. You don't need to complete this form if you've already contacted Inland Revenue with your end-of-year income adjustment information. If both you and your partner have adjustments to make, you will each need to complete an IR215 form.

Go to our website [ird.govt.nz/adjust-income](http://ird.govt.nz/adjust-income) for more information, you can complete this form online through your myIR account. If you don't have any income to provide for an income type, leave the box empty. We recommend you talk to a tax advisor, if you're unsure what information to give us.

**Please read the attached notes before you start completing this form.**

### Section A - Working for Families customers

Only complete the adjustments that apply if you're a WfF customer. **Go to section B if you haven't applied to receive WfF.** For more information, please see the attached notes.

**4** Passive income of children - only include the amount that **exceeds the \$500 threshold** for each child. Read the attached notes for how to apply the threshold and if you share care. **If your child/children doesn't have any income, leave all fields blank.**

Child's name	Shared care (tick ✓)	Child's IRD number	
<b>4A</b> ▶ <input type="text"/>	<b>4B</b> ▶ <input type="checkbox"/>	<b>4C</b> ▶ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<b>4</b> ▶ \$ <input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> . <input type="text"/>

**5** Income of a non-resident spouse or partner

Spouse's or partner's name

**5A** ▶  **5** ▶ \$  .

Spouse's or partner's IRD number

Spouse's or partner's country of residence

Amount must be in NZD

**5B** ▶         **5C** ▶

**6** Other payments - monetary payments received to help with household expenses.

Only tell us if the **total amount of all payments is over \$5,000.**

Payment source (ie, where the payment came from)

**6A** ▶  **6** ▶ \$  .

\$  .

## Section B - All customers

Only complete the adjustments that **apply to you**. Go to section C if you don't have any adjustments to make.  
For more information, please see the attached notes.

7	Retirement savings scheme contributions (This applies to WfFs and to student loans, but only applies to a student loan from the 2020-2021 tax year onwards).	7 ▶	\$	<input type="text"/>	.
8	Depreciation recovered on sale of buildings used in business and/or rental activity (This applies to WfFs and to student loans, but only applies to a student loan from the 2020-2021 tax year onwards).	8 ▶	\$	<input type="text"/>	.
9	Distributions from trusts - not beneficiary income	9 ▶	\$	<input type="text"/>	.
10	Employer-provided motor vehicles - when salary is exchanged for private use	10 ▶	\$	<input type="text"/>	.
11	Vouchers and other short-term charge facilities - provided by your employer, ie, business charge accounts and credit cards used for private purchases. A threshold applies, please see the attached notes for details.	11 ▶	\$	<input type="text"/>	.
12	Non-locked-in portfolio investment entities (PIE) income	12 ▶	\$	<input type="text"/>	.
13	Certain pensions and annuities - show 50% of the amount received	13 ▶	\$	<input type="text"/>	.
14	Distributions from retirement saving schemes or superannuation schemes	14 ▶	\$	<input type="text"/>	.
15	Tax-exempt overseas pensions	15 ▶	\$	<input type="text"/>	.
16	Tax-exempt income	16 ▶	\$	<input type="text"/>	.
17	For 2019-2020 and previous tax years only - income from a locked-in retirement savings or superannuation scheme PIE declared in your tax return	17 ▶	\$	<input type="text"/>	.

Amount must be in NZD

## Section C - Business activities for all customers

The following adjustments apply if you are self-employed, are a settlor of a trust, you have investment or rental interests, or you are a New Zealand-based employee of an overseas employer. **Only complete the adjustments that apply to you.**  
For more information, please see the attached notes.

