



7 October 2024



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), received on 21 September 2024. You requested the following:

- "1. Can I please be provided with supportive IRD documentation/policies/staff guidelines for situations (where a paying parent is either not paying child support in full, only partially paying, or paying their child support payments late) and the steps available to IRD to ensure paying safe made regularly and on time?"*
- 2. I would appreciate being provided with the specific criteria that must be met before the IRD intervene, by way of instructing a paying parents employer to redirect their child support to the IRD before they are paid themselves.*
- 3. Can I be provided with what the letter template looks like that is sent to a paying parents employer."*

### **Items 1 and 2**

The information in scope of items 1 and 2 of your request, is refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of section 18(3) of the Tax Administration Act 1994. The Commissioner of Inland Revenue is not required to disclose any item of revenue information if the release of the information would adversely affect the integrity of the tax system or would prejudice the maintenance of the law. However, I can advise the following:

In October 2021, new legislation was introduced for newly liable parents or returning child support customers who receive a salary or wage to have automatic deductions from their pay. When a liable parent ceases employment with a current employer, deductions will cease. When a new employer is identified, child support deductions will be automatically started.

Inland Revenue examines the merits of each parent's ability to pay child support on a case-by-case basis. When liable parents fail to pay child support, we attempt to contact them to establish why payment has not been made and to encourage them to pay voluntarily if automatic employer deductions are not an option. When we are unable to secure funds through all voluntary channels, we look to enforce payments from liable parents by placing a deduction notice, under section 154 of the Child Support Act 1991 (CSA), on any funds payable to that person. This includes ad hoc income or from a bank account in the name of the liable parent.

If these collection actions are unsuccessful Inland Revenue may also pursue other legal avenues to secure payment, set out in Part 11 of the CSA. These avenues include, but are not limited to, applying for arrest warrants from the courts, issuing summons for examination of financial means, applying to the courts for charging orders against property, and applying for warrants to seize property through the courts. We take these actions as a last resort; we take into account all information we hold and determine if taking this action will achieve the right outcome and is an efficient use of the Commissioners resources.

### **Item 3**

A copy of the employer deduction letter template is attached as **Appendix A**.

Please note, this letter is used for all deductions from salary and wages and some of the options will not apply to child support customers.

### **Right of review**

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: [commissionerscorrespondence@ird.govt.nz](mailto:commissionerscorrespondence@ird.govt.nz).

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz).

If you choose to have an internal review, you can still ask the Ombudsman for a review.

### **Publishing of OIA response**

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

Yours sincerely



Sue Gillies  
**Customer Segment Leader, Families**

## Appendix A

bL0179 Notice to deduct amounts owed - Wage

|             |                          |
|-------------|--------------------------|
| START title | Notice to deduct amounts |
| myIR title  | Notice to deduct amounts |

### Body content

Dear <SALUTATION>

|  |
|--|
| <b>Notice to deduct amounts</b>                          |
| <b>CR7 ((Section 154 of the Child Support Act 1991))</b> |

**CR1** (<DEBT CUSTOMER>, IRD number <DEBT IRD NUMBER>, owes us \$<DEBT AMOUNT>.)

**CR7** (This notice is in respect of your employee, <DEBT CUSTOMER> IRD number <DEBT IRD NUMBER>.) **CR1** (You'll need to make extra deductions from salary, wages (including bonuses and overtime and excluding any reimbursements) and any other payments you make to your employee.)

**CR7** (You need to start or change child support deductions for this employee. This replaces any earlier deduction notice for them.)

**CR1** (The included deduction notice tells you the amounts to deduct and explains your obligations.)

**CR2** (This letter replaces the deduction notice sent on <DATE>. All remaining amounts are included in the new deductions.)

Your employee has been sent a notice showing their relevant information.

#### **CR7 (Making deductions)**

- You need to deduct the amount from the payday indicated on the notice.
- The maximum amount of child support you can deduct is 40% of the employee's net (after tax) earnings.
- If you cannot deduct the full amount we've asked for, we will arrange with your employee to pay the balance, so you do not need to make up the missing amount in future pays.
- We will send you a notice when you should stop deducting for an employee.
- If an employee stops working for you ensure you include the cease date on your employer information.

#### **Your obligations**

- You are legally required to comply with this notice.
- Child support has priority over any other deductions from an employee's net pay. This means after you have deducted PAYE, you must deduct child support before you deduct anything else. For example, student loan repayments, insurances, KiwiSaver and other superannuation deductions, or union fees.

bL0179 Notice to deduct amounts owed - Wage

- You must not change the deduction amount even if your employee, or anyone else asks you to.

If you do not make these payments, we cannot pass on child support for the benefit of the children.

**Paying the child support**

All child support amounts deducted are to be paid to us at the same time you are paying your PAYE deductions.)

Yours sincerely

<SIGNATURE>  
<JOB TITLE>

## Notice to deduct amounts owed to Inland Revenue

### CR3 (Urgent)

|   |                     |
|---|---------------------|
| Employee name                           | <DEBT CUSTOMER>     |
| IRD number                              | <DEBT IRD NUMBER>   |
| <b>CR4</b> (Address/last known address) | <DEBT CUST ADDRESS> |
| <b>CR5</b> (Date of birth)              | <DATE OF BIRTH>     |
| <b>CR6</b> (Other ID)                   | <OTHER ID INFO>     |
| <b>CR1</b> (Total amount to deduct)     | \$<DEBT AMOUNT>     |
| Deductions to start                     | <START DATE>        |

### Amount to deduct

The amount to deduct is **CR1** (the lesser of either):

#### **CR1** (

- \$<INSTALMENT AMOUNT> (10% per week of the requested amount))

#### **CR7** (

\$<CS AMOUNT> **7.1** (each <FREQUENCY>) **7.2** (twice monthly, **7.3** (every 4 weeks) starting from <CS START DATE>.)

