

Reprint
as at 18 March 2019



Families Package (Income Tax and Benefits) Act 2017

Public Act 2017 No 51
Date of assent 20 December 2017
Commencement see section 2

Contents

	Page
1 Title	5
2 Commencement	5

Part 1 Income tax

Subpart 1—Best Start tax credit

Amendments to Income Tax Act 2007

3 Income Tax Act 2007 amended	6
4 Section GB 44 amended (Arrangements involving tax credits for families)	6
5 Section HR 8 amended (Transitional residents)	6
6 Section MA 1 amended (What this Part does)	6
7 Section MA 5 amended (Advice from outside agencies)	6
8 Section MA 6 amended (Avoidance arrangements)	6
9 Section MA 7 amended (Meaning of full-time earner for family scheme)	6
10 Section MA 8 amended (Some definitions for family scheme)	6

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

This Act is administered by the Inland Revenue Department and Ministry of Social Development.

11	Section MB 2 amended (Adjustment for period that is less or more than 1 year)	7
12	Section MC 1 amended (What this subpart does)	7
13	Section MC 5 amended (Third requirement: residence)	7
14	Section MC 6 amended (When person does not qualify)	7
15	Section MC 10 amended (Principal caregiver)	8
16	Section MC 11 amended (Relationship periods and entitlement periods)	8
17	Section MD 11 amended (Entitlement to parental tax credit)	8
18	Section MF 1 amended (Application for payment of tax credit by instalment)	8
19	Section MF 2 amended (When person not entitled to payment by instalment)	8
20	Section MF 4 replaced (Requirements for calculating instalment of tax credit)	9
	MF 4 Requirements for calculating instalment of tax credit	9
21	Section MF 7 amended (Orders in Council)	9
22	New subpart MG inserted (Best Start tax credit)	10
	Subpart MG—Best Start tax credit	
	MG 1 Best Start tax credit entitlement	10
	MG 2 Best Start tax credit	11
	MG 3 Best Start credit abatement	11
	MG 4 Person receiving protected Best Start tax credit	12
23	Section YA 1 amended (Definitions)	13
	Amendments to Tax Administration Act 1994	
24	Tax Administration Act 1994 amended	15
25	Section 3 amended (Interpretation)	15
26	Section 24F amended (Special tax codes)	15
27	Section 41 amended (Annual returns by persons who receive family assistance credit)	15
28	Section 80KB amended (Contents of application)	15
29	Section 80KC amended (When tax file number of child does not accompany application)	16
30	Section 80KD amended (What Commissioner must do on receipt of application)	16
31	Section 80KK amended (Payment by instalment of family tax credit (without abatement))	16
32	Section 80KN amended (Payment of tax credit by chief executive)	16
33	Section 80KO amended (Determining WFF tax credit)	17
34	Section 80KP amended (When entitlement to income-tested benefit ends)	17
35	Section 80KU amended (Payment of tax credit taken over by Commissioner)	17

36	Section 80KV amended (Statement of family scheme income)	17
37	Section 80KW amended (Effect of extra instalment on entitlement to tax credit)	17
38	Section 85I amended (Use of Parental Leave and Employment Protection Act 1987 and parental tax credit information to determine entitlement)	18
39	Section 89C amended (Notices of proposed adjustment required to be issued by Commissioner)	18
40	Section 185 amended (Payment out of Crown Bank Account)	18
	<i>Amendments to other enactments</i>	
41	Schedule 2 of the Housing Restructuring and Tenancy Matters Act 1992 amended (Prescribed elements of calculation mechanism)	18
42	Section 3 of the Social Security Act 1964 amended (Interpretation)	18
43	Section 61G of the Social Security Act 1964 amended (Temporary additional support)	18
44	Clause 13 of the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Order 2017 amended (Procedure before adverse action taken)	19
45	Clause 1 of the Taxation (Abated Interim Payments of subparts MA to MF and MZ Credit) Regulations 2002 amended (Title)	19
	Subpart 2—Working for families	
	<i>Taxation (Budget Measures: Family Incomes Package) Act 2017 repealed</i>	
46	Taxation (Budget Measures: Family Incomes Package) Act 2017 repealed	19
	<i>Income Tax Act 2007 amended</i>	
47	Income Tax Act 2007 amended	19
48	Section MD 3 amended (Calculation of family tax credit) <i>[Repealed]</i>	19
49	Section MD 3 amended (Calculation of family tax credit) <i>[Repealed]</i>	19
50	Section MD 13 amended (Calculation of family credit abatement) <i>[Repealed]</i>	20
51	Section MD 13 amended (Calculation of family credit abatement) <i>[Repealed]</i>	20
52	Section ME 1 amended (Minimum family tax credit)	20
53	Section MF 4D repealed (Calculation of instalments: 1 April 2010 to 30 September 2010)	20
54	Section MF 4E repealed (Calculation of instalments: 1 October 2010 to 31 March 2011)	20
55	New sections MF 4F and MF 4G inserted	20
	MF 4F Calculation of instalments: 1 April 2018 to 30 June 2018	20

	MF 4G Calculation of instalments: 1 July 2018 to 31 March 2019	22
56	Section MF 7 amended (Orders in Council)	24
57	Section MF 7 amended (Orders in Council) <i>[Repealed]</i>	25
	<i>Amendments to Taxation (Annual Rates and Budget Measures) Act 2011</i>	
58	Taxation (Annual Rates and Budget Measures) Act 2011 amended	25
	Part 2 Benefits	
	Subpart 1—Winter energy payment	
59	Social Security Act 1964 amended	25
60	Section 3 amended (Interpretation)	25
61	New Part 1KA inserted	26
	Part 1KA Winter energy payment	
	61FE Winter energy payment: purpose	26
	61FF Winter energy payment: interpretation	26
	61FG Winter energy payment: eligibility requirements	26
	61FH Winter energy payment: election not to receive	27
	61FI Winter energy payment: instalments, rates, and payment	27
	61FJ Winter energy payment: effect of absence of beneficiary from New Zealand	28
62	Section 61H amended (Rates of benefits, etc, may be increased by Order in Council)	28
63	Section 72 amended (Limitation where applicant receiving another benefit or pension)	28
64	Section 81 amended (Review of benefits)	28
65	Section 82 amended (Payment of benefits)	29
66	New Schedule 18A inserted	29
67	New Part 7 of Schedule 32 inserted	29
68	Consequential amendments	29
	Subpart 2—Rates of orphan’s benefit and unsupported child’s benefit	
69	Social Security Act 1964 amended	29
70	Schedule 4 amended	29
	Subpart 3—Accommodation supplement areas (fixing as on 26 June 2017)	
71	Social Security Act 1964 amended	29
72	Section 61I amended (Areas for accommodation supplement purposes may be altered by Order in Council)	29
73	Schedule 18 amended	30
74	New Part 6 of Schedule 32 inserted	30

	Subpart 4—Accommodation supplement areas (regulations)	
75	Social Security Act 1964 amended	30
76	Section 3 amended (Interpretation)	30
77	Section 61I replaced (Areas for accommodation supplement purposes may be altered by Order in Council)	30
	61I Regulations defining accommodation supplement areas	30
78	Schedule 18 amended	30
	Schedule 1	31
	New Schedule 18A inserted	
	Schedule 2	32
	New Parts 6 and 7 of Schedule 32 inserted	
	Schedule 3	34
	Consequential amendments	

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Families Package (Income Tax and Benefits) Act 2017.

