

Congratulations on your new baby



WORKING FOR
families

Me whakaruruhau te iwi

What payments can I get?

From the time your baby arrives, you may be entitled to payments from Inland Revenue to help with the costs for your new baby. There are two main entitlements (PTC and PPL) but you can't receive both payments for the same child.

Parental tax credit (PTC)

PTC is one of the Working for Families Tax Credits (WfFTC) payments. Depending on how much you earn, you can receive as much as \$1,200 PTC per child. The payments are made for the first 56 days (eight weeks) after your baby arrives.

If you apply within the first three months of your baby's birth, you can choose to receive PTC payments weekly, fortnightly or as a lump sum after the end of the tax year. If you apply after the first three months, you can only get a lump sum after the end of the tax year.

How much you can get depends on:

- how many dependent children you have in your care and their ages
- how much you and your spouse or partner earn—your family income
- where your income comes from (eg, salary or wages, business, a student allowance or a benefit).

Note: You're not entitled to PTC for any days you receive an income-tested benefit, student allowance, NZ Super or a veteran's pension during the first eight weeks. Receiving ACC payments may also affect your entitlement.

How to apply

You'll need to register for WfFTC and each child will need their own IRD number.

The quickest and easiest way to register is by going to www.ird.govt.nz "Get it done online", or you can order a *Working for Families Tax Credits registration pack (IR 200)* by calling 0800 257 777 or 0800 227 773. Please have your IRD number handy.

Note: If you're already registered for WfFTC you can add your baby's birth date at any time through your secure online services account. Go to www.ird.govt.nz to log in or register and select "My family details and income". Or you can call us on 0800 227 773.

To apply for an IRD number for your baby use the *IRD number application – individual (IR 595)* form and take it with the other required documentation to an Inland Revenue appointed verifier.

How much you can earn and still receive PTC

Number of children	Annual family income
1	\$ 110,530
2	\$ 126,300
3	\$ 142,070
4	\$ 157,839
5	\$ 173,608
6	\$ 189,378

These figures are effective from 1 April 2012. Rates shown are based on you having one newborn child and being entitled to in-work tax credit. If your situation is different, please call us.

Paid parental leave (PPL)

PPL is a government-funded entitlement for eligible working mothers and adoptive parents when they take parental leave from their job(s) to care for their newborn or adopted child (under the age of six).

It's paid for up to 14 weeks. The maximum payment amount is \$475.16 before tax each week or 100% of your weekly pay before tax, whichever is the lower.

If you're an employee, you're entitled to PPL if you've worked for the same employer for an average of 10 hours each week (with at least one hour in every week or 40 hours in every month) in the 6 or 12 months immediately before your baby's due date, or the date you assume care of a child you intend to adopt. There are different leave entitlements for employees depending on whether you meet the 6 or 12 month criteria.

If you're self-employed, you're entitled to PPL if you've worked for an average of 10 hours each week in the 6 or 12 months immediately before your baby's due date or the date you assume care of a child you intend to adopt. You're entitled to at least the minimum rate of \$135.00 each week, before tax.

You must meet one of these criteria, and actually take leave from your employment, to receive PPL.

If you're receiving PPL you can still apply for other WfFTC payments (just not PTC). Our pamphlet *Working and raising a family? (IR 201)* tells you about the payments available. You can apply for WfFTC at www.ird.govt.nz "Get it done online" or by completing a *Working for Families Tax Credits registration pack (IR 200)*.

More information on paid parental leave

Go to the Department of Labour's website www.ers.dol.govt.nz for more information on paid parental leave (including entitlements and who is eligible), to calculate your entitlements using the online calculator, or to get a paid parental leave application form.

Alternatively, you can call the Department of Labour on 0800 209 020 during business hours.

Paid parental leave or parental tax credit?

You can't receive both PPL and PTC for the same child. If you qualify for both you'll need to decide which payment you'd like to receive. Once your payments have started, you won't be able to change.

There are many differences between paid parental leave and parental tax credit. The following are some examples:

- paid parental leave payments are for up to 14 weeks and parental tax credit payments are for 8 weeks
- the maximum paid parental leave payment is \$475.16 each week (before tax) and the maximum parental tax credit is \$150 each week. The minimum paid parental leave payment for self-employed people is \$135.00 each week (before tax)
- paid parental leave payments are taxed but parental tax credit is not.

For most people, paid parental leave payments will be higher than parental tax credit.

If you're eligible for both payments and you'd like some advice about which one would be better for you, call us on 0800 377 777.

Other Working for Families Tax Credits

You may also be entitled to other Working for Families Tax Credits, depending on your personal situation.

For more information go to www.ird.govt.nz/wff-tax-credits or call us on 0800 227 773. We're available from 8 am to 8 pm weekdays and from 9 am to 1 pm Saturdays.