



Cabinet Social Wellbeing Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Student Loan Business Transformation Policy Changes for 2020

Portfolio **Education / Revenue**

On 13 March 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that Inland Revenue is planning to move the student loan scheme to new systems and processes in April 2020;
- 2 **noted** that there are several policy changes requiring legislative change that can make it easier for borrowers to meet their obligations and improve the administration of the student loan scheme;
- 3 **agreed** that changes to borrower's repayment obligations prior to 1 April 2013 be limited to changes in residency status, where fraud is involved, or where a tax return has not been filed and it is cost effective to make changes;
- 4 **agreed** that the Commissioner of Inland Revenue have the ability to return an adversely affected borrower, who notifies the Commissioner, to the position they would have been in but for the proposal in paragraph 3;
- 5 **agreed** to change the name of the student loan repayment holiday to student loan temporary repayment suspension;
- 6 **agreed** that Inland Revenue have the ability to write-off student loans taken out before 2000, in cases where borrowers have been able to prove that they did not take out the loan;
- 7 **agreed** that Inland Revenue have the ability to notify a borrower's employer when the borrower's student loan is close to being fully repaid;
- 8 **agreed** that overseas-based borrowers with serious illness or disabilities should be treated as New Zealand based;
- 9 **agreed** that the decisions in paragraphs 3-8, if agreed, will apply from 1 April 2020;
- 10 **invited** the Minister of Revenue to instruct Parliamentary Counsel Office to draft the necessary amendments to give effect to the changes recommended in the paper under SWC-19-SUB-0014.

Jenny Vickers
Committee Secretary

Hard-copy distribution: (see over)

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters
Hon Kelvin Davis
Hon Phil Twyford
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Stuart Nash
Hon Jenny Salesa
Hon Tracey Martin
Hon Willie Jackson
Hon Aupito William Sio
Michael Wood MP
Jan Logie MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Office of the Chair of SWC
Officials committee for SWC

Hard-copy distribution:

Minister of Education
Minister of Revenue