



**Inland Revenue**  
Te Tari Taake

17 November 2020

Anatoly Kern  
[fyi-request-14007-c3ae10e6@requests.fyi.org.nz](mailto:fyi-request-14007-c3ae10e6@requests.fyi.org.nz)

Dear Mr Kern

Thank you for your further request made under the Official Information Act 1982, received on 20 October 2020. You requested:

*Based on previously released information the Child Support business retains ~\$180M of penalties every year as "retained by the Crown to help offset the cost of benefits" (...) I am really interested in what specifically is funded by this money taken away from and at the cost of broken families. Whose benefits are funded by it? Is it considered as a general government income, supporting police, courts, prisons, military and etc?*

### **Benefits and child support payments**

Benefits, for child support purposes and where they have been referred to in the information released to you previously, are financial assistance payments made by Work and Income (part of the Ministry of Social Development) to sole parents.

When a receiving carer gets a benefit, child support payments from the liable parent are retained by the government to pay for the benefit. If the child support received from the liable parent is more than the net benefit paid, the excess amount is passed on to the receiving carer.

As mentioned on page 11 of our 2019 *Annual Report*, we collected \$471 million from more than 164,000 parents who pay child support, and distributed \$290 million to receiving carers. The balance was retained by the government to offset the cost of sole parent benefits.

### **Sole parent benefits**

Inland Revenue pays child support to the Crown when the following benefits are paid at a sole parent rate:

- Emergency Maintenance Allowance
- Jobseeker Support
- Jobseeker Support – Overseas
- Jobseeker support student hardship (*up to 29th February 2016. From 1 March 2016, this benefit ceased to be classed as a sole parent benefit.*)
- Sole Parent Support
- Sole Parent Support – Overseas
- Supported Living Payment – Sickness
- Supported Living Payment – Overseas
- Unsupported Child's Benefit
- Young Parent Payment.

Thank you for your request. I trust that this further information is of assistance to you.

Yours sincerely

A handwritten signature in cursive script that reads "Sue Gillies".

Sue Gillies  
**Customer Segment Lead—Families**