



Z10w Working for Families Tax Credits Checklist

Personal Details:

Name:	
Balance Date:	

Signature:

Date:

The rules surrounding entitlement to Working for Families Tax Credits and associated payments are complex. We appreciate that some of the information is sensitive but ask that you provide complete details so that we can calculate your entitlement as accurately as possible.

Partner

Full name: _____

IRD no: _____

Do we file your partner's tax return? Yes / No

If not, please provide full details of their income for the year

Children

Full Name	IRD No	Name of Primary Caregiver	Does Shared Care apply?	Date of Birth	Still at school or tertiary education	Date left home

Were there any changes to care arrangements, or living arrangements during the year? Yes / No

If Yes, please provide details:

Parental Tax Credit

If you had a child born during the year, you may be eligible for the parental Tax Credit. The child will need to have an IRD number in order to claim any entitlement.

Yes

No

Hours Worked

The hours you and your partner worked will have an impact on your overall entitlement. Please advise:

	Main Caregiver	Spouse
Average hours worked in a week: (normal week is 40 hours)		
Weeks worked in the year: (includes any paid leave. Normally would be 52)		
Dates when you were not in paid employment:		

<p>Child Support or Maintenance Payments Please provide details of any child support or maintenance payments made or received during the year DETAILS:</p>	Yes	N/A
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Additional income information

A detailed description of the income types is attached and additional information is available on the [IRD website: http://www.ird.govt.nz/wff-tax-credits](http://www.ird.govt.nz/wff-tax-credits)

This is complex: If you are unsure or have any queries please do contact us to discuss further.

	You	Your Partner
<p>Attributable trustee income Attributable trustee income is all income for the year of a trust that hasn't been distributed as beneficiary income.</p>		
<p>Attributable Fringe Benefits If you receive fringe benefits and you or your associates (e.g. the family trust) are shareholder-employees of the company you work for and you or your associates hold voting interests of 50% or more then you need to include the fringe benefits in your family income.</p>		
<p>PIE income This includes an amount of income attributed by a portfolio investment entity (PIE) to the principal caregiver or their spouse or partner, except if the PIE is a superannuation fund or a retirement savings scheme (e.g. KiwiSaver).</p>		
<p>Income of non-resident spouse If your spouse or partner, who is not a tax resident, is earning an income overseas, from you will need to include their worldwide income as part of your family income</p>		
<p>Tax exempt salary or wages This includes salary and wages that are exempt from income tax under specific international agreements in New Zealand. (e.g. employees of international organisations such as the United Nations or the Organisation for Economic Co-operation and Development (OECD))</p>		
<p>Pensions and annuities This includes 50% of the amount of pension or annuity payments from life insurance policies or a superannuation fund, (excluding NZ Super).</p>		
<p>Other Payments that exceed \$5,000 a year These are payments from any other person or entities that are used for the family's day-to-day living expenses.</p>		
<p>Income equalisation scheme deposits (excludes "adverse events" deposits This includes any deposits made by you, a company controlled by you or your trust or your trust to an agricultural, fishing or forestry business income equalisation scheme account at Inland Revenue.</p>		
<p>Income held in a closely held company</p>		
<p>Passive income of Children This includes all passive income such as interest, rents or beneficiary income, received by dependant child above a threshold of \$500 per year, per child.</p>		

