

# NOTIFY ME

Inland Revenue's student loan update

February 2017 • IR229

## Overseas-based borrowers instalment due 31 March

If you're an overseas-based borrower the second and final repayment instalment is due 31 March for the tax year 1 April 2016 - 31 March 2017.



This repayment instalment is based on your loan balance. For example if your loan balance is between \$1,000 and \$15,000 you need to pay two instalments of \$500 (30 September and 31 March).

If a lump-sum instalment is difficult to manage, remember we accept voluntary payments all year round. This gives you the option to stagger your repayments.

If you won't meet your instalment obligation please contact us using Secure Mail in myIR to discuss your repayment options.

- Log in to myIR [www.ird.govt.nz/myIR](http://www.ird.govt.nz/myIR)
- To find out how to make a payment go to [www.ird.govt.nz/makepayment/overseas](http://www.ird.govt.nz/makepayment/overseas)
- To find out how much you need to pay go to [www.ird.govt.nz/studentloans/overseas/managing](http://www.ird.govt.nz/studentloans/overseas/managing)

### Video: Tips from across the ditch

Hear from four Australian-based borrowers in our new student loan video.

Learn how they:

- manage their repayment obligations from overseas
- what mistakes they made, and
- what they wish they had done earlier.

To watch the video *Student loan tips from across the ditch* go to [www.youtube.com/InlandRevenueNZ/videos](http://www.youtube.com/InlandRevenueNZ/videos)



Inland Revenue  
Te Tari Taake

Welcome to Notify Me

#### In this issue:

- Overseas-based borrowers instalment due 31 March
- Tips from across the ditch
- Get on top of your student loan in 2017
- Working while studying full time
- Returned to New Zealand to live?
- Did you have a student loan amount due 7 February?
- Student loan annual rates



### REMINDERS

**31 March:** Second and final 2017 repayment due for overseas-based borrowers (unless you're on a repayment holiday).

**April:** Administration fee of \$40 will be charged 1 April to student loan accounts with a balance of \$20 or more as at 31 March.

End-of-year repayment for year ending 31 March 2016 due 7 April for New Zealand-based borrowers who have a tax agent with a valid extension of time.

**May:** Statements issued to all borrowers.

Overseas-based borrower notice of assessment for the 2018 tax year (1 April 2017 to 31 March 2018) issued.

**Note:** If a due date falls on a weekend, public holiday or provincial anniversary day, we can receive your return or payment on the next working day without a penalty being applied.

## Get on top of your student loan in 2017

Here are 3 tips to help manage your student loan this year.

### 1. Get a myIR account

Our myIR Secure Online Services make managing your student loan easy. Available 24/7 you can change your contact details, check your transactions, apply for a repayment holiday and more.

Log in or register for myIR at [www.ird.govt.nz/myIR](http://www.ird.govt.nz/myIR)

### 2. Find out how much you owe

Once you know the amount you owe, you can make a plan to pay it off. You can check your loan balance online with your myIR account. We'll also send you a statement once a year in May.

### 3. Contact us by Secure Mail

If you have a question about your student loan or you're worried about your repayment obligations, please get in touch. You can contact us using Secure Mail in myIR.



## Working while studying full time



If you're a full-time student in New Zealand and working while you study, you may be able to apply for a repayment deduction exemption.

A repayment deduction exemption means you don't have to use the "SL" student loan repayment code and you won't have student loan repayments deducted from your pay.

To qualify you need to:

- be a full-time student, and
- be a New Zealand-based borrower, and
- expect to earn less than \$19,084 from all sources (including student allowance) during the tax year (1 April to 31 March).

To find out more about the repayment deduction exemption go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: student loan employed).

Note: \$19,084 is the current annual repayment threshold. Effective from 1 April 2017, this will increase slightly to \$19,136.

## Returned to New Zealand to live?

Your residency status affects your student loan interest and repayment obligations. For example, if you've been living back in New Zealand for at least six months your loan becomes interest-free again.

Remember to let us know:

- you're back in New Zealand
- the date you returned, and
- your new contact details.

You can contact us using Secure Mail in your myIR account.

Log in or register for myIR at [www.ird.govt.nz/myIR](http://www.ird.govt.nz/myIR)



## Did you have a student loan amount due 7 February?

Payment was due 7 February 2017 for borrowers with end-of-year student loan repayment obligations for the tax year 1 April 2015 to 31 March 2016. The only exception is if you have a tax agent with a valid extension of time.

If you haven't paid your outstanding student loan obligation you'll need to make a payment as soon as possible or you may be charged late payment interest.

An end-of-year payment can arise if:

- you're self-employed or received income from other sources (for example interest or dividends) and didn't make any payments towards your student loan during the year, or
- you had an interim assessment during the year and the interim payments you made were less than your repayment obligation.

The amount to pay is calculated using either:

- an *Individual income tax return (IR3)*, or
- a personal tax summary.

If you won't meet your repayment obligation please contact us using Secure Mail in myIR to discuss your repayment options.

Log in or register for myIR at [www.ird.govt.nz/myIR](http://www.ird.govt.nz/myIR)

To make a payment go to [www.ird.govt.nz/makepayment](http://www.ird.govt.nz/makepayment)

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## Student loan annual rates for 2017-18

The annual review of student loan interest, repayment threshold and significant over-deduction rates has been completed. All rate changes take effect on 1 April 2017 and apply to all student loan borrowers.

### Interest

The interest rate decreases from 4.8% to 4.4%. Interest is applied to all student loans, but for New Zealand-based borrowers it is automatically written off.

### Significant over-deduction

The threshold for significant over-deductions remains \$60 per month.

A significant over-deduction can occur when student loan deductions from your salary or wages in New Zealand are more than needed to meet your pay-period repayment obligation.

### Repayment thresholds

The annual repayment threshold increases slightly from \$19,084 to \$19,136.

That means the pay-period repayment threshold for salary or wages increases from \$367 to \$368 per week.

Repayment thresholds determine when you need to start repaying your student loan.

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## Like us on Facebook



The Student Loans NZ Facebook page is all about helping you. We'll keep you informed with the latest tips and information. You can also ask questions you may not want to call us about, such as:

- What changes when I go overseas?
- What do I need to pay when I start working?
- When are my payments due?

Like us today to keep up-to-date on everything student loans at [www.facebook.com](http://www.facebook.com) (search keywords: Student Loans NZ).

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## Student loans info online

Once StudyLink approves your student loan we manage your loan balance and repayments. To learn about your repayment obligations and how your student loan works check out our recently refreshed information section at [www.ird.govt.nz/studentloans](http://www.ird.govt.nz/studentloans)