2 Commencement

- (1) This Act comes into force on the date on which it receives the Royal assent, except as provided in this section.
- (2) Subpart 1 of Part 1 (Best Start tax credit) comes into force on 1 July 2018.
- (3) Section 46 is treated as coming into force on 29 May 2017.
- (4) Sections 52, 55, 56, and 58 come into force on 1 April 2018.
- (5) *[Repealed]*
- (6) Subpart 1 of Part 2 (winter energy payment) comes into force on 1 July 2018.
- (7) Subpart 2 of Part 2 (rates of orphan's benefit and unsupported child's benefit) comes into force on 1 July 2018.
- (8) Subpart 3 of Part 2 (accommodation supplement areas (fixing as on 26 June 2017)) comes into force on the day after the date on which this Act receives the Royal assent.
- (9) Subpart 4 of Part 2 (accommodation supplement areas (regulations)) comes into force immediately after the commencement (immediately after the start of 1 April 2018) of clause 5(3) and (4) of the Social Security (Budget 2017—Rates of, and Areas for, Accommodation Supplement) Order 2017.

Section 2(4): amended (with effect on 20 December 2017), on 18 March 2019, by section 357(1) of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

Section 2(5): repealed (with effect on 20 December 2017), on 18 March 2019, by section 357(2) of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

Part 1

Income tax

Subpart 1—Best Start tax credit

Amendments to Income Tax Act 2007

3 Income Tax Act 2007 amended

Sections 4 to 23 amend the Income Tax Act 2007.

4 Section GB 44 amended (Arrangements involving tax credits for families)

- (1) In section GB 44(1)(b), replace “subparts MA to MF” with “subparts MA to MG”.
- (2) In section GB 44(2), replace “subparts MA to MF” with “subparts MA to MG”.

5 Section HR 8 amended (Transitional residents)

In section HR 8(5), replace “subparts MA to MF” with “subparts MA to MG”.

6 Section MA 1 amended (What this Part does)

In section MA 1(a), replace “subparts MA to MF” with “subparts MA to MG”.

7 Section MA 5 amended (Advice from outside agencies)

In section MA 5, replace “subparts MB to MF” with “subparts MB to MG”.

8 Section MA 6 amended (Avoidance arrangements)

In section MA 6, replace “subparts MB to MF” with “subparts MB to MG”.

9 Section MA 7 amended (Meaning of full-time earner for family scheme)

In section MA 7(1), in the words before the paragraphs, replace “subparts MB to MF” with “subparts MB to MG”.

10 Section MA 8 amended (Some definitions for family scheme)

- (1) In section MA 8, in the words before the definitions, replace “subparts MB to MF” with “subparts MB to MG”.
- (2) In section MA 8, after the definition of **abating WFF tax credit**, insert:

Best Start credit abatement means the component of the Best Start tax credit that is calculated using the formula in section MG 3 (Best Start credit abatement)

Best Start tax credit means a tax credit under section MG 1 (Best Start tax credit entitlement)

- (3) In section MA 8, repeal the definition of **family scheme**.
- (4) In section MA 8, replace the definition of **WFF tax credit** with:

WFF tax credit means a tax credit under—

- (a) section MD 1 (Abating WFF tax credit):
- (b) section ME 1 (Minimum family tax credit):
- (c) section MG 1 (Best Start tax credit entitlement)

11 Section MB 2 amended (Adjustment for period that is less or more than 1 year)

In section MB 2(2)(a), replace “subparts MB to MF” with “subparts MB to MG”.

12 Section MC 1 amended (What this subpart does)

- (1) In section MC 1(2)(d), replace “credit.” with “credit:” and insert:
 - (e) the Best Start tax credit, *see* section MG 1 (Best Start tax credit entitlement).
- (2) In section MC 1(3)(b), replace “credit.” with “credit:” and insert:
 - (c) the Best Start tax credit.
- (3) In section MC 1, in the list of defined terms, insert “Best Start tax credit”.

13 Section MC 5 amended (Third requirement: residence)

In section MC 5(2)(a)(ii), replace “section MD 1 (Abating WFF tax credit) or ME 1 (Minimum family tax credit)” with “section MD 1 (Abating WFF tax credit), ME 1 (Minimum family tax credit entitlement), or MG 1 (Best Start tax credit entitlement)”.

14 Section MC 6 amended (When person does not qualify)

- (1) In section MC 6(a) replace “an abating WFF tax credit” with “an abating WFF tax credit or a Best Start tax credit”.
- (2) In section MC 6(b)(iii), replace “pension.” with “pension:”, and insert:
 - (c) a Best Start tax credit, if they receive, in relation to a relevant dependent child,—
 - (i) a parental tax credit:
 - (ii) a parent’s allowance or a children’s pension:

- (iii) a parental leave payment or preterm baby payment under Part 7A of the Parental Leave and Employment Protection Act 1987.

- (3) In section MC 6, in the list of defined terms, insert “Best Start tax credit”.

15 Section MC 10 amended (Principal caregiver)

- (1) In the heading to section MC 10(2), replace “*family tax credit*” with “*family tax credit, Best Start tax credit*”.
- (2) In section MC 10(2), in the words before the paragraphs, replace “sections MD 3 and MZ 1 (which relate to family tax credit and the child tax credit)” with “sections MD 3, MG 1, and MZ 1 (which relate to certain tax credits for families)”.

16 Section MC 11 amended (Relationship periods and entitlement periods)

In section MC 11(1), in the words before the paragraphs, replace “subparts MB to MF” with “subparts MB to MG”.

17 Section MD 11 amended (Entitlement to parental tax credit)

After section MD 11(1)(a), insert:

- (ab) the dependent child is born before 1 July 2018, and, if the expected due date for the dependent child is on or after 1 July 2018, the person has elected in writing to apply this section; and

18 Section MF 1 amended (Application for payment of tax credit by instalment)

Replace section MF 1(1)(a) with:

- (a) a person who is a principal caregiver expects to be entitled, throughout a selected period, to a WFF tax credit; and

19 Section MF 2 amended (When person not entitled to payment by instalment)

- (1) Replace section MF 2(1)(b) with:

- (b) the chief executive is authorised by section 80KN of that Act to pay to the person—
 - (i) an abating WFF tax credit;
 - (ii) a Best Start tax credit; and
- (c) the chief executive does not ask the Commissioner under section 80KQ of that Act to accept from the person an application for a notice of entitlement.

- (2) In section MF 2, in the list of defined terms, insert “Best Start tax credit”.

20 Section MF 4 replaced (Requirements for calculating instalment of tax credit)

Replace section MF 4 with:

MF 4 Requirements for calculating instalment of tax credit

When this section applies

- (1) This section applies for an instalment by way of tax credit under—
 - (a) section MD 1 (Abating WFF tax credit):
 - (b) section ME 1 (Minimum family tax credit):
 - (c) section MG 1 (Best Start tax credit entitlement).

