

31 May 2019

Ms Tara Jane  
fyi-request-10243-31029b53@requests.fyi.org.nz

Dear Ms Jane

Thank you for your request made under the Official Information Act 1982 (OIA), received on 3 May 2019. You requested the following:

- 1) *What is the current total, preferably including data over the last year, of money held by the IRD that has not yet been paid to the receiving parent?*
- 2) *What is the mean time lapsed between receipt of money from the paying parent, and payments made to the receiving parent?*
- 3) *What is the process by which the IRD verifies whether CS payments received are to be distributed to WINZ or the receiving parent?*

I will address each of your questions separately below.

### Question 1

The table below shows the receiving carer entitlement held by Inland Revenue over the past twelve months. Generally, where receiving carer entitlement is held by Inland Revenue, we do not hold a valid bank account or contact address. Once a contact address is established, Inland Revenue will contact the receiving carer to arrange for their entitlement to be paid.

<b>Period</b>	<b>Receiving carer entitlement held (\$)</b>
March 2019	11,558,388
February 2019	11,469,976
January 2019	11,464,799
December 2018	11,856,301
November 2018	11,691,342
October 2018	11,460,505
September 2018	11,257,771
August 2018	11,017,147
July 2018	10,831,020
June 2018	10,712,499
May 2018	10,615,781
April 2018	10,505,204

Note: the amount of receiving carer entitlement held is a running total.

### Question 2

The mean time elapsed between receipt of money from the paying parent and payment made to the receiving parent is 16 days. This time period is for domestic cases only. Cases where money is being collected on behalf of the Australia Department of Human Services (DHS) has been excluded.

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Since 1 July 2000, New Zealand and Australia have operated a reciprocal agreement under which New Zealand collects child support for Australia, and vice-versa. Where a receiving carer living in Australia applies for child support, and the liable parent lives in New Zealand, the DHS can transfer collection of the case to New Zealand.

### Question 3

When a liable parent makes a child support payment, it is allocated to the receiving carer's child support account using mandatory payment allocation rules.

These payments are then either:

- Paid to the receiving carer; or
- Retained by the Crown to offset the receiving carer's benefit.

Payments are allocated to the receiving carer's account in this order and paid as follows:

Type of entitlement	Allocation of Payment
1. Urgent maintenance orders	Paid to the receiving carer
2. Lump sum orders	Paid to the receiving carer
3. Child support for months where the receiving carer was not receiving a sole parent rate of benefit	Paid to the receiving carer
4. Child support for months where the receiving carer was receiving a sole parent rate of benefit for part of the month only	Paid to the receiving carer for days when not in receipt of benefit
5. Child support for months where the receiving carer was receiving a sole parent rate of benefit for the full month	Payment retained by Crown
6. Domestic maintenance	Paid to the receiving carer

If a receiving carer receives a sole parent rate of benefit, the child support payments that would otherwise be paid to them are instead used to repay some, or all, of the cost of their benefit. The amount retained is called 'Crown entitlement'.

Crown entitlement is calculated by comparing the receiving carer's daily rate of base benefit to their daily child support entitlement. The lesser of the two is the Crown entitlement. If the child support entitlement for a period is more than the Crown entitlement, the excess amount will be paid to the receiving carer.

The maximum amount of child support which can be retained as Crown entitlement is the amount of the receiving carer's base rate of benefit. Any child support payments above this maximum must be paid to the receiving carer.

The base rate of benefit is the amount of gross benefit less:

- PAYE
- Income deductions, if the receiving carer has other income
- ACC deductions, if the receiving carer is receiving ACC.

The following types of financial support cannot be retained as Crown entitlement:

- Domestic maintenance
- Court ordered child support, payable either in a lump sum or as urgent maintenance.

These payments must be paid directly to the receiving carer. For more information, please refer to section 145 of the Child Support Act 1991 available on the New Zealand Legislation website ([legislation.govt.nz](http://legislation.govt.nz)).

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

Yours sincerely



Sue Gillies  
**Segment Management Lead – Families**