

Rates Rebate Scheme
Classification of Government Benefits and Allowances
for the period 1 April 2016 to 31 March 2017

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, the Ministry of Defence 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.

This list is not exhaustive. It will be updated from time to time, as required. Further information about benefits can be found on the relevant government department’s website, e.g. Work and Income (www.workandincome.govt.nz), Veteran’s Affairs NZ (www.veteransaffairs.mil.nz) and Inland Revenue (www.ird.govt.nz).

Work and Income Benefits and Allowances

Main Benefits	Defined as “income” within the Rates Rebate Act 1973?
<p>Jobseeker Support Helps people to find work and provides them with a weekly payment.</p> <p>Jobseeker Support replaced:</p> <ul style="list-style-type: none"> • Domestic Purposes Benefit Woman Alone; • Domestic Purposes Benefit Sole Parent where the youngest child is 14 years and over; • Sickness Benefit; • Unemployment Benefit; and • Widows Benefit where the youngest child is 14 years and over. 	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>Orphan’s Benefit A weekly payment paid to the main caregivers of children whose parents have died or can’t be found, or can’t look after them because they have a long-term illness or incapacity.</p>	NO

Main Benefits – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Sole Parent Support Helps single parents and caregivers of dependent children get ready for future work, supports them to find part-time work and provides financial help through a weekly payment.</p> <p>Sole Parent Support replaced:</p> <ul style="list-style-type: none"> • Domestic Purposes Benefit Sole Parent where the youngest child is under 14 years; and • Widows Benefit where the youngest child is under 14 years. 	YES
<p>Supported Living Payment A weekly payment to provide Assistance for people who have, or are caring for someone with a health condition, injury or disability.</p> <p>Supported Living Payment replaced:</p> <ul style="list-style-type: none"> • Domestic Purposes Benefit Care of Sick and Infirm; and • Invalids Benefit. 	YES
<p>Unsupported Child’s Benefit A weekly payment paid to the main caregivers of children whose parents can’t support them because of a family breakdown.</p>	NO

Veteran's Entitlements	Defined as "income" within the Rates Rebate Act 1973?
<p>Disablement Pension</p> <p>Available to veterans who are affected by a disablement caused by service-related injury, illness or condition, and may be granted on a permanent or temporary basis. The Disablement Pension replaced the War Disablement Pension from 7 December 2014.</p>	NO
<p>Surviving Spouse and Partner Pension (formerly the War Widow's Pension)</p> <p>Available to a person whose spouse or partner has died while on specified service or was, at the time of their death, affected by significant service related impairment.</p>	NO
<p>Veteran's Pension</p> <p>A fortnightly payment for veterans who have served in a war or other emergency, and have a disability.</p>	YES
<p>War Disablement Pension</p> <p>A compensatory payment made to veterans for the impact of any disability which is found to be related to their service. It is a lifetime payment and is tax-free. The War Disablement Pension was replaced by the Disablement Pension from 7 December 2014, however, many veterans who were already receiving this pension continue to be paid it.</p>	NO

Additional Entitlements	Defined as "income" within the Rates Rebate Act 1973?
<p>Child Care</p> <p>Veteran's children aged under 14 years may receive support payments for up to 5 years.</p>	NO
<p>Children's Bursary</p> <p>This bursary is paid to the child of a veteran to assist with their studies if the veteran has or had disabilities.</p>	NO
<p>Children's Pension</p> <p>Provides financial support to the children of veterans where the veteran is either affected by significant service-related impairment or died due to service.</p>	YES
<p>Clothing Allowance</p>	NO
<p>Dependant's Pension</p> <p>Provides financial support to the dependants of veterans where the veteran is either affected by significant service-related impairment or died due to service.</p>	YES

Additional Entitlements – (continued)	Defined as “income” within the Rates Rebate Act 1973?
Funeral Expenses	NO
Gallantry Award Additional allowance payable to recipients of a War Disablement Pension or Disablement Pension with British decorations.	NO
Hearing Aid Battery Allowance	NO
Independence Allowance A compensatory payment available to veterans who have a service-related permanent impairment relating to qualifying operational service that occurred between 1 April 1974 and 31 March 2002.	NO
Lump Sum payment for permanent impairment A one-off payment available to veterans who have a service-related permanent impairment relating to qualifying operational service that occurred on or after 1 April 2002.	NO
Motor Vehicle Grant	NO
Retirement Lump Sum An asset tested lump sum payable to veterans who reach the NZ Superannuation age who have been receiving a benefit or income support from Veterans' Affairs for 10 years or more.	YES
Survivor's Grant A one-off payment available to the spouse or partner, children and dependants of a deceased veteran whose death relates to qualifying operational service that occurred on or after 1 April 1974.	NO
Terminal Lump Sum A lump sum payment of one year of the War Disablement Pension or Disablement Pension, payable to veterans with a terminal service-related medical condition.	NO
Travel Expenses and Concessions Expenses for travel to medical appointments, or to receive treatment, for veterans with service-related injuries or disabilities. Travel concessions cover recreational travel for eligible veterans.	NO