How to calculate instalment: period

- (2) The Commissioner must calculate the amount of the instalment as if the calculation period referred to in section MF 3 were a relationship period.

How to calculate instalment: amount

- (3) The Commissioner must calculate the amount of the instalment using—
 - (a) a value for family scheme income as directed by section MF 3(2)(c); and
 - (b) the amounts of family tax credit, in-work tax credit, child tax credit, parental tax credit, family credit abatement, minimum family tax credit, Best Start tax credit, and Best Start credit abatement set out in sections MD 3, MD 4, MD 11, MD 12, MD 13, ME 1, MG 2, and MG 3.

Instalment shown in complete dollars

- (4) The instalment is to be shown in a notice of entitlement in complete dollars.

Defined in this Act: amount, Best Start credit abatement, Best Start tax credit, child tax credit, Commissioner, family credit abatement, family scheme income, family tax credit, in-work tax credit, minimum family tax credit, notice of entitlement, parental tax credit, relationship period, tax credit

21 Section MF 7 amended (Orders in Council)

- (1) After section MF 7(1)(d), insert:

- (db) change the amounts in section MG 2(2)(a) (Best Start tax credit) by an amount that—
 - (i) corresponds to the movement in the New Zealand Consumers Price Index that has not yet been taken into account by an increase:
 - (ii) is rounded up to the nearest whole dollar, without affecting the calculation of later increases made under this paragraph:
- (dc) change the amounts in section MG 3(2)(a) (Best Start tax credit abatement):

- (2) After section MF 7(2), insert:

Order in Council under subsection (1)(db): requirements

- (2BA) An Order in Council under subsection (1)(db),—
- (a) in the case of the first Order in Council made under subsection (1)(db), must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on 1 July 2018 is 5% or more;
 - (b) in the case of a subsequent Order in Council under subsection (1)(db), must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on the date when the requirement to make the immediately preceding adjustment arose is 5% or more.
- (3) In section MF 7(2B), in the words before the paragraphs, replace “subsections (1)(a)(i) and (2)(a), (b), and (c)” with “subsections (1)(a)(i) and (db)(i), (2), and (2BA)”.

22 New subpart MG inserted (Best Start tax credit)

After subpart MF, insert:

Subpart MG—Best Start tax credit

MG 1 Best Start tax credit entitlement*Best Start tax credit for dependent child*

- (1) A person is entitled to a tax credit, the **Best Start tax credit**, for an entitlement period for a dependent child equal to an amount calculated using the formula in subsection (2), if—
- (a) the person qualifies under section MC 2 (Who qualifies for entitlements under family scheme?); and
 - (b) the person is a principal caregiver for the dependent child during the entitlement period; and
 - (c) the dependent child is aged less than 3 years old; and
 - (d) the dependent child is born—
 - (i) on or after 1 July 2018; or
 - (ii) before 1 July 2018, but the expected due date for the child is on or after 1 July 2018.

Best Start tax credit formula

- (2) The formula is—

Best Start tax credit – credit abatement.

Definition of items in formula

- (3) In the formula,—

- (a) **Best Start tax credit** is the person's Best Start tax credit for the entitlement period for the dependent child, calculated using the formula in section MG 2:
- (b) **credit abatement** is the person's Best Start credit abatement, calculated using the formula in section MG 3.

Extra instalment

- (4) This section is overridden by section 80KW of the Tax Administration Act 1994.

Defined in this Act: Best Start credit abatement, Best Start tax credit, dependent child, entitlement period, principal caregiver

MG 2 Best Start tax credit

Best Start tax credit for dependent child

- (1) For the purposes of section MG 1(3)(a), the person's Best Start tax credit for the entitlement period for the dependent child is calculated using the formula—
$$\text{prescribed amount} \times \text{days} \div 365.$$

Definition of items in formula

- (2) In the formula,—
 - (a) **prescribed amount** is, for the dependent child, \$3,120:
 - (b) **days** is the number of days in the entitlement period.

If dependent child dies during entitlement period

- (3) The person continues to be entitled to the Best Start tax credit for 4 weeks after the dependent child dies, if the person otherwise meets the requirements of section MG 1(1).

Order in Council increasing amount

- (4) The amount in subsection (2)(a) may be changed as prescribed by the Governor-General by Order in Council under section MF 7 (Orders in Council).

When another person cares for dependent child

- (5) A Best Start tax credit must be reduced in proportion to the time in the entitlement period that the dependent child spends in the exclusive care of another person who qualifies under section MC 2 (Who qualifies for entitlements under family scheme?).

Defined in this Act: amount, Best Start tax credit, dependent child, entitlement period

MG 3 Best Start credit abatement

When this section applies

- (1) For the purposes of section MG 1(3)(b) the person's Best Start credit abatement for the entitlement period is calculated using the formula—
$$\text{full-year abatement} \times \text{days} \div 365.$$

Definition of items in formula

- (2) In the formula,—
- (a) **full-year abatement** is,—
- (i) if the person has no spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income for the relationship period containing the entitlement period is more than \$79,000, 21 cents for each complete dollar of the excess; or
- (ii) if the person has a spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for the relationship period containing the entitlement period is more than \$79,000, 21 cents for each complete dollar of the excess:
- (b) **days** is the number of days in the entitlement period excluding—
- (i) the days on which the dependent child is less than 1 year old:
- (ii) the days of any calendar months in which the person receives protected Best Start tax credit as described in section MG 4.

Order in Council increasing amount

- (3) The amounts in subsection (2)(a) may be changed as prescribed by the Governor-General by Order in Council under section MF 7 (Orders in Council).

Defined in this Act: amount, Best Start credit abatement, Best Start tax credit, civil union partner, de facto partner, dependent child, entitlement period, family scheme income, income-tested benefit, protected Best Start tax credit, relationship period, spouse

MG 4 Person receiving protected Best Start tax credit*Requirements*

- (1) For the purposes of section MG 3(2)(b)(ii), a person who receives protected Best Start tax credit for a calendar month in an entitlement period, is a person who, in the calendar month,—
- (a) has no spouse, civil union partner, or de facto partner, receives an income-tested benefit, and derives family scheme income that is less than the amount set out in section MG 3(2)(a)(i):
- (b) has a spouse, civil union partner, or de facto partner, receives an income-tested benefit, and derives family scheme income that together with the family scheme income of their spouse, civil union partner, or de facto partner is less than the amount set out in section MG 3(2)(a)(ii).

Annualised equivalent

- (2) Section MB 2 (Adjustment for period that is less or more than 1 year) applies to adjust the amount of family scheme income to provide an annualised equivalent.

