

Classification of Benefits and Allowances

The table below outlines whether or not a specific benefit or allowance is classified as “income” or not. It lists assistance from Work and Income, the Inland Revenue Department and the Ministry of Education. All benefits and allowances are considered as income, unless they fall within the category of exclusions provided in section 2(d)(i-vii) of the Rates Rebate Act 1973, or unless they are defined by DIA as being reimbursing in nature rather than income.

It is acknowledged that this list is not exhaustive. It will be updated from time to time, as relevant. Further information about benefits can be found on the relevant government department website, e.g. the Work and Income site (www.workandincome.govt.nz) or the Inland Revenue site (www.ird.govt.nz).

Work and Income Benefits and Allowances

Main Benefits	Defined as “income” within the Rates Rebate Act 1973 ?
<p>Unemployment Benefit These benefits provide income support for people who are looking for work or training for work.</p>	YES
<p>Independent Youth Benefit For young people in school, training, actively looking for work or temporarily unable to work.</p>	YES
<p>New Zealand Superannuation New Zealand Superannuation gives those eligible a retirement income once they reach the qualifying age of 65.</p>	YES
<p>Invalids Benefit To receive the Invalids Benefit people must be 16 or over and be permanently and severely restricted in their capacity for work because of a sickness, injury or disability</p>	YES
<p>Sickness Benefit The Sickness Benefit provides income support for people who can't work due to sickness, injury, disability or pregnancy.</p>	YES
<p>Widows Benefit The Widows Benefit is for women whose husband or partner has died.</p>	YES
<p>Domestic Purposes Benefit The Domestic Purposes Benefit may be paid to a parent caring for children without the support of a partner, to a person caring for someone at home who needs constant care, and in some cases to an older woman alone.</p>	YES

Main Benefits – (continued)	Defined as “income” within the Rates Rebate Act 1973 ?
<p>Orphans and Unsupported Childs Benefit The Orphans Benefit and Unsupported Childs Benefit are paid to the main caregivers of children whose parents can't support them.</p>	NO
War Pensions and Associated Payments	
<p>Veterans Pension The Veterans Pension is income for veterans who have served in a war or an emergency and who have reached the qualifying age for New Zealand Superannuation and receive a War Disablement Pension of at least a 70% level of disability. It can also be paid to veterans who are unable to work because of a disability (from any cause).</p>	YES
<p>War Disablement Pension This is a compensatory award for people who have a disability attributable to their service.</p>	NO
<p>Surviving Spouse Pension (formerly War Widpws Pension) This a fortnightly payment for a person whose spouse or partner has died from disabilities caused by a war or other emergency they served in.</p>	NO
<p>Attendant Allowances These help a Veteran with disabilities remain in his/her own home.</p>	NO
<p>Car Loan</p>	NO
<p>Children's Pension For the dependent child of a veteran if the veteran is totally disabled or has died due to service.</p>	NO
<p>Clothing Allowance</p>	NO
<p>Funeral Grant</p>	NO
<p>Gallantry Award For a decorated Veteran with disabilities.</p>	NO
<p>Hearing Aid Grant</p>	NO
<p>Orphan's Pension Paid to the dependent child of a sole parent whose death was due to service, or who was disabled at the time of their death.</p>	NO
<p>Private Hospital Treatment</p>	NO
<p>Specialist Treatment</p>	NO

War Pensions and Associated Payments – (continued)	Defined as “income” within the Rates Rebate Act 1973 ?
Surgical and Mechanical Appliances	NO
Transport and Travelling Expenses Pays for travel to medical appointments (and sometimes other travel) for veterans with disabilities.	NO
War Bursaries Paid to the children of Veterans who have or had disabilities.	NO

Supplementary Benefits + Other Allowances	
Accommodation Supplement Non-taxable benefit that provides assistance towards accommodation costs.	YES
Away from Home Allowance This helps with the living costs of dependent children who have to live away from home to do tertiary study or go on a training course. The course must be approved by Work and Income or the Ministry of Education.	YES
Childcare Subsidy Financial assistance for families with dependent children who are under 5 years old and attending an early childhood programme for three or more hours a week. OSCAR Subsidy Financial assistance for families for children aged 5 to 13. It helps towards the costs of before and after school programmes of up to 20 hours a week and school holiday programmes of up to 50 hours a week.	YES
Disability Allowance This allowance reimburses people for ongoing regular costs that they incur because they have a disability. There is an income test that must be met.	NO
Child Disability Allowance This allowance is a fortnightly non-means-tested payment that can be made to the parent or guardian of a seriously disabled child who lives at home and requires constant care and attention. This allowance may also be available when the child lives in a home or hostel and the child's parent or guardian is required to contribute to the costs of maintaining them.	NO