Additional Entitlements – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Weekly Compensation A form of income compensation available to veterans who served in a deployment deemed to be qualifying operational service on or after 1 April 1974 and are of working age and unable to work due to a service-related illness or injury.</p>	<p>YES</p>
<p>Weekly Compensation – Family A form of income compensation available to the spouse or partner, children and dependents of a deceased veteran whose death relates to qualifying operational service that occurred on or after 1 April 1974.</p>	<p>YES</p>
<p>Weekly Income Compensation A form of income compensation available to veterans who served before 1 April 1974 and are of working age and unable to work for any reason.</p>	<p>YES</p>

Supplementary Benefits + Other Allowances	Defined as “income” within the Rates Rebate Act 1973?
<p>Accommodation Supplement A weekly, non-taxable, payment that provides assistance towards accommodation costs.</p>	YES
<p>Away from Home Allowance A weekly payment that helps cover the living costs of 16 or 17 year old children who have to live away from home to undertake tertiary study or an approved employment related training course. The allowance is paid to the carer.</p>	YES
<p>Business Training and Advice Grant A grant that helps people, who are receiving government assistance, investigate or start up their own business.</p>	NO
<p>Child Disability Allowance This is a non-taxable allowance paid fortnightly to the main caregiver of a dependent child with a serious disability. It is paid in recognition of the extra care and attention that may be needed for that child.</p>	NO
<p>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.</p>	YES
<p>Civilian Amputee Assistance Assistance for amputees, or those born without a limb or limbs, with travel and/or accommodation costs if they need to go to an Artificial Limb Centre.</p>	NO
<p>Community Costs A weekly payment that helps people in a short-term residential treatment programme meet their essential ongoing costs in the community.</p>	YES
<p>Course Participation Assistance Assistance for people who are attending short-term (normally less the 12 weeks) employment related training courses to help them meet their actual and reasonable costs.</p>	NO
<p>Disability Allowance This weekly allowance reimburses people for ongoing regular costs that they incur because they have a disability. There is an income test that must be met.</p>	NO

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Education and Employment-related Training</p> <p>Assistance for a person receiving a benefit, or on stand-down for a benefit, with employment-related course fees. Course Participation Assistance is available for short-term courses where the person has deficiencies in employment skills. The Training Incentive Allowance is available for longer courses where the person is at risk of long-term benefit dependency and also has deficiencies in employment skills.</p>	NO
<p>Employment Transition Assistance</p> <p>A weekly payment that helps a person stay in employment where they have a reduced level of income after completing an Invalid’s Benefit (Supported Living Payment from 15 July 2013) employment trial.</p>	YES
<p>Establishment Grant</p> <p>This is a non-taxable, non-recoverable one-off payment of \$350 per child made to carers who are granted Orphans Benefit or Unsupported Childs Benefit. The client or partner can only ever receive the Establishment Grant once for each Orphan’s Benefit / Unsupported Child’s Benefit child.</p>	NO
<p>Extraordinary Care Fund</p> <p>This is non-taxable, financial assistance to carers who receive the Orphan’s Benefit or Unsupported Child’s Benefit for a child that is experiencing difficulties that are significantly impacting on their development or is showing promise. These payments are made as one-off, ad-hoc payments. This assistance does not affect the client’s eligibility for other payments such as Working for Families or Extra Help supplementary assistance.</p>	NO
<p>Flexi-wage</p> <p>Assists people getting government assistance start up their own business. Can be paid as:</p> <ul style="list-style-type: none"> • a short-term allowance paid while the business is getting started; and/or • a one-off payment to help with set up costs for the business. 	YES NO
<p>Funeral Grant</p> <p>A grant to assist with the funeral costs for someone close to you who has died.</p>	NO

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Home Help A payment that assists people with the part-time temporary cost of home help to complete household tasks.</p>	NO
<p>Live Organ Donor Assistance A payment that helps people who are donating a kidney or liver tissue for transplant within New Zealand, with loss of income and/or extra childcare costs.</p>	YES
<p>Modification Grant A payment that helps people with disabilities or ill health pay for workplace changes or equipment that makes it easier for them to stay in or get work.</p>	NO
<p>New Employment Transition Grant A payment to clients with a dependent child, or children, during the first 6 months that their benefit is stopped for employment reasons. It can be paid when the client is unable to work because he/she, or any partner, or the dependent child, becomes sick; or because of a breakdown in childcare arrangements.</p>	YES
<p>OSCAR Subsidy Financial assistance for families with children aged 5 to 13, or up to 18 if a Child Disability Allowance is received. It helps towards the costs of before and after school care of up to 20 hours a week, and school holiday programmes of up to 50 hours a week.</p>	YES
<p>Participation Allowance Paid to beneficiaries who are participating in an Activity in the Community project to reimburse them for the costs they incur.</p>	NO
<p>Recoverable Assistance Payment A payment that helps people pay for something they need urgently when they have no other way of paying for it. This grant is generally paid for items such as appliances, school uniforms or rent arrears, and has to be paid back.</p>	NO
<p>Residential Care Subsidy Assistance 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