Defined in this Act: amount, Best Start tax credit, civil union partner, de facto partner, entitlement period, family scheme income, income-tested benefit, protected Best Start tax credit, spouse

23 Section YA 1 amended (Definitions)

- (1) This section amends section YA 1.
- (2) In the definition of **abating WFF tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (3) Insert, in appropriate alphabetical order:
Best Start credit abatement is defined in section MA 8 (Some definitions for family scheme) for the purposes of subparts MA to MG and MZ (which relate to tax credits for families)
- (4) Insert, in appropriate alphabetical order:
Best Start tax credit is defined in section MA 8 (Some definitions for family scheme) for the purposes of subparts MA to MG and MZ (which relate to tax credits for families)
- (5) In the definition of **chief executive**, replace “subparts MA to MF” with “subparts MA to MG”.
- (6) In the definition of **child**, in the words before the paragraphs, replace “subparts MA to MF” with “subparts MA to MG”.
- (7) In the definition of **child tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (8) In the definition of **civil union partner**, replace “subparts MA to MF” with “subparts MA to MG”.
- (9) In the definition of **dependent child**,—
- (a) in paragraph (b), replace the words before the subparagraphs with:
for the purposes of the child tax credit and WFF tax credits other than the Best Start tax credit, does not include a child in relation to whom—
- (b) in paragraph (c), replace the words before the subparagraphs with:
despite paragraph (b)(i), for the purposes of the child tax credit and WFF tax credits other than the Best Start tax credit, includes a child or a young person, as defined in section 2(1) of the Oranga Tamariki Act 1989,—
- (c) in paragraph (c)(iii), replace “person” with “person:”, and insert:
- (d) for the purposes of the Best Start tax credit, includes a child for whom a person receives—
- (i) payments under section 363 of the Oranga Tamariki Act 1989:

- (ii) a benefit paid under section 28 or 29 of the Social Security Act 1964
- (10) In the definition of **entitlement period**, replace “subparts MA to MF” with “subparts MA to MG”.
- (11) In the definition of **family credit abatement**, replace “subparts MA to MF” with “subparts MA to MG”.
- (12) Replace the definition of **family scheme** with:
family scheme means all the entitlements and tax credits for families arising under subparts MA to MG and MZ
- (13) In the definition of **family scheme income**, replace “subparts MA to MF” with “subparts MA to MG”.
- (14) In the definition of **family tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (15) In the definition of **full-time earner**, replace “subparts MA to MF” with “subparts MA to MG”.
- (16) In the definition of **in-work tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (17) In the definition of **minimum family tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (18) In the definition of **net family scheme income**, replace “subparts MA to MF” with “subparts MA to MG”.
- (19) In the definition of **New Zealand resident**, in paragraph (b), replace “subparts MA to MF” with “subparts MA to MG”.
- (20) In the definition of **parental tax credit**, replace “subparts MA to MF” with “subparts MA to MG”.
- (21) Insert, in appropriate alphabetical order:
protected Best Start tax credit, for a person, means an amount of family scheme income derived in the way set out in section MG 4 (Person receiving protected Best Start tax credit)
- (22) In the definition of **relationship period**, replace “subparts MA to MF” with “subparts MA to MG”.
- (23) In the definition of **separated person**, replace “subparts MA to MF” with “subparts MA to MG”.
- (24) In the definition of **social assistance payment**, replace “subparts MA to MF” with “subparts MA to MG”.
- (25) In the definition of **spouse**, replace “subparts MA to MF” with “subparts MA to MG”.

Amendments to Tax Administration Act 1994

24 Tax Administration Act 1994 amended

Sections 25 to 40 amend the Tax Administration Act 1994.

25 Section 3 amended (Interpretation)

In section 3(1),—

(a) in the definition of **family notice of entitlement**, delete “in subparts MA to MF and MZ of the Income Tax Act 2007”:

(b) insert, in appropriate alphabetical order,—

family scheme has the same meaning as in section YA 1 of the Income Tax Act 2007

26 Section 24F amended (Special tax codes)

In section 24F(5), replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “the family scheme”.

27 Section 41 amended (Annual returns by persons who receive family assistance credit)

(1) In the heading to section 41, replace “**family assistance credit**” with “**credit under family scheme**”.

(2) In section 41(1), replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “the family scheme”.

(3) In section 41(3)(a), replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “the family scheme”.

(4) In section 41(3)(b), replace “family assistance credit or a minimum family tax credit” with “a tax credit under the family scheme”.

(5) In section 41(6), replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “the family scheme”.

28 Section 80KB amended (Contents of application)

(1) In section 80KB(1)(c), replace the words before the subparagraphs with:
unless the only tax credit the person expects to be entitled to for the relevant tax year is the Best Start tax credit and all dependent children will be less than 1 year old on the last day of the tax year, give for each person who signed the application (the signatory) a complete statement of—

(2) Replace section 80KB(1)(f) with:

(f) be accompanied by the information described in subsection (2), unless the only tax credit the person expects to be entitled to for the relevant tax year is the Best Start tax credit and all dependent children will be less than 1 year old on the last day of the tax year; and

(g) be accompanied by the information described in subsection (2)(c) and (d), if the only tax credit the person expects to be entitled to for the relevant tax year is the Best Start tax credit and all dependent children will be less than 1 year old on the last day of the tax year.

- (3) In section 80KB(2), replace the words before the paragraphs with
The information for the purposes of subsection (1)(f) and (g) is—

29 Section 80KC amended (When tax file number of child does not accompany application)

In section 80KC(2)(b), replace “section MA 1 or, as applicable, sections MB 1 and ME 1 of the Income Tax Act 2007” with “the family scheme”.

30 Section 80KD amended (What Commissioner must do on receipt of application)

In section 80KD(2)(a), replace “sections MD 1, or sections MD 1 and ME 1 of the Income Tax Act 2007, as applicable” with “the family scheme”.

31 Section 80KK amended (Payment by instalment of family tax credit (without abatement))

- (1) In the heading to section 80KK, replace “family tax credit” with “family tax credit and Best Start tax credit”.
- (2) In section 80KK(1), replace “family tax credit” with “—”, and insert:
- (a) the family tax credit:
 - (b) the Best Start tax credit.
- (3) In section 80KK(2), replace “the family tax credit by instalment and without abatement.” with “the following tax credits by instalment and without abatement:”, and insert:
- (a) the family tax credit:
 - (b) the Best Start tax credit.
- (4) In section 80KK(4), replace “the family tax credit for part of the 56-day period referred to in subsection (3)(b)(ii).” with “the following tax credits for part of the 56-day period referred to in subsection (3)(b)(ii):”, and insert:
- (a) the family tax credit:
 - (b) the Best Start tax credit.
- (5) In section 80KK(5), replace “the family tax credit” with “the family tax credit or the Best Start tax credit, as applicable”.

32 Section 80KN amended (Payment of tax credit by chief executive)

- (1) In section 80KN(1)(b)(i), replace “family credit abatement is” with “family credit abatement or the Best Start credit abatement, as applicable, is”.

- (2) In section 80KN(1)(b)(ii), replace “family credit abatement is” with “family credit abatement or the Best Start credit abatement, as applicable, is”.

33 Section 80KO amended (Determining WFF tax credit)

- (1) In section 80KO(a), replace “family credit abatement” with “family credit abatement or Best Start credit abatement”.
- (2) In section 80KO(b), replace “Act.” with “Act; and”, and insert:
- (c) take into account the rate of Best Start tax credit and the Best Start credit abatement given by sections MG 2 and MG 3 of that Act.

34 Section 80KP amended (When entitlement to income-tested benefit ends)

- (1) In section 80KP(1)(b), replace “their family tax credit continued.” with “their following tax credits continued.”, and insert:
- (i) the family tax credit:
- (ii) the Best Start tax credit.
- (2) In section 80KP(2), replace “the family tax credit” with “the family tax credit or the Best Start tax credit, as applicable,”.

