



Inland Revenue
Te Tari Taake

26 October 2021

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your requests of 10 and 13 September 2021 made under the Official Information Act 1982. You requested the following about child support:

1. *In the 2019/20 financial year, IRD collected \$449m. Does that include child support owed from previous years?*

Yes, this figure includes payments to current year assessments and payments to arrears.

2. *The assessments for the 19/20 year are \$598m. Is that new assessments, so that is the amount that was assessed to be owed for 19/20 only? And was \$449 of that money paid, or does the \$449 include other years/other debt?*

The amount of \$598m is the total value of assessment debt owed cumulatively as at the end of the 2020 financial year. This includes unpaid assessments from previous years as well as unpaid assessment for the 2020 financial year.

As you have stated above, we collected \$449m – this amount went to both ongoing obligations and assessment debt from previous years.

3. *In your annual report, it says 70 per cent of child support assessments are paid on time. And in your response to me you said 4 out of 5 assessments are paid. Does that mean paid in full?*
4. *How much child support was being assessed as being owed in the 2019/20 financial year only, and how much of that was paid by the end of the year?*

The total value of assessments for the 2019/20 financial year was \$493m. During this year, 70% of assessment debt was paid on time and in full. Throughout the 2019/20 financial year, 81.4% of assessment was paid either on time or after the due date.

5. *How many receiving carers are currently beneficiaries?*

This question has already been answered as part of 22OIA1129 response.

For the 2020-21 tax year, 56% of receiving carers received some benefit income.

On 6 October 2021 you asked further questions of our Media team. They responded and noted we would provide a response to the question:

6. How long it generally takes to cancel payments or to start deducting payments from wages.

It is acknowledged that there can at times be a delay in deductions from a Liable Parent, being paid to a Receiving Carer, and also a delay to cancel deductions.

Under the current legislation, a Liable Parent can choose to have deductions made via their employer. If a liable parent falls into arrears, Inland Revenue will take action to deduct the child support from their salary or wages. There can be up to a three month lag in receipt of the child support payment by a Receiving Carer due to the time built in for the notice to be received by the employer, the funds to be deducted and then the employer pays this through to Inland Revenue on the PAYE due date.

When cancelling deductions, there can be a delay due to the time required for the notice to reach the employer and be actioned.

The administration of child support will move to new systems and processes between 21-28 October 2021 (including Labour Weekend). Please refer to the media response sent to you on 13 August 2021 for further detail around these changes.

These new changes will mean that deductions are automatically set with employers right from the beginning of an obligation, and notices are issued electronically, significantly reducing the time lag for payment.

This will allow us to get funds out to Receiving Carers sooner and provide more certainty for Liable Parents, as notices will be sent and received faster (both starting and cancelling payment plans).

We believe that this will improve the experience for child support customers.

Thank you for your request. I trust that the information provided is of assistance to you.

Yours sincerely

A large grey rectangular box redacting the signature of Sue Gillies.

Sue Gillies
Customer Segment Lead - Families