18	Attributable trustee income	18 ▶	\$	<input type="text"/>	.
19	Attributable fringe benefits	19 ▶	\$	<input type="text"/>	.
20	Loss(es) that were offset against income from another activity	20 ▶	\$	<input type="text"/>	.
21	Income equalisation main scheme deposits	21 ▶	\$	<input type="text"/>	.
<b>Income equalisation main scheme refunds</b>					
22A	Working for Families customers - show the amount of income equalisation refund (less interest)	22A ▶	\$	<input type="text"/>	.
22B	Student loan borrowers - show the amount of income equalisation refund (less interest)	22B ▶	\$	<input type="text"/>	.
<b>Attributed income of a major shareholder in a close company</b>					
23	Company's net total income (gross income less expenses) for the company's income year	23 ▶	\$	<input type="text"/>	.
24	Percentage of shares you held in the company on the last day of the company's income year	24 ▶		<input type="text"/>	%
25	Total dividends paid by the company for the company's income year	25 ▶	\$	<input type="text"/>	.
<b>Attributed dependent child/children's income of a major shareholder in a close company - this applies to WfFs and to student loans, but only applies to a student loan from the 2020-2021 tax year onwards</b>					
26	Company's net total income (gross income less expenses) for the company's income year	26 ▶	\$	<input type="text"/>	.
27	Percentage of shares your dependent child/children held in the company on the last day of the company's income year	27 ▶		<input type="text"/>	%
28	Total dividends paid by the company for the company's income year	28 ▶	\$	<input type="text"/>	.

**We'll calculate your income adjustment for you**

The information provided in this adjustment form is true and correct.

Signature

Date

Send your completed adjustment form to: Inland Revenue, PO Box 39090, Wellington Mail Centre, Lower Hutt 5045.

**Keep a copy for your records.**

## Notes to help you complete the Adjust your income - IR215

### 4 Passive income of children

Passive income includes interest, dividends, beneficiary income and rents. For a complete list of income types, go to [ird.govt.nz/income-types](http://ird.govt.nz/income-types). If your child/children received more than \$500 of passive income during the year, enter the amount over \$500 at Question 4. If you share care of a child/children, divide the amount above \$500 equally between yourself and the other caregiver(s).

**Example:** Mary is the principal caregiver for two children, Jane and Mark, and receives WfF. Jane receives \$900 interest and Mark receives \$200 interest. Mary will have to add the amount over \$500 (\$400) of Jane's interest to her family income for WfF. Because Mark's interest is under \$500, Mary doesn't need to tell us about it.

### 5 Income of non-resident spouse

If your spouse, civil union or de facto partner isn't a New Zealand tax resident, we require their foreign-sourced income to be included as part of your family income for WfF. Enter the total amount of their income, in NZ dollars, in Question 5. We may ask you to confirm details of their income.

If you need more information about tax residency in New Zealand, please go to [ird.govt.nz/tax-residency](http://ird.govt.nz/tax-residency)

### 6 Other payments - monetary payments received to help with household expenses

You and your spouse or partner may receive monetary payments from another person or entity to help out with your family's household expenses. If these payments add up to more than \$5,000 in a year, you need to tell us.

**Example:** Jill's parents give her \$100 a week towards her mortgage payments. The total amount over the year is \$5,200. Because it's over \$5,000, Jill enters \$5,200 at Question 6. If the amount Jill received was \$5,000 or less, Jill would leave Question 6 blank.

Other payments are extra payments you generally receive from family or friends, to help with mortgage or other household expenses, eg, payments towards groceries, power or phone bills. It's not your income, which you pay tax on. They can be paid to you or direct to a bank, service provider or agency on your behalf.

### 7 Retirement savings scheme contributions

If a taxed contribution is made to your retirement savings scheme or to Te Rūnanga o Ngāi Tahu on your behalf, and you included the contribution in your income tax return, enter the amount at Question 7. This may affect your WfF entitlement, and from 2020-2021 tax year onwards, your student loan repayment obligations.

### 8 Depreciation recovered on sale of building used in business and/or rental activity

If you sold a building in the past year, show the amount of depreciation you've claimed for it in the 2002-2003 and earlier income years, unless the business income was a loss in the year the depreciation was claimed. The amount cannot exceed the net income from the business or investment activity that had depreciation recovery income.

**Example:** In this tax year Ben sold his commercial rental property. He recovered \$100,000 depreciation from the sale.

Ben claimed \$60,000 depreciation in 2003 and earlier tax years, and \$40,000 between 2004 and 2011. He can adjust this year's income by \$60,000 for the depreciation he claimed before 2004. Ben enters \$60,000 at Question 8.

This applies to WfFs and to student loans, but only applies to a student loan from the 2020-2021 tax year onwards.

### 9 Distributions from a trust - not beneficiary income

If you received a distribution from a trust that wasn't beneficiary income, and you are not the settlor of the trust, it generally counts as income for student loans and WfF. Include the distribution at Question 9.