35 Section 80KU amended (Payment of tax credit taken over by Commissioner)

- (1) In section 80KU(1)(b), replace “or minimum family tax credit” with “minimum family tax credit, or Best Start tax credit”.
- (2) In section 80KU(1)(c), replace “the tax credit under section MD 1 of the Income Tax Act 2007 for the period described in subsection (3)” with “the following tax credits for the period described in subsection (3):”, and insert:
- (i) the tax credit under section MD 1 of the Income Tax Act 2007:
- (ii) the tax credit under section MG 1 of that Act.

36 Section 80KV amended (Statement of family scheme income)

In section 80KV(1), replace “tax year” with “tax year, unless the only tax credit the person expects to be entitled to for the tax year is the Best Start tax credit and all dependent children will be less than 1 year old on the last day of the tax year”.

37 Section 80KW amended (Effect of extra instalment on entitlement to tax credit)

- (1) After section 80KW(4)(a)(ii), insert:
- (iii) section MG 1 of that Act, if the person is entitled to the Best Start tax credit:
- (2) After section 80KW(7)(a)(ii), insert:

(iii) section MG 1 of that Act, if the person is entitled to the Best Start tax credit:

38 Section 85I amended (Use of Parental Leave and Employment Protection Act 1987 and parental tax credit information to determine entitlement)

- (1) In the heading to section 85I, replace “**and parental tax credit**” with “**, Best Start tax credit, and parental tax credit**”.
- (2) In section 85I(3), replace “a parental tax credit under section MD 11 of the Income Tax Act 2007” with “a parental tax credit under section MD 11 of the Income Tax Act 2007 or a Best Start tax credit under section MG 1 of that Act, as applicable,”.

39 Section 89C amended (Notices of proposed adjustment required to be issued by Commissioner)

In section 89C(m), replace “identified in subparts MA to MF and MZ of the Income Tax Act 2007” with “under the family scheme”.

40 Section 185 amended (Payment out of Crown Bank Account)

In section 185(1)(e), replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “the family scheme”.

Amendments to other enactments

41 Schedule 2 of the Housing Restructuring and Tenancy Matters Act 1992 amended (Prescribed elements of calculation mechanism)

Replace Schedule 2, clause 10(a)(ii) of the Housing Restructuring and Tenancy Matters Act 1992 with:

(ii) received as a parental tax credit, child tax credit, in-work tax credit, or Best Start tax credit under subparts MA to MG and MZ of the Income Tax Act 2007; or

42 Section 3 of the Social Security Act 1964 amended (Interpretation)

In section 3(1) of the Social Security Act 1964, in paragraph (f)(xviii) of the definition of **income**, replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “subparts MA to MG and MZ of the Income Tax Act 2007”.

43 Section 61G of the Social Security Act 1964 amended (Temporary additional support)

In section 61G(7) of the Social Security Act 1964, in the definition of **tax credit**, replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “subparts MA to MG and MZ of the Income Tax Act 2007”.

44 Clause 13 of the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Order 2017 amended (Procedure before adverse action taken)

- (1) In clause 13(3)(a)(ii) of the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Order 2017, replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “subparts MA to MG and MZ of the Income Tax Act 2007”.
- (2) In clause 13(3)(b)(i) of the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Order 2017, replace “subparts MA to MF and MZ of the Income Tax Act 2007” with “subparts MA to MG and MZ of the Income Tax Act 2007”.

45 Clause 1 of the Taxation (Abated Interim Payments of subparts MA to MF and MZ Credit) Regulations 2002 amended (Title)

In clause 1 of the Taxation (Abated Interim Payments of subparts MA to MF and MZ Credit) Regulations 2002, replace “subparts MA to MF and MZ” with “subparts MA to MG and MZ”.

Subpart 2—Working for families

Taxation (Budget Measures: Family Incomes Package) Act 2017 repealed

- 46 Taxation (Budget Measures: Family Incomes Package) Act 2017 repealed**
Repeal the Taxation (Budget Measures: Family Incomes Package) Act 2017.

Income Tax Act 2007 amended

47 Income Tax Act 2007 amended

Sections 48 to 57 amend the Income Tax Act 2007.

48 Section MD 3 amended (Calculation of family tax credit)

[Repealed]

Section 48: repealed (with effect on 20 December 2017), on 18 March 2019, by section 358 of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

49 Section MD 3 amended (Calculation of family tax credit)

[Repealed]

Section 49: repealed (with effect on 20 December 2017), on 18 March 2019, by section 358 of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

50 Section MD 13 amended (Calculation of family credit abatement)*[Repealed]*

Section 50: repealed (with effect on 20 December 2017), on 18 March 2019, by section 358 of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

51 Section MD 13 amended (Calculation of family credit abatement)*[Repealed]*

Section 51: repealed (with effect on 20 December 2017), on 18 March 2019, by section 358 of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

52 Section ME 1 amended (Minimum family tax credit)

- (1) In section ME 1(3)(a), replace “\$23,816” with “\$26,156”.
- (2) This section applies for the 2018–19 and later tax years.

53 Section MF 4D repealed (Calculation of instalments: 1 April 2010 to 30 September 2010)

Section MF 4D is repealed.

54 Section MF 4E repealed (Calculation of instalments: 1 October 2010 to 31 March 2011)

Section MF 4E is repealed.

55 New sections MF 4F and MF 4G inserted

Before section MF 5, insert:

MF 4F Calculation of instalments: 1 April 2018 to 30 June 2018*When this section applies*

- (1) This section applies for calculating the amount of an instalment by way of tax credit for the abating WFF tax credit for the period starting on 1 April 2018 and finishing on 30 June 2018.

Family tax credit formula: section MD 3

- (2) The instalments for the relevant tax credit are calculated using, for the calculation of the family tax credit, the formula—

$$\text{prescribed amount} \times \text{days} \div 365.$$

Definition of items in formula

- (3) The items in the formula in subsection (2) are defined in subsections (4) and (5).

Prescribed amount

- (4) **Prescribed amount** is the sum of the following amounts:

- (a) for the eldest dependent child for whom the person is a principal caregiver during the entitlement period, 1 of the following, as applicable:
 - (i) \$4,822, if the child is younger than 16:
 - (ii) \$5,303, if the child is 16 or older:
 - (iii) a weighted average of the amounts in subparagraphs (i) and (ii) that reflects the proportion of the period for which those subparagraphs apply to the child, if the child turns 16 during the entitlement period; and
- (b) for each dependent child for whom the person is a principal caregiver during the entitlement period, other than the eldest dependent child, 1 of the following, as applicable:
 - (i) \$3,351, if the child is younger than 13:
 - (ii) \$3,822, if the child is 13, 14, or 15:
 - (iii) \$4,745, if the child is 16 or older:
 - (iv) a weighted average of the amounts in subparagraphs (i) and (ii) that reflects the proportion of the period for which those subparagraphs apply to the child, if the child turns 13 during the entitlement period:
 - (v) a weighted average of the amounts in subparagraphs (ii) and (iii) that reflects the proportion of the entitlement period for which those subparagraphs apply to the child, if the child turns 16 during the entitlement period.

