

NOTIFY ME

Inland Revenue's student loan update

August 2017 • IR229

Stagger or lump sum payments

If you're an overseas-based borrower, there are two instalments you need to pay every year.

The amount you need to pay at each instalment is usually 50% of your yearly repayment. Your yearly repayment is based on your total loan balance.

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.

For example, if you have a yearly repayment due of \$4,000, you can pay:

- a lump sum of \$2,000 twice a year (30 September and 31 March)
- \$334 monthly, or
- \$77 weekly.

For more information on managing your student loan while you're overseas, go to www.ird.govt.nz/studentloans/overseas/

Email reminder for overseas-based borrower repayments

If you're an overseas-based borrower **and** you've given us your email address, we'll send you a reminder about your repayment, including the amount due.

Check your email is up to date in myIR to make sure you get your reminder.

Making student loan payments from overseas

You can make student loan payments from overseas using a money transfer service, or credit and debit cards.

PayWay direct debit if you're in Australia

If you're in Australia you can set up a PayWay direct debit to make payments from your Australian bank account. We'll cover the currency conversion costs.

Money transfer services

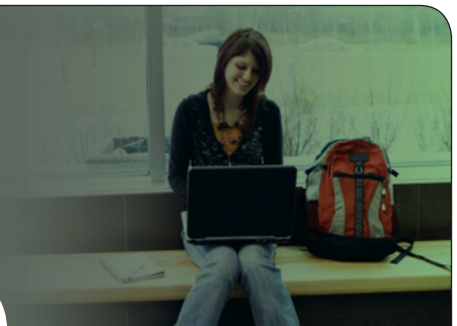
Money transfer services help you set up smaller, regular payments. These payments will make it easier to meet your obligation and reduce your interest. Bank charges may apply so include them with your payment if needed.

Credit and debit card payments

You can make payments using your Mastercard or Visa. We'll waive the convenience fee for student loan payments made from overseas.

Find out more about making payments from overseas at

www.ird.govt.nz/how-to/making-payments/overseas-payments/



Inland Revenue
Te Tari Taake

Welcome to Notify Me

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If you have any suggestions for topics you'd like covered in this newsletter, email us at StudentLoanNotifyMe@ird.govt.nz



REMINDERS

28 August: The first 2017 interim repayment is due for New Zealand-based borrowers (who have a March balance date).

30 September: Overseas-based borrower repayment due for the year ending 31 March 2018 (unless you're on a repayment holiday).

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

Student loan repayments can be deducted from NZ Super and Veteran's Pension

Income from the NZ Super and Veteran's Pension is treated as salary and wages. This means you need to use the **SL** repayment code with your tax code, for example M SL or S SL.

If you're using the M SL tax code because this is your main income, student loan repayments will only be deducted when you earn over the fortnightly repayment threshold, currently \$736.

If you're using a secondary SL tax code, 12% of your before tax income will be deducted as your student loan repayment.

For more about paying off your student loan when you're employed and to confirm your correct tax code, go to www.ird.govt.nz/studentloans/working/employed/

Money week 14 - 20 August 2017

Money Week is all about learning how to get ahead with your money.

This nationwide event features a range of resources, events and learning opportunities for everyone. This year's event is focused on debt and what it does for you.

As a student loan borrower, the Commission for Financial Capability has videos about how real borrowers deal with their debt as well as tips on how to budget and get into good financial shape for the future. The faster you pay your loan the more money you have in your pocket. Check out the videos at www.cffc.org.nz/video

For more information about Money Week and for helpful tools and guides, go to www.moneyweek.org.nz

For more information about budgeting go to www.sorted.org.nz



Can you claim a tax credit for donations?

If you've made a donation you may be able to claim a tax credit. To be eligible you need to have made a receipted donation of \$5 or more to:

- an approved donee organisation
- an approved New Zealand religious or educational organisation
- approved overseas aid funds
- kindergartens
- state schools, state integrated schools, other schools who have been approved as a donee organisation, school boards of trustees or parent teacher associations.

You can ask for your tax credit to be put towards your student loan so you can pay it off even quicker.

To apply for a tax credit you need to file a *Tax credit claim form (IR526)* for the relevant tax year. You can download the IR526 at www.ird.govt.nz (search keyword: IR526).