**Example:** Matt is a beneficiary of a family trust that has a cash PIE investment. He receives a \$2,000 distribution which he doesn't need to include in his tax return because the trust income was not taxable. Matt will have to include an adjustment for \$2,000 for his student loan and WfF income by entering \$2,000 at Question 9.

### 10 Employer-provided motor vehicles - when salary is exchanged for private use

If you agreed to a lower salary in exchange for private use of an employer-provided motor vehicle, we consider the amount of salary you would have received without this arrangement as income for student loan and WfF purposes. Include the amount exchanged at Question 10.

Don't include the value if the use of the vehicle is just part of the job.

**Example:** Erin's employer offered her use of the work car and a \$50,000 salary or a \$58,000 salary and no private use of the work car. Erin chose to have use of the work car instead of the additional \$8,000 salary, so she includes this as income for student loans and WfF.

### 11 Vouchers and other short-term charge facilities - provided by your employer

If your employer provides a short-term charge facility, eg, a pre-loaded gift card, voucher, charge account or company credit card for your own use, we may consider the amount to be part of your income for student loans and WfF. It depends on the total value for the year.

You only need to tell us if the total amount of all cards, accounts and vouchers goes over the smaller of the following thresholds:

- \$1,200 if your salary or wages are \$24,000 or more
- 5% of your salary or wages if you earn less than \$24,000 a year.

If above the threshold, you'll also need to add the FBT your employer(s) pay on this benefit.

<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>
Amount		FBT		Enter at Box 11

### 12 Non-locked-in portfolio investment entities (PIE)

Enter the amount of:

- income attributed from a PIE that gives you ready access to your investment (eg, a cash PIE, on-call PIE, PIE term deposit), or
- dividends from listed PIEs, that you haven't declared in your income tax assessment.

Don't include KiwiSaver or any other locked-in super funds.

### 13 Certain pensions and annuities

Enter 50% of the amount of tax-exempt annuities (a fixed figure that provides income) from life insurance policies and/or a pension from a superannuation fund you received in the tax year. Don't include NZ Super paid by Work and Income.

### 14 Distributions from retirement saving schemes or superannuation schemes

#### Retirement savings schemes

If you receive a distribution from a retirement savings scheme before you retire, you need to include it as part of your income for student loans and WfF if:

- retirement scheme contribution tax was withheld from the contributions to the scheme, and
- you weren't eligible for NZ Super when you received the distribution.

#### Superannuation schemes

A distribution from a superannuation scheme is treated as income for student loans and WfF if:

- the distribution wasn't from a KiwiSaver scheme or complying superannuation fund
- your employer made contributions in the tax year you received the distribution, or in either of the two previous years.

You'll only need to include it if:

- the distribution wasn't made because you retired, and
- you continued to work for the employer for at least one month after you received the distribution.

You don't need to include any distribution of contributions that you made for either schemes.

## 15 Tax-exempt overseas pensions

If you receive NZ Super and a tax-exempt overseas pension, include the pension amount as an income adjustment.

You don't need to tell us the amount of your overseas pension if you pay all your overseas pension to Work and Income and receive NZ Super in full.

## 16 Tax-exempt income

If you receive salary or wages that are exempt from New Zealand income tax under specific international agreements, we treat this as income for student loans and WfF. Go to our website for a list of tax-exempt salary and wages.

## 17 Income from a retirement savings or superannuation scheme PIE declared in your tax return

For 2019-2020 and previous tax years, if you've included income attributed from a PIE that is locked-in a superannuation fund or retirement savings scheme in your income tax return, you can exclude it from your income for student loans and WfF by entering the amount at Question 17.

Generally, a locked-in PIE scheme is where you must reach a retirement age before you can access your funds. Most KiwiSaver schemes are locked in. If you are unsure check with your scheme.

## 18 Attributable trustee income

If you're the settlor of a trust, we may treat some or all of the income the trust receives (that isn't distributed as beneficiary income) as income for calculating student loan repayment obligations and WfF entitlements. Include this amount at Question 18.

Use the following formula to calculate the amount of trustee income:

$$\frac{\text{Trust's income}^1}{\text{Number of settlors}} = \text{attributable trustee income}$$

If the trust has a controlling interest in a company, you'll also need to include the company's income.

$$\left( \frac{\text{Trust's shares}}{\text{Company shares}} \right) \times \left( \text{company's}^1 \text{ total income} - \text{dividends} \right) = \text{company income}$$

Add the company income to the trust's income to determine the attributable trustee income.