Days

- (5) **Days** is the number of days in the entitlement period.

When another person cares for dependent child

- (6) A family tax credit must be reduced in proportion to the time in the entitlement period that a dependent child spends in the exclusive care of another person who qualifies under section MC 2 (Who qualifies for entitlements under family scheme?).

Family credit abatement formula: section MD 13

- (7) The instalments for the relevant tax credit are calculated using, for the calculation of the family credit abatement, the formula—

$$\text{full-year abatement} \times \text{days} \div 365.$$

Definition of items in formula

- (8) In the formula in subsection (7),—

- (a) **full-year abatement** is,—

- (i) if the person has no spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income for the relationship period containing the entitlement

period is more than \$36,350, 22.5 cents for each complete dollar of the excess; or

- (ii) if the person has a spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for the relationship period containing the entitlement period is more than \$36,350, 22.5 cents for each complete dollar of the excess:

- (b) **days** is the number of days in the entitlement period excluding the days of any calendar months in which the person receives protected family tax credit as described in section MD 14 (Person receiving protected family tax credit).

When 70-day period includes 31 March

- (9) If a person who qualifies under section MC 2 receives instalments of the parental tax credit in a 70-day period that includes 31 March, the formula in subsection (7) is applied so that—

- (a) instalments of the parental tax credit received in the first tax year are abated against the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for that tax year; and
- (b) instalments of the parental tax credit received in the second tax year are abated against the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for that tax year.

Relationship with subject matter

- (10) Sections MD 14 to MD 16 (which relate to family credit abatement), with necessary modifications, apply to the calculation of the family credit abatement in subsection (7).

Defined in this Act: amount, child, civil union partner, de facto partner, dependent child, entitlement period, family credit abatement, family scheme income, family tax credit, full-time earner, parental tax credit, principal caregiver, protected family tax credit, relationship period, spouse, tax credit, tax year

MF 4G Calculation of instalments: 1 July 2018 to 31 March 2019

When this section applies

- (1) This section applies for calculating the amount of an instalment by way of tax credit for the abating WFF tax credit for the period starting on 1 July 2018 and finishing on 31 March 2019.

Family tax credit formula: section MD 3

- (2) The instalments for the relevant tax credit are calculated using, for the calculation of the family tax credit, the formula—

$$\text{prescribed amount} \times \text{days} \div 365.$$

Definition of items in formula

- (3) The items in the formula in subsection (2) are defined in subsections (4) and (5).

Prescribed amount

- (4) **Prescribed amount** is the sum of the following amounts:
- (a) for the eldest dependent child for whom the person is a principal caregiver during the entitlement period, 1 of the following, as applicable:
 - (i) \$5,878, if the child is younger than 16:
 - (ii) \$5,878, if the child is 16 or older:
 - (b) for each dependent child for whom the person is a principal caregiver during the entitlement period, other than the eldest dependent child, 1 of the following, as applicable:
 - (i) \$4,745, if the child is younger than 13:
 - (ii) \$4,745, if the child is 13, 14, or 15:
 - (iii) \$4,745, if the child is 16 or older.

Days

- (5) **Days** is the number of days in the entitlement period.

When another person cares for dependent child

- (6) A family tax credit must be reduced in proportion to the time in the entitlement period that a dependent child spends in the exclusive care of another person who qualifies under section MC 2 (Who qualifies for entitlements under family scheme?).

Family credit abatement formula: section MD 13

- (7) The instalments for the relevant tax credit are calculated using, for the calculation of the family credit abatement, the formula—

$$\text{full-year abatement} \times \text{days} \div 365.$$

Definition of items in formula

- (8) In the formula in subsection (7),—
- (a) **full-year abatement** is,—
 - (i) if the person has no spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income for the relationship period containing the entitlement period is more than \$42,700, 25 cents for each complete dollar of the excess; or
 - (ii) if the person has a spouse, civil union partner, or de facto partner during the entitlement period, and the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for the

relationship period containing the entitlement period is more than \$42,700, 25 cents for each complete dollar of the excess:

- (b) **days** is the number of days in the entitlement period, excluding the days of any calendar months in which the person receives protected family tax credit as described in section MD 14 (Person receiving protected family tax credit).

When 70-day period includes 31 March

- (9) If a person who qualifies under section MC 2 receives instalments of the parental tax credit in a 70-day period that includes 31 March, the formula in subsection (7) is applied so that—
- (a) instalments of the parental tax credit received in the first tax year are abated against the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for that tax year; and
- (b) instalments of the parental tax credit received in the second tax year are abated against the person's family scheme income, the family scheme income of their spouse, civil union partner, or de facto partner, or the sum of those incomes for that tax year.

Relationship with subject matter

- (10) Sections MD 14 to MD 16 (which relate to family credit abatement), with necessary modifications, apply to the calculation of the family credit abatement in subsection (7).

Defined in this Act: amount, child, civil union partner, de facto partner, dependent child, entitlement period, family credit abatement, family scheme income, family tax credit, full-time earner, parental tax credit, principal caregiver, protected family tax credit, relationship period, spouse, tax credit, tax year

56 Section MF 7 amended (Orders in Council)

- (1) Replace section MF 7(1)(a)(i) with:
- (i) correspond to the movement in the New Zealand Consumers Price Index that has not yet been taken into account by an increase:
- (2) Replace section MF 7(2)(a) and (b) with:
- (a) in the case of the first Order in Council made under subsection (1)(a), must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on 1 October 2008 is 5% or more:
- (b) in the case of the second Order in Council under subsection (1)(a), must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on 1 July 2018 is 5% or more:
- (c) in the case of a subsequent Order in Council under subsection (1)(a), must be made when the total percentage increase in the movement in the

New Zealand Consumers Price Index measured from that applying on the date when the requirement to make the immediately preceding adjustment arose is 5% or more.

- (3) Replace section MF 7(2B) with:

How movement in CPI determined

- (2B) For the purposes of subsections (1)(a)(i) and (2)(a), (b), and (c), a movement in the New Zealand Consumers Price Index over a period is determined by comparing the following numbers:
- (a) the number that, when the period started, was the most recent quarterly index number of the New Zealand Consumers Price Index all groups excluding cigarettes and other tobacco products:
 - (b) the number that, when the period ended, was the most recent quarterly index number of the New Zealand Consumers Price Index all groups excluding cigarettes and other tobacco products.

- (4) This section applies for the 2018–19 and later tax years.

57 Section MF 7 amended (Orders in Council)

[Repealed]

Section 57: repealed (with effect on 20 December 2017), on 18 March 2019, by section 358 of the Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5).

Amendments to Taxation (Annual Rates and Budget Measures) Act 2011

58 Taxation (Annual Rates and Budget Measures) Act 2011 amended

Repeal sections 2(3), (4), and (5), 5(2), (3), and (4), and 14B of the Taxation (Annual Rates and Budget Measures) Act 2011.

**Part 2
Benefits**

Subpart 1—Winter energy payment

59 Social Security Act 1964 amended

Sections 60 to 67 amend the Social Security Act 1964.

