



18 September 2023

[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), transferred from the Ministry of Business, Innovation, and Employment to Inland Revenue on 8 September 2023. You requested:

(...) What are the different child support costs per ratio of earnings per child per percentage or care? (...)

The child support formula assessment calculation (the formula) takes various factors into consideration. The care cost percentage and child expenditure values are two of these factors.

The formula uses a scale of costs, expressed as percentages of child support income, which reflects the expenditure involved in raising children. These percentages vary with the number of children, the age of the children (the percentage being higher for children over 12 years), and the total income of the parents. As income rises, the percentages progressively decline to reflect that the proportion of income spent on children declines as income rises. Given that the additional expenditure becomes increasingly discretionary as income rises, the formula also includes a cap on the amount of child support payable.

The formula takes the before tax income of the parents, subtracts allowances for their own living costs and other children they support. The amount payable to the person(s) providing care of the child is based on the combined incomes of the parents and their proportions of that combined income and care of the child.

The care cost percentage factor relates to the proportion of ongoing daily care that a person provides for the child. The calculations are set out in the following table taken from Schedule 2 of the Child Support Act 1991 (CSA):

| Proportion of ongoing daily care | Care cost percentage |
|----------------------------------|--|
| 0 - 27% | 0% |
| 28 - 34% | 24% |
| 35 - 47% | 25% plus 2% for each percentage point over 35% |
| 48 - 52% | 50% |
| 53 - 65% | 51% plus 2% for each percentage point over 53% |
| 66 - 72% | 76% |
| 73 - 100% | 100% |

The child expenditure factor is calculated using the combined incomes of the parents (after allowances have been deducted) and uses set tables, which are adjusted each year, as set out in Schedule 3 of the CSA.

The tables for the 2024 child support year are:

| Age Group: Children aged 0-12 | | | | | | |
|-------------------------------|-----------|---|------------|--|--------------------|--|
| Income range | 1 child | Additional amount per dollar over | 2 children | Additional amount per dollar over | 3 or more children | Additional amount per dollar over |
| 0.00 to 36,610.00 | 0.00 | 17.00 cents for each dollar over | 0.00 | 24.0 cents for each dollar over | 0.00 | 27.0 cents for each dollar over |
| 36,611.00 to 73,220.00 | 6,224.00 | 15.00 cents for each dollar over 36,610.00 | 8,786.00 | 23.0 cents for each dollar over 36,610.00 | 9,885.00 | 26.0 cents for each dollar over 36,610.00 |
| 73,221.00 to 109,829.00 | 11,715.00 | 12.00 cents for each dollar over 73,220.00 | 17,206.00 | 20.0 cents for each dollar over 73,220.00 | 19,404.00 | 25.0 cents for each dollar over 73,220.00 |
| 109,830.00 to 146,439.00 | 16,108.00 | 10.00 cents for each dollar over 109,829.00 | 24,528.00 | 18.0 cents for each dollar over 109,829.00 | 28,556.00 | 24.0 cents for each dollar over 109,829.00 |
| 146,440.00 to 183,049.00 | 19,769.00 | 7.0 cents for each dollar over 146,439.00 | 31,118.00 | 10.0 cents for each dollar over 146,439.00 | 37,342.00 | 18.0 cents for each dollar over 146,439.00 |
| 183,050.00 and over | 22,232.00 | 0.0 | 34,779.00 | 0 | 43,932.00 | 0 |

| Age Group: Children aged 13 and over | | | | | | |
|--------------------------------------|-----------|--|------------|--|--------------------|--|
| Income range | 1 child | Additional amount per dollar over | 2 children | Additional amount per dollar over | 3 or more children | Additional amount per dollar over |
| 0.00 to 36,610.00 | 0.00 | 23.0 cents for each dollar over | 0.00 | 29.0 cents for each dollar over | 0.00 | 32.0 cents for each dollar over |
| 36,611.00 to 73,220.00 | 8,420.00 | 22.0 cents for each dollar over 36,610.00 | 10,617.00 | 28.0 cents for each dollar over 36,610.00 | 11,715.00 | 31.0 cents for each dollar over 36,610.00 |
| 73,221.00 to 109,829.00 | 16,474.00 | 12.0 cents for each dollar over 73,220.00 | 20,868.00 | 25.0 cents for each dollar over 73,220.00 | 23,064.00 | 30.0 cents for each dollar over 73,220.00 |
| 109,830.00 to 146,439.00 | 20,867.00 | 10.0 cents for each dollar over 109,829.00 | 30,020.00 | 20.0 cents for each dollar over 109,829.00 | 34,047.00 | 29.0 cents for each dollar over 109,829.00 |
| 146,440.00 to 183,049.00 | 24,528.00 | 9.0 cents for each dollar over 146,439.00 | 37,342.00 | 13.0 cents for each dollar over 146,439.00 | 44,664.00 | 20.0 cents for each dollar over 146,439.00 |
| 183,050.00 and over | 27,823.00 | 0.0 | 42,101.00 | 0 | 51,986.00 | 0 |

Further information about the child support reform changes that came in from 1 April 2015, including background to the care cost percentages and child expenditure tables is available on Inland Revenue's Tax Policy website (taxpolicy.ird.govt.nz) by searching for 'supporting children' and 'Child Support Amendment Bill'. You may also wish to read Inland Revenue's *Helping you to understand child support* guide (the guide), which contains more information on the formula. The guide is available at Inland Revenue's website (ird.govt.nz) by searching for 'How child support works'.

Publishing of OIA response

We intend to publish our response to your request on our website. 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 Ministers and officials.

Right of Review

If you disagree with my decision on your OIA request, you have the right, under section 28(3) of the OIA, to ask the Ombudsman to investigate and review my decision. The office of the Ombudsman can be contacted via email at info@ombudsman.parliament.govt.nz or to PO Box 10152, The Terrace, Wellington 6143 or via freephone on 0800 802 602.

Alternatively, you may have the decision reviewed by an Inland Revenue review officer. This does not preclude you from subsequently seeking a review by the Ombudsman if you are not satisfied with the department's internal review. If you would like an internal review, please write to the Commissioner of Inland Revenue via email at commissionerscorrespondence@ird.govt.nz setting out the details of your request.

Thank you for your request.

Yours sincerely



Sue Gillies
Customer Segment Leader - Families Customer Segment