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Residential Support Subsidy Assistance for the cost of residential care services for people with physical, intellectual or psychiatric disabilities (including drug and alcohol rehabilitation) who are receiving residential care services.</p>	NO
<p>School and Year Start-up Payment This is a non-taxable, non-recoverable one-off payment for clients receiving Orphan’s Benefit or Unsupported Child’s Benefit to assist with sundry school related costs or other costs relating to the care of the child. These costs may result in additional financial pressure.</p>	NO
<p>Seasonal Work Assistance A payment for clients who have taken up seasonal horticultural work and provides financial assistance to workers who are unable to work (and who lose income) due to poor weather conditions.</p>	YES
<p>Social Rehabilitation Assistance A payment to help a person who is in a residential social rehabilitation programme where their benefit is not enough to pay the fees. Payments are made directly to the programme provider.</p>	NO
<p>Special Benefit Provides assistance to clients whose particular circumstances are causing them hardship. It cannot be paid to people who were not receiving it, or had not applied for it, immediately before 1 April 2006 (it was replaced by Temporary Additional Support on this date). The Special Benefit continues to be payable to those granted it before 1 April 2006, until they are no longer qualified to receive it.</p>	YES
<p>Special Disability Allowance A weekly payment for people who have a spouse or partner who is in a hospital or rest home (for at least 13 weeks) or who is getting a Residential Care Subsidy. It is paid to the spouse or partner who is not in care to help with the extra costs of having their spouse or partner in care.</p>	NO
<p>Special Needs Grant A non-taxable, one-off, recoverable or non-recoverable payment to help clients meet an immediate need. (They do not have to be a beneficiary to qualify for the grant.)</p>	NO

Supplementary Benefits + Other Allowances – (continued)	Defined as “income” within the Rates Rebate Act 1973?
<p>Special Needs Grant International Custody Dispute Payment</p> <p>A weekly payment for parents with limited financial support who are involved in an international custody or access dispute over the care of their children.</p>	YES
<p>Temporary Additional Support</p> <p>A weekly payment that can be paid for a maximum of 13 weeks. It is made as a last resort to help clients with regular essential living costs that cannot be met from what they earn or other sources.</p>	YES
<p>Training Incentive Allowance</p> <p>See ‘Education and Employment-related Training’.</p>	NO
<p>Transition to Work Grant</p> <p>Assistance for costs associated with moving into a new job:</p> <ul style="list-style-type: none"> • Job-seeking, job placement, clothing, tools and relocation costs. • Living expenses (bridging finance) until their first pay. 	<p>NO</p> <p>YES</p>

StudyLink	Defined as “income” within the Rates Rebate Act 1973?
Living Costs Component of a Student Loan	NO
Student Allowance A weekly payment to help with living costs to a person who is studying full-time.	YES

Ministry of Education Allowances	Defined as “income” within the Rates Rebate Act 1973?
Home Schooling Allowance	NO

Child Support Payment (managed by Inland Revenue)	Defined as “income” within the Rates Rebate Act 1973?
This payment is made by the non-custodial parent to the custodial parent.	
<ul style="list-style-type: none"> When the custodial parent is on a Work and Income benefit and the non-custodial parent pays the equivalent of the benefit, that is not income for rates rebate purposes. However, when the custodial parent receives more than the amount of the benefit, that extra is income has to be declared. When the custodial parent is on no kind of benefit, and receives the support payment direct from the non-custodial parent, that is to be declared as income. 	<p>NO</p> <p>YES</p> <p>YES</p>

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?

What they are

Working for Families Tax Credits (formerly 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*
- *In-work tax credit*
- *Minimum 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

For the period 1 April 2016 to 31 March 2017 the minimum family tax credit was a payment for families earning up to \$23,764 a year after tax. It ensured that these families had a minimum income of \$457 a week after tax.

Parental tax credit

Parental tax credit is paid to families of 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 Working for Families Tax Credits 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, Veteran's Pension or ACC.

A person receiving an income-tested benefit can choose to receive their Working for Families Tax Credits from either Work and Income or Inland Revenue.

Family Tax Credit payments received are NOT required to be declared as income for rates rebate purposes, however, other Working for Families Tax Credits received must be declared.

If there is any confusion please advise the ratepayer that they have to obtain information from IRD showing the specific tax credits they received.

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