



**Inland Revenue**  
Te Tari Taake

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# Helping you to understand recognised care



# Introduction

This guide is for people who are providing or who intend to provide care for a child or children and the care is shared with someone else. It explains how Inland Revenue recognises care when calculating a child support formula assessment.

A person's care of a child will affect a child support formula assessment. This depends on whether the carer is a parent or non-parent carer of the child and the level of care they provide.

## Your level of care may affect your Working for Families Tax Credits

Any change in your level of care for a child may also affect your entitlement to Working for Families Tax Credits (WfFTC).

There are four payment types available and you may qualify for one or more of them, depending on your family situation.

The level of care required to qualify for WfFTC is different to the one we use for child support. You may be entitled to WfFTC if you care for a child at least five days a fortnight on average (122 days a year).

If you have any questions about your entitlement to WfFTC, or you need to notify us of a change in family circumstances or income that affects it, please call us on 0800 227 773. If you or your partner are in business, please call 0800 377 774.

The information in this guide is based on current tax laws at the time of printing.

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# Terms we use

## Non-parent carer

A non-parent carer is someone who provides care for a child but isn't the child's parent. They are entitled to receive child support if they care for the child for 35% or more of the time.

## Parenting agreement/care arrangement

An agreement between parents, or carers, that records a child's care arrangements.

## Recognised care

The amount of care a parent provides their child that is taken into account in the formula assessment (must be for at least 28% of the time).

# Who is a carer?

A "carer" of a child is a person who provides them with ongoing daily care other than on a commercial basis. This can be a parent or a non-parent. A non-parent carer isn't the child's parent but provides care for the child.

If two people live together and they both provide care for a child, and:

- one of them is a parent of the child, only the parent can be treated as the carer
- neither one is a parent of the child, only one of them can be treated as the carer, and they can decide who this will be
- both are parents of the child, we'll treat both parents as carers.

If Oranga Tamariki–Ministry for Children is making payments for a child who has been placed in foster care, any care the parents of the child provide can't be taken into account.

# When is care recognised?

The child support formula assessment recognises that a parent provides for their child if they provide ongoing daily care for at least 28% of the time. A parent or non-parent carer won't receive child support unless they provide ongoing daily care for at least 35% of the time.

We generally determine care based on the number of nights a person cares for a child over a 365-day period:

- 28% is approximately two nights a week on average, or 103 nights a year
- 35% is approximately five nights a fortnight, or 128 nights a year.

If the number of nights is not a reasonably accurate reflection of the amount of care a person provides, we can consider the time the person is responsible for caring for the child. For example, although a father (who works nights) provides no overnight care for his daughter, he does provide care from 8 am to 6 pm, six days a week.

## How recognised care affects a formula assessment

### Care is shared between two parents

If two parents share a child's care between them and each provides care for at least 28% of the time, we'll take this into account in the formula assessment.

### If only one of the carers is the parent

If two people care for the child and only one is the child's parent, we'll assess both parents using the formula assessment.

If the parent caring for the child provides at least 28% of the care, they'll have their care recognised in the formula. They could also be a liable parent and have to pay child support to the non-parent carer, along with the other parent.

**Example**

Care of a child is shared between the mother and the grandfather. The parents are assessed for child support. The formula determines that the father should pay 67% of the child's costs. The mother's income and amount of care mean she's entitled to receive 20% of the child support the father pays. The grandfather will receive the other 47%.

**The child is cared for by two people who aren't the parents**

Only the **parents** of a child can be assessed to pay child support. In most cases, this will be the child's natural mother and father. However, a "parent" for child support purposes can include an adoptive parent or a person declared to be a step-parent by the Family Court.

Non-parent carers each receive child support paid by the child's parents, based on the amount of care they each provide.

**Example**

Care of a child is shared between the grandmother and the uncle. Both carers can claim child support from the child's mother and father. Both parents pay child support, based on their share of the child's costs, and this is paid to the grandmother and the uncle, based on their share of the care.

**How we recognise care in the formula**

We recognise care by using a care cost percentage in the formula assessment calculation. Parents who care for their child, at least 28% of the time, are allocated a care cost percentage, based on the amount of care they provide. The care cost percentage recognises the amount of costs associated with raising children. The more care provided, the more costs there will be.

Parents who care for their child more than 65% of the time are given a care cost percentage of at least 76%. When a parent’s care cost percentage is 76% or more, they won’t have to pay child support. This is because carers with more than 65% actual care are already meeting their share of the child’s costs.

Child support care percentage *	Child support care cost percentage
0–27%	Nil
28–34%	24%
35–47%	25% plus 2% for every percentage point over 35% of care
48–52%	50%
53–65%	51% plus 2% for every percentage point over 53% of care
66–72%	76%
73–100%	100%

\*If the care percentage is not a whole percentage we’ll round it like this:

- under 50% will be rounded down, eg, 46.8% will be rounded down to 46%
- over 50% is rounded up, eg, 52.2% is rounded up to 53%.

The care percentage is usually calculated over a 365-day period.

**Example**

A father provides 30% of his son’s care, so his “care cost percentage” will be 24%. The father’s share of the costs when his son is in his care is 24%. The mother cares for him the other 70% of the time. Her care cost percentage will be 76%, and she won’t be required to pay child support.

