

NOTIFY ME

Inland Revenue's student loan update

May 2016 • IR229

Missed your 31 March repayment?

If you're an overseas-based borrower and not on a repayment holiday, you generally need to make two equal repayments a year based on the size of your loan balance. These repayments are will be due on 30 September and 31 March.



If you didn't pay by 31 March you can still make a payment to keep your student loan account up to date. You can contact us on any of the numbers below so we can discuss your options.

Calling from Australia 1800 559 653

Calling from the United Kingdom 0808 234 0098

Everywhere else +64 4 916 7114
(international charges apply)

The best way to pay your student loan is online. You can pay us through online money transfer companies listed on our website (HiFX, NZ Forex, OrbitRemit and Western Union). They all offer a service for student loan payments made from overseas. They can also set up recurring payments so it's easier for you to meet your repayment obligations.

If you're in Australia, you can set up a PayWay direct debit for your student loan repayments.

You can also pay online using your credit or debit card. We waive the convenience fee for student loan repayments made from overseas.

Find out more about making payments to us at www.ird.govt.nz/makepayment

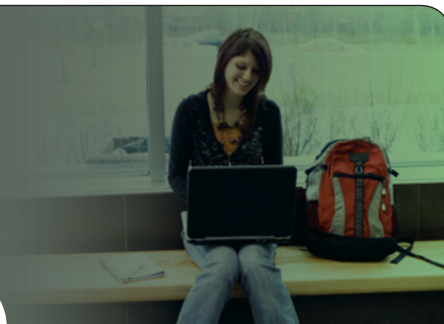
It's important to make sure your repayments are up to date. If you're having difficulty meeting your obligations, contact us sooner rather than later so we can help you sort out a repayment plan that suits your situation. If your repayments are overdue and you don't contact us, we may consider other ways to collect your debt.

Did you have a student loan repayment due 7 April?

Payments for end-of-year student loan repayment obligations for the 2015 tax year (1 April 2014 to 31 March 2015) were due 7 April 2016 if you have a tax agent with an extension of time. If you haven't paid your student loan amount you'll need to make a payment as soon as possible or you may be charged late payment interest.

We can help if you haven't paid your student loan and/or you can't pay the amount outstanding. You can propose an instalment arrangement through our website at www.ird.govt.nz (search keywords: instalment arrangement proposal), or call us on 0800 377 778.

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Inland Revenue
Te Tari Taake

Welcome to Notify Me

In this issue: Missed your 31 March repayment, did you have a student loan repayment due 7 April, going overseas checklist, can my student loan remain interest-free while overseas, myIR Secure Online Services, use the right tax code for your pay, are you working while studying full time.

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



REMINDERS

April: Annual administration fee of \$40 is charged on loan balances of \$20 or more.

April-May: Starting late April 2016 overseas-based borrowers will receive their notice of assessment for the 2017 tax year (1 April 2016 to 31 March 2017). This will show how much you need to pay towards your student loan for the year.

An up-to-date statement of account will be issued to all borrowers and will show your current balance with a breakdown of payments made, interest charged and/or written off, and any late payment interest.

Statements and notices of assessment are posted to the postal address we hold. If your details are not up to date, update them in myIR so you get the most recent information.

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We'll look at your current circumstances, payment history and ability to meet future obligations to help you decide on the best option for dealing with the amount due.

Why you might have an end-of-year bill

If you had an amount to pay, it would have been calculated using either:

- an *Income tax return (IR3)*, or
- a personal tax summary we've sent you or you've requested.

You may have an end-of-year repayment obligation if:

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

You may need to make interim payments next year

If your end-of-year repayment obligation was \$1,000 or more, you'll also need to make interim payments for the next tax year (1 April 2016 to 31 March 2017). Interim payments are payments you make towards your student loan at certain times during the year rather than in one amount at the end of the year. These payments are based on your repayment obligation (the end-of-year bill from the last tax year) plus 5%.

Payments are generally due in three instalments on:

- 28 August
- 15 January
- 7 May.

Going overseas checklist

Are you about to travel or move overseas (or recently have) and have a student loan? The following checklist will help you keep on top of your loan.

- Register for myIR Secure Online Services - Make sure your contact details are up to date. You'll also be able to keep track of your loan anytime. Register for myIR at www.ird.govt.nz/myir
You can also stay connected while you're overseas by liking our dedicated Facebook page.
- Check your obligations - Find out how much and when you'll need to make repayments towards your loan each year, how you can make repayments and whether your loan will remain interest-free.
- Set up regular repayments - Making smaller, regular payments towards your loan is the easiest way to manage your repayment obligations, it'll also reduce any interest applied. Go to www.ird.govt.nz/makepayment to find out the different ways you can make a repayment.