## 19 Attributable fringe benefits

If you are a shareholder-employee in a company where you and any associated persons hold 50% or more of the voting interests, the total value of attributable fringe benefits received is treated as income for student loan and WfF. Include the value of the attributed fringe benefits and the FBT payable at Question 19.

Attributable fringe benefits are employer-provided:

- motor vehicles for private use
- low/nil-interest employee loans
- subsidised transport (when the employer is in the business of transporting the public) over \$1,000 in value
- contributions to insurance schemes, sickness, accident or death funds over \$1,000 in value
- any other benefits received over \$2,000 in value.

If you receive fringe benefits but you or your associates (eg, a family trust) aren't shareholder-employees of the company you work for, you don't need to include the fringe benefits in your income.

### IR56 taxpayers with an overseas employer

From 1 April 2023, if you are:

- an IR 56 taxpayer and are a New Zealand-based employee for an overseas employer and
- you have received a fringe benefit from your overseas employer and
- you have included the value of the fringe benefit as income on your monthly Employment Information (IR348) form,

add the total value of the fringe benefit for the year at Question 19 as a negative amount.

**Example:** Joe's employer pays for their medical insurance, Joe includes the value of the premiums to their monthly income and calculates PAYE on their total monthly income. Joe would show the total value of the fringe benefit for the year as a negative amount at Question 19.

## 20 Loss(es) that were offset against income from another activity

If you have a loss from running a business, making investments or a rental property, we won't include it in the calculation to work out your student loan and WfF entitlements/obligations.

You only need to tell us the amount of a loss if you have:

- made a loss and profit from two or more unrelated businesses or investment activities, and
- entered the net amount in only one box on your IR3 return.

**Example:** Angela's IR3 return shows income from her farming business of \$60,000 (self-employment) and a loss from renting out commercial buildings of \$25,000. If Angela declared the income and loss in separate boxes in her IR3 (eg, self-employment and rents) she doesn't need to tell us. We'll automatically treat the loss as nil.

But, if she declared the net amount in one box, eg, self-employment income of \$35,000, Angela needs to tell us about the \$25,000 loss by entering \$25,000 at Question 20.

## 21 Income equalisation main scheme deposits

Any deposit made this income year, by you, into your individual income equalisation main scheme account (the scheme which allows eligible farming, fishing or forestry customers to even fluctuations in income by spreading their gross income from year to year), needs to be added back to your income for student loan and WfF if you claimed a deduction for it in your tax return. Do this by entering the amount of the deposit at Question 21.

## 22 Income equalisation main scheme refunds

Refunds from your income equalisation main scheme are included as income in your tax return but not included for student loan and WfF income. Enter the amount of any refund you received (excluding interest earned on the deposit) at Question 22 and we will reduce your income for student loan and WfF.

Do not include refunds from the adverse event income equalisation scheme and thinning operations.

## 23 - 25 Attributed income of a major shareholder in a close company

If you're a major shareholder in a close company on the last day of the company's income year, you may need to include company income for student loans and WfF.

We'll need the following information to calculate the adjustment:

**Question 23** - company's net total income<sup>1</sup> for the company's income year

**Question 24** - percentage of shares you held in the company on the last day of the company's income year

**Question 25** - total dividends paid by the company for the company's income year

**Note:** If you're a major shareholder in more than one close company, you'll need to do separate calculations for each company.

## 26 - 28 Attributed dependent child/children's income of a major shareholder in a close company

If you receive WfF, you must also include the attributed income of any dependent children who have a voting interest in a company (whether you hold any voting interests in that same company or not). This applies to WfFs and to student loans, but only applies to a student loan from the 2020-2021 tax year onwards. Please give us the following information:

**Question 26** - company's net total income<sup>1</sup> (gross income less expenses) for the company's income year

**Question 27** - percentage of shares your dependent child/children held in the company on the last day of the company's income year

**Question 28** - total dividends paid by the company for the company's income year.

**Note:** If you're a major shareholder in more than one close company, you'll need to do separate calculations for each company.

<sup>1</sup> The trust's income, company's total income or company's total net income must be adjusted to include the full amount of any refunds or deposits to the main income equalisation scheme in order to reverse its effect.