60 Section 3 amended (Interpretation)

- (1) In section 3(1), definition of **benefit**, after paragraph (b)(iii), insert:

(iiia) a winter energy payment:

- (2) In section 3(1), definition of **dependent child**, after paragraph (e), insert:

(f) for the purposes of clause 1(a) and (b) of Schedule 18A (rates of winter energy payment), has the meaning given to it by clause 2 of Schedule 18A

(3) In section 3(1), insert in its appropriate alphabetical order:

winter energy payment means a winter energy payment payable under Part 1KA

61 New Part 1KA inserted

After Part 1K, insert:

Part 1KA Winter energy payment

61FE Winter energy payment: purpose

The purpose of the winter energy payment is to provide targeted financial assistance to help certain people meet their household heating costs during the winter period.

61FF Winter energy payment: interpretation

In this Part and Schedule 18A, unless the context otherwise requires,—

qualifying benefit means—

- (a) a main benefit under this Act; or
- (b) New Zealand superannuation; or
- (c) veteran's pension

relevant payment date, for a person who is receiving a qualifying benefit (or a portion of it), either as the person granted that benefit or as the spouse or partner of that person, for 1 or more days during the winter period, means the date on which the person is paid a weekly or fortnightly instalment of the person's qualifying benefit (or a portion of it) for those days

winter period, for a calendar year, means the 22-week period starting on 1 May.

61FG Winter energy payment: eligibility requirements

- (1) A person is entitled to a winter energy payment for 1 or more days during the winter period if, for those days,—
 - (a) the person is receiving a qualifying benefit (or a portion of it), either as the person granted that benefit or as the spouse or partner of that person; and
 - (b) the qualifying benefit (or a portion of it) is payable to the person; and
 - (c) the person is not disqualified under subsection (2).

- (2) However, the person is not entitled to a winter energy payment for 1 or more days during the winter period if, for those days,—
- (a) the qualifying benefit is payable at a rate prescribed in respect of a person who is married or in a civil union or in a de facto relationship, and the chief executive has determined under subsection (3) that the person's spouse or partner is entitled to a winter energy payment; or
 - (b) the rate of the person's qualifying benefit is required by section 75(3) to be reduced to the rate payable to long-term hospital patients, and the payment has been reviewed under section 81(1) and terminated under section 81(5); or
 - (c) the person is receiving long-term residential care in a hospital or rest home, and that care is funded, in whole or in part, under the New Zealand Public Health and Disability Act 2000; or
 - (d) the person is receiving residential care services, and those services are funded, in whole or in part, under the New Zealand Public Health and Disability Act 2000; or
 - (e) the person has made, and not revoked, an election not to receive the payment (*see* section 61FH).
- (3) If the qualifying benefit is payable at a rate prescribed in respect of a person who is married or in a civil union or in a de facto relationship, the chief executive must determine which 1 of the spouses or partners is (as only 1 of them can be) entitled to a winter energy payment.

61FH Winter energy payment: election not to receive

- (1) A person entitled to a winter energy payment may make an election not to receive the payment.
- (2) If the payment would be payable at a rate prescribed in respect of a person who is married or in a civil union or in a de facto relationship, the chief executive must be satisfied that the election has been made by both spouses or partners.
- (3) The election must be made, and may be revoked, in a form and manner approved by the chief executive.
- (4) Unless it is revoked, the election stops the person from being entitled to the payment for any days after the election is made.

61FI Winter energy payment: instalments, rates, and payment

- (1) A winter energy payment is payable,—
 - (a) if the person's qualifying benefit is a main benefit under this Act, in 22 weekly instalments; or
 - (b) if the person's qualifying benefit is New Zealand superannuation or a veteran's pension, in 11 fortnightly instalments.

- (2) The amount of an instalment is ascertained by dividing the appropriate rate per winter period set out in Schedule 18A,—
 - (a) for recipients of a main benefit under this Act, by 22; or
 - (b) for recipients of New Zealand superannuation or a veteran’s pension, by 11.
- (3) However, the amount ascertained under subsection (2) must be rounded up to the nearest whole cent, and then reduced to reflect any 1 or more days of the week or fortnight covered by the instalment that are days for which—
 - (a) the person is not entitled to the payment; or
 - (b) the payment is not payable (for example, under section 61FJ).
- (4) An instalment must be paid on the relevant payment date.
- (5) The winter energy payment must not be paid in advance.
- (6) This section overrides sections 11D, 80, and 82(1), (2), and (6).

61FJ Winter energy payment: effect of absence of beneficiary from New Zealand

- (1) The winter energy payment is not payable for 1 or more days while a beneficiary is absent from New Zealand unless it is so payable under subsection (2).
- (2) The winter energy payment is payable to a beneficiary for 1 or more days during any 1 or more absences of the beneficiary from New Zealand so long as each such absence is equal to or shorter than 4 weeks during the winter period and—
 - (a) the payment would, but for those 1 or more absences, be payable to the beneficiary; and
 - (b) the chief executive is satisfied that the 1 or more absences do not affect the beneficiary’s eligibility for the payment under section 61FG.
- (3) Section 77 does not apply to the winter energy payment.

62 Section 61H amended (Rates of benefits, etc, may be increased by Order in Council)

In section 61H(1)(d), after “18,”, insert “18A,”.

63 Section 72 amended (Limitation where applicant receiving another benefit or pension)

In section 72(a), after “61EA,”, insert “61FG,”.

64 Section 81 amended (Review of benefits)

After section 81(4), insert:

- (5) The chief executive may terminate a winter energy payment if satisfied, after reviewing the payment under subsection (1), that—

- (a) the rate of the beneficiary's qualifying benefit (under section 61FG(1)(a)) is required by section 75(3) to be reduced to the rate payable to long-term hospital patients (even if a higher rate is paid under section 75(4)); and
- (b) continuing the payment is not consistent with the purpose stated in section 61FE.

65 Section 82 amended (Payment of benefits)

In section 82(2A), replace “and jobseeker support” with “jobseeker support, and a winter energy payment”.

66 New Schedule 18A inserted

After Schedule 18, insert the Schedule 18A set out in Schedule 1 of this Act.

67 New Part 7 of Schedule 32 inserted

In Schedule 32, after Part 6, insert the Part 7 set out in Part 1 of Schedule 2 of this Act.

68 Consequential amendments

Amend the Acts listed in Schedule 3 as indicated in that schedule.

Subpart 2—Rates of orphan's benefit and unsupported child's benefit

69 Social Security Act 1964 amended

Section 70 amends the Social Security Act 1964.

70 Schedule 4 amended

- (1) This section amends the rates in Schedule 4, clause 1(a), (b), (c), and (d) as in force immediately before 1 July 2018.
- (2) Those rates are on that date replaced with new rates calculated by adding to each of those rates \$20.31.
- (3) This section does not limit or affect increases or adjustments (for example, under section 61H or 61HA) effective before 1 July 2018 to those rates.

Subpart 3—Accommodation supplement areas (fixing as on
26 June 2017)

71 Social Security Act 1964 amended

Sections 72 to 74 amend the Social Security Act 1964.

72 Section 61I amended (Areas for accommodation supplement purposes may be altered by Order in Council)

- (1) In section 61I(1)(a), replace “are from time to time” with “were on 26 June 2017”.