#### **CR1** (

- 20% of the gross wages or salary including bonuses and overtime payable.)

**CR1** (You need to start making these deductions from the employee's next pay.)

If the:

- employee is not paid weekly, multiply the instalment amounts to suit the pay period
- deduction amount is less than \$10 per week, the amount to deduct is \$10 per week - however, do not make a deduction if the employee earns less than \$10
- employee asks you to deduct a higher amount, you must do this.

### Paying the deductions to us

You need to pay the extra deductions to us by the **end of each calendar month**. If a payday falls at the end of a calendar month, the extra deductions are due within 5 days of the date of deduction.

These deductions are in addition to the employee's usual PAYE deductions and must be kept separate.)

**CR7** (You need to make the payments to us immediately.)

Include the following information with the payments:

<DEBT IRD NUMBER> as the particulars and **CR1** (ARR) **CR8** (NCP) **CR9** (CPR) as the payee code. Our bank account is 03-0049-0001100-027.

<INSERT KPL1>

### **CR1 (When to stop making the deductions**

Keep making extra deductions until one of the following situations happens:

- we send a notice asking you to stop
- the employee stops working for you, If this is the case, let us know the finish date immediately
- the total amount owing has been paid.)

### **For more information**

If you have any questions about making deductions including variation codes, go to our website [ird.govt.nz/forms-guides](http://ird.govt.nz/forms-guides) and download the **Employer's guide – IR335** or contact us on <PHONE NUMBER>.

### **CR7 (Legal authority**

This notice is issued under s154 of the Child Support Act 1991. If you do not make the deductions as required, you may be prosecuted for committing an offence.

Thank you for your co-operation.)

### **CR1 (Legal authority**

This notice is issued under the authority of 1 or more of the Acts listed below. If you do not make the deductions as required you may be prosecuted for committing an offence under 1 or more of the Acts.

- Tax Administration Act 1994 - section 157
- Goods and Services Tax Act 1985 – section 43
- Student Loan Scheme Act 2011 – section 193
- Gaming Duties Act 1971 – section 12L.)

## Prepopulated inserts

| Document field name | Description   | Display format  |
|---------------------|---|---|
| <SALUTATION>        |   | Prepopulated  |
| <DEBT CUSTOMER>     | Name of the employee/customer we are collecting the debt from   | First name, last name for individuals, or non-individual name as held in start. |
| <DEBT IRD NUMBER>   | IRD number we are collecting the debt from  | 000-000-000   |
| <DEBT AMOUNT>       | Total amount owed   | 9,999,999,999.99  |
| <DATE>              | Date the previous deduction notice was sent   | DD MMMM CCYY  |
| <PHONE NUMBER>      | Either the case officer's DDI or the associated 0800 number   |   |
| <SIGNATURE>         | Customer segment lead   | Prepopulated  |
| <JOB TITLE>         |   | Prepopulated  |
| <ADDRESS>           | Address of employer or other entity who will be making the deductions, includes name                    |   |
| <DEBT CUST ADDRESS> | Address of debt customer  |   |
| <DATE OF BIRTH>     | Date of birth of the person who will be having deductions made from wages or other payments due to them | DD MMMM CCYY  |
| <OTHER ID INFO>     | other identifying information   |   |
| <START DATE>        | Date to commence deductions   | DD MMMM CCYY<br>Next payday   |
| <CS START DATE>     | Date to commence CS deductions  | DD MMMM CCYY  |
| <INSTALMENT AMOUNT> | 10% of the total <DEBT AMOUNT>  | 9,999,999,999.99  |
| <CS AMOUNT>         | Deduction amount per <FREQUENCY>  |   |
| <FREQUENCY>         | Frequency of payments   | EG: week, fortnight, month  |

## Conditional rules

| CR#      | Insert when   |
|----------|---|
| <b>1</b> | The person we are <b>recovering the debt from is</b> <ul style="list-style-type: none"> <li>Not child support</li> <li>the employee of the employer receiving the notice</li> </ul> |
| <b>2</b> | This letter replaces letter sent previously. Not used with <b>CR7</b>   |
| <b>3</b> | Deduction notice is urgent  |

|            |  |
|------------|--|
| <b>4</b>   | Address details are included. Not used with <b>CR7</b>                 |
| <b>5</b>   | Date of birth details are included. Not used with <b>CR7</b>           |
| <b>6</b>   | Other ID information included. Not used with <b>CR7</b>                |
| <b>7</b>   | There is child support debt  |
| <b>7.1</b> | Amount is paid each week, each fortnight, each month                   |
| <b>7.2</b> | Amount is paid twice monthly eg: 15 <sup>th</sup> and 30 <sup>th</sup> |
| <b>7.3</b> | Amount is paid every 4 weeks   |
| <b>8</b>   | Payment reference is NCP   |
| <b>9</b>   | Payment reference is CPR   |

## Known paragraph libraries

| <b>KPL</b> | Name                 |
|------------|----------------------|
| <b>1</b>   | How to make payments |

## Notes