There are two calculators on our website to help you work out what you might pay or receive—the child support liability/entitlement calculator and the child support nights per year calculator. For more information go to **[www.ird.govt.nz/childsupport](http://www.ird.govt.nz/childsupport)** (search keywords: child support calculators).

# Parenting agreements and orders

Before assessing child support, we need to determine the percentage of care a carer provides. If a care order, such as a parenting agreement or order is in place, you should send us a copy of it.

Written parenting agreements are a great way for parents and carers to set out the care arrangements for their children. They also help us determine the care arrangements when the parties disagree.

The Family Court makes parenting orders and sets out the care arrangements for children. The parenting order states who is responsible for the day-to-day care of a child, and when and how someone else important in the child's life can have contact with them.

We usually rely on the contents of any parenting agreement or parenting order to establish the amount of care. But, if the care arrangements aren't fully detailed in the agreement or order, or aren't being followed, we may ask you for evidence of this.

## Disagreements over care

If carers can't agree on the care arrangements for a child, and no parenting agreement or order is in place, or if a parenting agreement or order is in place but isn't being followed, we'll assess the situation and make a decision.

We may ask both parties to give us evidence about the care both carers provide, eg, a calendar to show us when the children have been and/or will be in each person's care.

We must establish whether a care arrangement is for an ongoing period and not just for a temporary or short-term break. This is important, because the law requires a child's recognised care to be ongoing.

# When care patterns change

If the care patterns change, try to make another parenting agreement setting out the number of nights each carer has and send us a copy of the new agreement. We'll then adjust the care cost percentage.

## Note

Altering the care percentage may not always result in a change to the care cost percentage.

If care patterns change but you can't agree on the changes with the other carer, you should let us know. We may need to make a decision on whether the care has changed enough to alter the child support assessment.

If you start to provide care for a child or the care you provide changes, please update your details through your myIR secure online services account at [www.ird.govt.nz](http://www.ird.govt.nz) or call us on 0800 221 221.

# Key points to remember

- If you start to provide care for a child, let us know in writing as soon as possible. Remember to include details of the care arrangements.
- In most cases, we can't backdate changes to the formula assessment if there's been a delay advising us of the change in care. So, if your care increases and you don't tell us within 28 days of the change, we'll change the assessment from the day you advise us.
- If you no longer provide enough care for it to be recognised, tell us as soon as possible. You may end up paying or receiving the wrong amount of child support if you don't.
- It's a good idea for parents and carers to sign a parenting agreement setting out the agreed care arrangements for the children, including the number of nights for each carer. It's also a good idea for each person to keep a record, eg, a diary of when they care for the child, in case there's a future dispute over the care.
- Our decision on the amount of care doesn't affect who has the legal day-to-day care of the child or who may have contact with the child. This decision just lets us work out the child support formula assessment.
- If you don't provide evidence when we ask you to, we'll make a decision based on the information we hold at the time. We can't backdate this decision if you later provide the evidence we asked to see. We can only make a change from the date we receive the information.

# For more help

## **[www.ird.govt.nz/childsupport](http://www.ird.govt.nz/childsupport)**

If you'd like more information about child support, go to our website. Our site offers general child support information and access to our forms and publications. You can also register for myIR secure online services. This service lets you check your child support, update any changes and send and receive secure emails.

## **Contacting us**

You can call us on 0800 221 221 between 8 am and 5 pm on weekdays. Calls to this number are free within New Zealand, including calls from New Zealand-based cellphones.

We can sort out most queries and issues over the phone or you can make an appointment to come in and speak to someone. Appointments are usually on weekdays between 8 am and 4.30 pm.

If you need to fill in any forms, you can get them from **[www.ird.govt.nz/childsupport](http://www.ird.govt.nz/childsupport)** or call 0800 257 773 to order them. Remember to have your IRD number handy.

## 0800 self-service numbers

This service is available seven days a week (any time, except between 5 am and 6 am) for a range of self-service options. Remember to have your IRD number with you when you call.

For access to individuals’ personal information, such as account balances, you’ll need to be enrolled for voice ID or have a personal identification number (PIN). You can enrol for voice ID by calling 0800 257 843 and reset an existing PIN by calling 0800 257 777.

Order publications and taxpacs	0800 257 773
All other services	0800 257 777

## Postal addresses

### Payments

Inland Revenue  
PO Box 39050  
Wellington Mail Centre  
Lower Hutt 5045

### Returns

Inland Revenue  
PO Box 39090  
Wellington Mail Centre  
Lower Hutt 5045

### General correspondence

Inland Revenue  
PO Box 39010  
Wellington Mail Centre  
Lower Hutt 5045

For a full list of addresses go to [www.ird.govt.nz/contact-us/](http://www.ird.govt.nz/contact-us/)

## Privacy

Meeting your child support obligations means giving us accurate information so we can assess your liabilities and entitlements under the Child Support Act 1991.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them
- Statistics New Zealand (for statistical purposes only).

If you ask for the personal information we hold about you, we'll give it to you and correct any errors, unless we have a lawful reason not to. Call us on 0800 221 221 for more information. For full details of our privacy policy go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: privacy).

## If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it. Call us on 0800 221 221 to see if we can resolve your issue. If your complaint is still unresolved you can contact our Complaints Management Service. For more information go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: complaint) or call us on 0800 274 138 between 8 am and 5 pm weekdays.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process. For more information, read our factsheet, *If you disagree with an assessment (IR778)*.