- (2) In section 61I(1)(c), replace “Area 2; or” with “Area 2.”
- (3) Repeal section 61I(1)(d).

73 Schedule 18 amended

In Schedule 18, Part 1, clause 1, definitions of **Area 1**, **Area 2**, and **Area 3**, replace “as from time to time” with “as on 26 June 2017”.

74 New Part 6 of Schedule 32 inserted

In Schedule 32, after Part 5, insert the Part 6 set out in Part 2 of Schedule 2 of this Act.

Subpart 4—Accommodation supplement areas (regulations)

75 Social Security Act 1964 amended

Sections 76 to 78 amend the Social Security Act 1964.

76 Section 3 amended (Interpretation)

In section 3(1), insert in its appropriate alphabetical order:

Area 1, Area 2, Area 3, and Area 4—

- (a) are defined in regulations made under section 61I for the purposes of Part 1K and Schedule 18 (accommodation supplement); but
- (b) until the commencement of the first regulations made under that section, refer to the terms defined in clause 1 of Part 1 of Schedule 18

77 Section 61I replaced (Areas for accommodation supplement purposes may be altered by Order in Council)

Replace section 61I with:

61I Regulations defining accommodation supplement areas

- (1) The Governor-General may, by Order in Council, make regulations that, for the purposes of Part 1K and Schedule 18, define Area 1, Area 2, Area 3, and Area 4 (*see* the definitions of those terms in section 3(1), and section 61IA).
- (2) Section 61H(2) and (5) applies, with any necessary modifications, to any Order in Council made under subsection (1) as if that order had been made under section 61H(1).

78 Schedule 18 amended

In Schedule 18, Part 1, clause 1, repeal the definitions of **Area 1**, **Area 2**, **Area 3**, and **Area 4** on the commencement of the first regulations made under section 61I (inserted by the Families Package (Income Tax and Benefits) Act 2017).

Schedule 1
New Schedule 18A inserted

s 66

Schedule 18A
Rates of winter energy payment

ss 61FF, 61FI

- 1 The rates of winter energy payment are as follows:
- | | | |
|-----|---|-------------------------|
| (a) | to a person who is single and has no dependent children | \$450 per winter period |
| (b) | to a person who is single and has 1 or more dependent children | \$700 per winter period |
| (c) | to a person who is married, in a civil union, or in a de facto relationship, and who is the 1 spouse or partner who is entitled under section 61FG(3) | \$700 per winter period |
- 2 For the purposes of clause 1(a) and (b), **dependent child**, in relation to a person, means any other person who—
- is a child—
 - whose care is primarily the responsibility of the person; and
 - who is being maintained as a member of that person's family; and
 - who is financially dependent on that person; and
 - may be, but need not be, a child in respect of whom payments are being made under section 363 of the Oranga Tamariki Act 1989; and
 - may be, but need not be, a child in respect of whom an orphan's benefit or an unsupported child's benefit is being paid; and
 - is not a child in respect of whom a young parent payment is being paid in relation to a person who is not the child's parent or step-parent.

Schedule 2
New Parts 6 and 7 of Schedule 32 inserted

ss 67, 74

Part 1
New Part 7 of Schedule 32 inserted

Part 7
Families Package (Income Tax and Benefits) Act 2017:
winter energy payment

29 Eligibility based on qualifying benefit

- (1) This clause applies to a person who, on or after 1 July 2018, is receiving a qualifying benefit (or a portion of it), either as the person granted that benefit or as the spouse or partner of that person.
- (2) Section 61FG(1)(a) applies to the person regardless of whether—
 - (a) the person's, or the person's spouse's or partner's, entitlement to that benefit arose before, on, or after 1 July 2018;
 - (b) the person, or the person's spouse or partner, was granted that benefit before, on, or after 1 July 2018;
 - (c) the person, or the person's spouse or partner, started receiving that benefit (or a portion of it) before, on, or after 1 July 2018.

30 Special winter period, instalments, and rates for 2018

- (1) For the purposes of Part 1KA and Schedule 18A, **winter period**, for the 2018 calendar year, means (despite section 61FF) the 13-week period starting on 1 July.
- (2) For the 2018 calendar year,—
 - (a) “22 weekly instalments” in section 61FI(1)(a) must be read as “13 weekly instalments”; and
 - (b) “11 fortnightly instalments” in section 61FI(1)(b) must be read as “6 fortnightly instalments”; and
 - (c) “by 22” in section 61FI(2)(a) must be read as “by 13”; and
 - (d) “by 11” in section 61FI(2)(b) must be read as “by 6”; and
 - (e) “\$450 per winter period” in clause 1(a) of Schedule 18A must be read as “\$265.91 per winter period”; and
 - (f) “\$700 per winter period” in clause 1(b) and (c) of Schedule 18A must be read as “\$413.64 per winter period”.

- (3) An order made under section 61H(1) may increase the rates per winter period (for the 2018 calendar year) set out in subclause (2)(e) and (f).

Part 2

New Part 6 of Schedule 32 inserted

Part 6

Families Package (Income Tax and Benefits) Act 2017: accommodation supplement areas

27 Parts of New Zealand taken to be as defined on 26 June 2017

- (1) This clause applies to—
- (a) a part of New Zealand that is any urban area, urban zone, or area unit of New Zealand referred to in Part 1K or Schedule 18; and
 - (b) the period starting on 26 June 2017 and ending on the day after the date on which the Families Package (Income Tax and Benefits) Act 2017 receives the Royal assent.
- (2) That part of New Zealand must for that period be—
- (a) taken to be that part of New Zealand as on 26 June 2017 defined by the Government Statistician; and
 - (b) taken never to have been later redefined by the Government Statistician.

28 Continuation of Budget 2017 order

- (1) This clause applies to—
- (a) the amendments made by the Families Package (Income Tax and Benefits) Act 2017, on the day after the date on which that Act receives the Royal assent, to section 61I(1) (for example, the repeal of section 61I(1)(d)) (the **amendments**); and
 - (b) the Social Security (Budget 2017—Rates of, and Areas for, Accommodation Supplement) Order 2017 (the **order**).
- (2) Despite the amendments, the area alterations made by the order continue, and continue to commence as provided in clause 2 of the order.

Schedule 3

Consequential amendments

s 68

Legal Services Act 2011 (2011 No 4)

In Schedule 1, after clause 2(1)(c)(v), insert:

(va) a winter energy payment payable under Part 1KA of that Act; or

In Schedule 1, replace clause 2(1)(c)(vi) with:

(vi) temporary additional support payable under section 61G of that Act; or

In Schedule 1, after clause 2(1)(c), insert:

(ca) excludes a special benefit continued under section 23 of the Social Security (Working for Families) Amendment Act 2004; and

Summary Proceedings Act 1957 (1957 No 87)

In section 2(1), definition of **benefit**, after paragraph (b)(iii), insert:

(iiia) a winter energy payment payable under Part 1KA of that Act; or

Reprints notes

1 *General*

This is a reprint of the Families Package (Income Tax and Benefits) Act 2017 that incorporates all the amendments to that Act as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Taxation (Annual Rates for 2018–19, Modernising Tax Administration, and Remedial Matters) Act 2019 (2019 No 5): sections 357, 358