Note

These dates will be different if you have a tax year that finishes on a date other than 31 March, ie, a non-standard balance date.

If you think your income for the next year will be less than last year's, you can estimate your interim payments to a lower amount (including nil). You can find out more about estimating interim payments at www.ird.govt.nz (search keywords: estimating interim payments).

Paying your student loan amount

There are several ways to pay your student loan amount. You can:

- use internet banking
- use your credit or debit card online through our website (this may incur a fee)
- set up automatic payments or direct credits
- make an online money transfer if you're overseas - we have fee-free providers on our website.

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 the penalty being applied.

For more information about making payments to us, go to www.ird.govt.nz/makepayment

Apply for a repayment holiday

If you'd rather not have to make payments towards your loan for up to one year (365 days) when you go overseas, you can apply for a repayment holiday. You must apply before you leave, or within six months (183 days) of leaving New Zealand. You'll need to give us an alternative contact person (this doesn't add them as a nominated person).

Add a nominated person to your account

Set up someone that can discuss your account and take care of your affairs on your behalf while you're away. Your nominated person can't use your myIR account on your behalf.

For more information about travelling or living overseas with a student loan go to www.ird.govt.nz/studentloans/overseas

Can my student loan remain interest-free while overseas?

In most cases you won't qualify for an interest-free loan if you go overseas for more than **184 days**. However you may still qualify for your existing loan to remain interest-free if you're:

- studying overseas
- living in Niue, Cook Islands, Tokelau or Ross Dependency
- working overseas for the New Zealand Government
- working for a New Zealand company overseas
- working as a volunteer overseas
- accompanying your partner overseas.

There are two additional circumstances where you may still qualify for your existing loan to remain interest-free:

- unexpected delay returning to New Zealand
- unplanned absence.

For more information about interest-free student loans while you're overseas, go to www.ird.govt.nz/studentloans/overseas

myIR Secure Online Services

This can be a busy time of the year to contact us but our secure online services are a quick and easy way to manage your student loan. All your key information is in one place, making it easy to find balances and due dates, and update your personal information.

Register for a myIR account today to:

- get a complete and up-to-date view of your loan balance and recent transactions
- apply for a repayment deduction exemption, special deduction rate or repayment holiday
- request and confirm personal tax summaries
- instantly update your bank accounts, phone numbers, addresses and email details
- view payments to or from Inland Revenue
- apply for/manage your Working for Families Tax Credits
- see if you're due a refund.

myIR is available 24 hours a day, seven days a week.

Register for myIR at www.ird.govt.nz/myir

If you're also registered for voice ID and forget your password, you can reset it at any time. It only takes a few minutes to register. Call 0800 257 843 and follow the instructions. Make sure you have your IRD number handy.

Use the right tax code for your pay

When you start a new job, make sure you use the right tax code so you have the right amount of student loan deductions made from your pay. You need to fill in a *Tax code declaration (IR330)* with the correct tax code and give this to your employer for their records.

You must use a tax code with the "SL" repayment code unless you have a special tax code or repayment deduction exemption.

Work out your tax code at www.ird.govt.nz (search keywords: tax code).

Student loan special deduction rate certificate

If you have a special deduction rate certificate you still need to use a tax code with the "SL" repayment code. You must give your secondary employer(s) the certificate so they can deduct your student loan repayments at the reduced rate shown on the certificate.

Find out more at www.ird.govt.nz (search keywords: special deduction rates secondary earnings).

Special tax code

If you have a special tax code for your income tax, select the "STC" tax code when you fill in your IR330.

Give your employer your special tax code certificate and they'll deduct your income tax and student loan repayments at the rate or percentage shown on the certificate.

Are you working while studying full time?

You may be able to apply for an exemption from having student loan deductions on your pay if you're a full-time student in New Zealand and working while you study - giving you more money in your pocket.

A repayment deduction exemption means you don't have to use a tax code with the "SL" 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 expect to earn less than \$19,084 from all sources (including student allowances) during the tax year (1 April to 31 March). You can apply for the exemption through your myIR account. Register for myIR at www.ird.govt.nz/myir

If we grant you a repayment deduction exemption it applies for up to one tax year at a time as long as you continue to meet the criteria. If you're going to continue studying in the next tax year, you'll need to reapply for the exemption if you continue to meet the criteria.

For more information, go to www.ird.govt.nz (search keywords: deduction exemptions).