Guide to Income types for Working for Families Tax Credits

Income type
Attributable trustee income
<p>Attributable trustee income is all income for the year of a trust that hasn't been distributed as beneficiary income. It includes income from trading and investment activities and the net income of any company controlled by the trust.</p> <p>Trustee income will be attributed only to settlors of a trust. The settlors are individuals who establish or contribute funds to the trust. The relevant definition of a settlor is contained in sections HC 27 - 28 of the Income Tax Act 2007.</p> <p>The definition of settlor, in conjunction with the nominee look-through rule in section YB 21 of the Income Tax Act 2007, doesn't include professional advisors acting on behalf of clients and other persons, such as friends and family members, who simply allow their name to be listed as the settlor on a trust deed.</p> <p>In the case of multiple settlors, the trustee income is distributed evenly to all settlors. However, if a settlor arranges for friends or relatives to be settlors so as to artificially dilute the attribution rule, the original settlor will be treated as the sole settlor of the trust. This complies with the existing settlor definition (including the nominee look-through rule) and the anti-avoidance rule</p> <p>Exclusions to this attribution rule include:</p> <ul style="list-style-type: none">• if the trustee of a person's trusts is registered as a charitable entity under the Charities Act 2005• any settlements for the benefit of local authorities• superannuation schemes registered with the Financial Markets Authority that are trusts• any trust which requires a court order to enable a distribution to a settlor or any member of the settlors family.• A company controlled by a trust is defined as a company in which the trustees and their associates hold 50% or more of the voting interests or market value interests (if there is a market value circumstance).• The attribution of a company's net income is restricted to controlled companies only.
Attributable fringe benefits
<p>The value of any attributable fringe benefits is required to be declared by all shareholder employees if they, or their associates, hold voting interests of 50% or more in a company.</p> <p>Attributable fringe benefits are defined in the tax rules in sections RD 47 - 49 of the Income Tax Act 2007 as:</p> <ul style="list-style-type: none">• motor vehicles for private use• low/nil-interest employee loans• subsidised transport (when the employer is in the business of transporting the public) in excess of \$1,000 in value• contributions to insurance schemes in excess of \$1,000 in value• contributions to sickness, accident or death funds in excess of \$1,000 in value• any other benefits received in excess of \$2,000 in value. <p>If you receive fringe benefits but you or your associates (e.g. the family trust) are not shareholder-employees of the company you work for, then you don't need to include the fringe benefits in your family income.</p> <p>The value of the fringe benefit is the tax-inclusive value of the benefit, i.e., the tax payable under the fringe benefit rules is to be added to the value of the benefit to give a tax-inclusive (gross) amount.</p>
PIE income
<p>This includes an amount of income attributed by a portfolio investment entity (PIE) to the principal caregiver or their spouse or partner, except if the PIE is a superannuation fund or a retirement savings scheme (e.g. KiwiSaver).</p>
Passive income of children
<p>If your child(ren) receive(s) any of the following types of income totalling over \$500 a year (per child), you'll need to include the amount over \$500 (per child) as part of your family income:</p> <ul style="list-style-type: none">• resident passive income. This includes interest, dividends, a taxable Māori Authority distribution (other than a retirement scheme contribution) and a replacement payment under a share-lending arrangement.• royalties or rent• beneficiary income. However, beneficiary income that is excluded under the minor beneficiary rule is not included in family income (e.g., income from a testamentary trust).• distributions from a listed PIE• attributed income from a PIE that is not a superannuation fund or retirement savings scheme.

Income of non-resident spouse
This includes salary and wages that are exempt from income tax under specific international agreements in New Zealand. It includes employees of international organisations such as the United Nations or the Organisation for Economic Co-operation and Development (OECD), or under the Diplomatic Privileges and Immunities Act 1968
Tax exempt salary or wages
This includes salary and wages that are exempt from income tax under specific international agreements in New Zealand. It includes employees of international organisations such as the United Nations or the Organisation for Economic Co-operation and Development (OECD), or under the Diplomatic Privileges and Immunities Act 1968
Pensions and annuities
This includes 50% of the amount of pension or annuity payments from life insurance policies or a superannuation fund, (excluding NZ Super).
Other payments
<p>These are payments from any other person or entities that are used for the family's day-to-day living expenses. If the total amount is more than \$5,000 for the tax year, then the total amount must be included as family income. However if the total amount for the year is less than or equal to \$5,000 you do not need to tell us about it.</p> <p>A payment is considered to be used to meet day-to-day living expenses if it is:</p> <ul style="list-style-type: none"> • replacing lost or reduced income (e.g.; payments from an insurance policy that covers loss of earnings/employment) • used to pay regular liabilities (for example, car payments, hire purchases, mortgage, loans) • used to meet the family's usual living expenses (e.g.; monthly phone bill or power bill) • paid directly by another person on behalf of the principal caregiver, or their family members, for regular expenses (e.g.; paying the power, phone, gas bills directly). • Payments can include soft loans. A soft loan is a loan made available to a person on favourable terms, such as no or little interest payable and no set repayment date. <p>The following are excluded:</p> <ul style="list-style-type: none"> • any one-off capital payments, such as payment from the sale of a house • any payments that have specific purposes other than income-related purposes, such as funeral grants, educational scholarships, lump sum ACC compensation payments, non-taxable payments under the Social Security Act 1964, charitable distributions or compensation based payments • any student loan payments, including the living costs component • any specified item or amount of income, or income from a specified source, that's declared not to be income for the purposes of the Social Security Act 1964 by regulations made under section 132 of that Act, such as payments to victims of crime • periodic payments received from the repayment of loan principal or when the recipient of the sale of an asset is paid in instalments • one-off gifts such as gift vouchers for a persons birthday • payments that are already included under another family income provision • payments that are received as a result of being adversely affected by an event declared to be an emergency event by the Commissioner.
Income equalisation scheme deposits
<p>This includes any deposits made by:</p> <ul style="list-style-type: none"> • you • a company controlled by you or your trust, or • your trust. <p>To an agricultural, fishing or forestry business income equalisation scheme account at Inland Revenue (excludes 'adverse events' deposits).</p> <p>Subsequent refunds from these accounts (excluding interest) shouldn't be included as income for WFTC</p>
Income held in a closely held company
<p>Close company is defined to mean a company where at any time there are 5 or fewer natural persons whose voting interests in the company is more than 50%</p> <p>Income attributed to major shareholders in a close company should be included as income for WFF.</p>