



5 March 2024

Dear [REDACTED]

Thank you for your requests made under the Official Information Act 1982 (OIA), received on 16 February 2024 and 1 March 2024. You requested the following:

Please confirm the details of the process followed (including process steps, stakeholders (internal and external) involved, the actions that are taken, and the information requested from stakeholders) when IRD receives the following request/action from a non-custodial parent paying child support under a formula assessment.

- 1. The non-custodial parent messages IRD using MyIR stating that the "qualifying child" is now working full time.*
- 2. The non-custodial parent messages IRD using MYIR stating that the "qualifying child" is no longer in casual employment and is working full-time.*
- 3. The non-custodial parent messages IRD using MYIR stating that the "qualifying child" is in casual employment and provides evidence detailing the "qualifying child" move to full-time employment will be forthcoming. In this case, what action will be taken to ensure that the "qualifying child" is in full time employment.*
- 4. In point 3 above, what stakeholders will be contacted and in what order to confirm the "qualifying child's" full time employment status.*
- 5. The non-custodial parent raises a "child support objection" stating that a "dependent child" is no longer a dependent child.*

Items 1 and 2

For a child to be considered financially independent for child support purposes, they must meet one of the following criteria under section YA 1 of the Income Tax Act 2007:

- In full employment working 30 hours or more.
- Receiving a student allowance.
- Receiving a main benefit.
- Receiving other government financial support (excluding Working for Families or paid parental leave).

When a non-custodial parent reports that a child is now working full-time a review of the child's PAYE income details is completed by one of our Customer Service Officers to determine whether the income source is current and of a level that may indicate full time hours.

Notes are checked under all participants in the child support group to see whether we have already received information confirming the child is now working full-time, or if we have already recently made a decision regarding the child's status in which case an objection would need to be made.

Contact is first attempted with the receiving carer by phone to discuss the child's situation. If phone contact cannot be made a letter requesting details of the child's employment is issued allowing 10 working days for a response.

While waiting for a response from the receiving carer, or if we have reason to believe what they have advised us by phone is not accurate, the officer will seek information from any relevant third parties.

If the receiving carer is or was recently in receipt of a benefit, an information request is sent to Work & Income to check whether the child has been excluded from the benefit and for what reason.

If there is an active employer for the child found during the review of the PAYE information, contact will be made directly with the employer or their nominated agent by phone to confirm the following:

- The date the child started working for them.
- If employment has now ceased, the date it ceased.
- Whether the child has a written contract of service and if yes, details of their contracted hours.
- If no written contract, details of the hours they are required or expected to work.
- Whether they are employed on a casual basis and details of how their roster is made up.
- Whether the required hours of work, either in written or verbal contract, have changed at any stage. If so, when the change occurred.
- How many hours the child normally works each week, not including any overtime.
- Any overtime hours they have worked each week since starting.
- If they are a long-term employee, whether their required hours are likely to change. If so, the nature of the change and when it occurs.
- Whether the child is paid money for their work and if not, how they are compensated.

If Inland Revenue is unable to obtain this information by phone, a letter or web message is sent to the employer requesting a written response confirming the above details.

After 10 working days a determination is made based on the information held under all parties. Our officers can independently make a determination on a child's financial status. An officer may at any time in the process request guidance from their team leader, an experienced peer, a level 2 officer, or a technical specialist.

If the child is deemed financially independent the assessment is updated, and both parties are notified and given objection rights. If the child is deemed still dependent the parent who provided the information will be advised of the decision and their objection rights.

Item 3

When Inland Revenue is notified of an upcoming change to a child's employment status, we cannot take action until the change has occurred. This is to ensure the assessment is based on the current circumstances for the child and all parties are given objection rights at the appropriate time since they are subject to time constraints.

If a change in employment is expected in the near future, an officer may set a review date for the process detailed in Items 1 and 2 to be followed. If the change is not expected for several months the person reporting the change may be asked to contact us again closer to the time. Once the date of the expected change occurs the process outlined in Items 1 and 2 will be followed.

Item 4

Contact with the receiving carer is always attempted first as we may be able to make updates straight away if they confirm the change in circumstances. If we are unable to reach the receiving carer by phone or there is reason to believe that the information provided may not be accurate, we will contact any relevant third parties to confirm the change. This may include:

- the child's employer
- an authorised tax agent or PAYE intermediary
- Work & Income (if the receiving carer is or has recently been on a benefit)

While there is no specific order for the above third parties to be contacted, all relevant avenues are pursued before a decision is made.

Item 5

For Child Support purposes a dependent child is defined as:

- a child of whom you're the parent
- under 18 years of age or 18 years of age and enrolled at and attending a registered school in New Zealand or an overseas school
- not financially independent and in your care at least 28% of the time
- not living with another person in a marriage, civil union or de facto relationship
- not assessed for child support in New Zealand or overseas

While your request specifically states "dependent child", based on the other scenarios in your request I have also included the process for an objection to a decision that a qualifying child is still financially dependent.

An objection can be made in response to an assessment or an appealable decision. The first step in the objection process is to determine whether a valid objection has been made and whether it has been received within 28 days of the assessment or decision being given.

The decision to include or exclude a dependent child is only an appealable decision for the parent under whom the child is dependent. An objection could be made by the other parent to the assessment itself stating that a child believed to be included as dependent in the assessment is

no longer dependent, however under Section 53 of the Privacy Act 2020 Inland Revenue cannot confirm whether the other parent has dependent children on their record. The objection would be declined as an outcome could not be provided without disclosing the other parent's circumstances, however the information would still be followed up outside of the objection process if the child is included in the assessment.

If a qualifying child is deemed to still be financially dependent an objection can be made to this decision. If a case is complex, it may be sent to a Technical Specialist for review, otherwise a Customer Service Officer who did not make the original decision will review the information we hold. When a person makes an objection, they should provide evidence to verify the situation or circumstances they've presented. In some situations we may be able to verify the information, for example - we could request information from a child's employer. However, it is still the responsibility of the person raising the objection to obtain all evidence that they can.

A decision is made once all relevant evidence has been reviewed to either allow or disallow the objection based on the information held and the case is sent for review by another officer. If the child is deemed to no longer be dependent the assessment is updated, and both parties are notified and given objection rights. If the child is deemed still dependent the parent who provided the information will be advised of the decision and their right to appeal the decision in the Family Court.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (www.ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, will 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 for your request.

Yours sincerely



Sue Gillies

Customer Segment Leader, Families