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973 ?
<p>Financial Assistance for Live Organ Donors If you're donating a kidney or liver tissue for transplant within New Zealand, you may be able to get help with any loss of income or extra childcare costs you have because of your operation.</p>	YES
<p>New Employment Transition Grant Payment to beneficiaries with a dependent child or children during the first 6 months that their benefit is stopped due to employment.</p>	YES
<p>Residential Care Subsidy This assists with the cost of contracted care for a client in long-term residential care in a hospital or rest home indefinitely. It is assessed by Work and Income and paid through the Ministry of Health.</p>	NO
<p>Residential Support Subsidy For people with physical, intellectual or psychiatric disabilities (including drug and alcohol rehabilitation) who are receiving residential care services.</p>	NO
<p>ReStart Package ReStart is a package of payments and employment and job services to help if a person has recently been made redundant from full-time work, including a self employed entitled to Unemployment Benefit.</p>	YES
<p>Seasonal Work Assistance This is a payment to help people moving into seasonal work in horticulture. The grant is non-recoverable and non-taxable.</p>	YES
<p>Special Benefit Provides assistance to clients whose particular circumstances are causing them hardship. Special Benefit cannot be granted to people who were not receiving it or applied for it immediately before 1 April 2006 because it was replaced by Temporary Additional Support on this date.</p>	YES
<p>Special Needs Grant A one-off payment to help with things needed urgently.</p>	YES
<p>Temporary Additional Support It is paid as a last resort to help clients with their regular essential living costs that cannot be met from their chargeable income and other resources. Can be paid for a maximum of 13 weeks.</p>	YES

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973 ?
Training Incentive Allowance A person getting a Domestic Purposes, Widows or Invalid s Benefit, or an Emergency Maintenance Allowance, and is planning to do a work-related course, may be able to get a Training Incentive Allowance to provide assistance with costs related to the training.	NO
Transitional Protection Supplement Available to people who are financially disadvantaged as a direct result of the Social Security Amendment Bill changes occurring on 2 July and 24 September 2007. Ensures that income level is not reduced as a result of changes that are implemented by the Bill.	YES
Transition to Work Grant Helps with the costs of looking for, or moving into, a new job with the Transition to Work Grant.	YES
Young Parent Childcare Payment For a parent aged under 18 and in secondary school, this helps pay childcare costs for children under 5.	YES
Child Support Payment Administered through Inland Revenue and paid by parents who are not living with their children.	YES
Participation Allowance Paid to beneficiaries who are participating in an Activity in the Community project.	NO
StudyLink	
Student Allowance A weekly payment to help with living costs to a person who is studying full-time.	YES
Living Costs Component of a Student Loan	NO
Ministry of Education Allowances	
Home Schooling Allowance	NO
Working for Families Tax Credits	Defined as “income” within the Rates Rebate Act 1973 ?
Family Tax Credits	NO
In-work Tax Credits	YES
Minimum Family Tax Credits	YES
Parental Tax Credits	YES

What are Working for Families Tax Credits? (formerly Family Assistance)

What they are

Working for Families Tax Credits (previously called Family Assistance) is an entitlement for families with dependent children aged 18 or younger. It includes four different types of payments (tax credits).

- *Family tax credit* (formerly family support)
- *In-work tax credit* (formerly in-work payment)
- *Minimum family tax credit* (formerly family tax credit)
- *Parental tax credit*

Family tax credit

Family tax credit is a payment for each dependent child aged 18 or younger.

In-work tax credit

In-work tax credit is a payment for families who work a minimum number of hours each week, either as an employee or in self-employment.

Minimum family tax credit

Minimum family tax credit is a payment for families earning up to \$24,493 a year before tax. It ensures that these families have a minimum income of \$395 a week after tax.

Parental tax credit

Parental tax credit is a payment for a newborn baby for the first eight weeks or 56 days after the baby is born.

Who pays these payments

Work and Income generally pays a family tax credit if a person's main income is an income-tested benefit.

Inland Revenue pays Working for Families Tax Credits if a person's main income comes from working, a student allowance, NZ Super or ACC.

A person receiving an income-tested benefit can choose to receive the family tax credit from either Work and Income or Inland Revenue.

The only component which is not defined as income is the "Family Tax Credit".

Please advise the ratepayer that they have to obtain directly from IRD which specific tax credit they are receiving if there's any confusion.

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