



POLICY AND REGULATORY STEWARDSHIP

Tax policy report: Amendments to commencement dates in the Child Support Amendment Act 2021

Date:	28 July 2021	Priority:	Medium
Security level:	In Confidence	Report number:	IR2021/321

Action sought

	Action sought	Deadline
Minister of Revenue	Agree to recommendations	4 August 2021

Contact for telephone discussion (if required)

Name	Position	Telephone
Carolyn Elliott	Policy Lead	s 9(2)(a)
Jacqueline d'Ath	Senior Policy Advisor	

28 July 2021

Minister of Revenue

Amendments to commencement dates in the Child Support Amendment Act 2021

Summary

Purpose

1. This report seeks your agreement to amend by Order in Council the commencement dates for recent child support amendments to align with the move of child support to Inland Revenue's new technology platform START.

Background

2. The Child Support Amendment Act 2021 (CSAA) was enacted on 24 March 2021. Its purpose was to make amendments to further improve the administration of the child support scheme. This took advantage of the opportunity offered by the modernisation of Inland Revenue's system.
3. When the Child Support Amendment Bill was introduced, it was intended that the child support scheme would move to Inland Revenue's new system (START) in April 2021. However, due to COVID-19, this move was delayed until the second half of 2021. Because of this delay, the commencement dates of many the proposals in the CSAA were changed to 1 April 2022 or an earlier date as set by Order in Council.

Proposal

4. Moving child support to START is now set for Labour Weekend 2021. As such, commencement dates for provisions relating to the administration of the scheme will need to be amended. Officials recommend that generally the dates be amended to 26 October 2021 to align with the move. However, for provisions relating to penalty changes, such as the introduction of the grace period, it is preferable that they apply from the beginning of a month. Officials therefore propose such provisions apply from 1 November 2021. The affected sections and the commencement date for each are listed in Appendix A to this report.
5. Provisions relating to the annual assessment of child support, such as the changes to what is included as income, will apply from 1 April 2022 being the start of the next child support year.

Consultation

6. The Treasury was consulted in the preparation of this report.

Next steps

7. If you agree to the date changes, officials will draft a Cabinet Legislative Committee paper for your consideration and submission to the Cabinet Office.

Recommended action

We recommend that you:


8. **agree** to bring forward the commencement dates for the specified sections of the Child Support Amendment Act 2021 from 1 April 2022 to 26 October 2021 or 1 November 2021 as set out in Appendix A,

Agreed/Not agreed

9. **note** that officials will draft a Cabinet Legislative Committee paper.

Noted

s 9(2)(a)



Carolyn Elliott

Policy Lead

Policy and Regulatory Stewardship

Hon David Parker

Minister of Revenue

/ /2021

Appendix A: Sections of the Child Support Amendment Act 2021 and the Taxation (Budget 2021 and Remedial Measures) Act 2021 that require an Order in Council to amend the date of commencement

Section being amended in the Child Support Act 1991	Section in the Child Support Amendment Act 2021	Proposed new commencement date
Section 5 (Children who qualify for child support)	5	26 October 2021
Sections 19(3) to (7) (When liability to pay child support starts)	6	26 October 2021
Section 81A (Amendments of assessments arising from living circumstances existing at time initial assessment made)	18	26 October 2021
Section 87(7) (Amendment of assessments)	19	26 October 2021
Section 87A (Four-year time bar for amendment of certain assessments)	20	26 October 2021
Section 88(3A) (Notice of assessment of formula assessment of child support)	21	26 October 2021
Section 89A(1)(aa) (Outline)	22	26 October 2021
Section 89B (Definitions for this Part)	23(2) to (4)	26 October 2021
Subpart 2 heading in Part 5A – “persons suffering from long-term periods of illness”	24	26 October 2021
Cross-heading above section 89C – “persons suffering from long-term periods of illness”	25	26 October 2021
Section 89C(1)(a)(ii) (Exemption for long-term hospital patients)	26	26 October 2021
Section 89CA (Exemption for persons suffering from long-term periods of illness)	27	26 October 2021
Section 89D(1)(a)(ii) (Exemption for long-term prisoners)	28	26 October 2021
Sections 89F(1)(a)(i), (1)(a)(ia), (1)(a)(ii), (2A), (3) relevant period (Exemption does not apply at any time during child support year if income criteria not met at any time during relevant period)	29	26 October 2021
Sections 89G(1)(aa), (3)(aa) (Other restrictions on application of exemptions)	30	26 October 2021
Sections 89H(1)(b)(ia), (1)(ca), (2)(aa) (Applications for exemptions under this subpart)	31	26 October 2021
Subpart 3 heading in Part 5A “persons suffering from long-term periods of illness”	32	26 October 2021
Section 96BA (Four-month time limit for certain applications that are time-barred under section 87A)	34	26 October 2021
Section 96D(1)(bb) (Determinations that may be made)	35	26 October 2021
Section 105(2)(e) and heading (Matters as to which court must be satisfied before making order)	36	26 October 2021

Section being amended in the Child Support Act 1991	Section in the Child Support Amendment Act 2021	Proposed new commencement date
Section 106B (Further provision on orders for offsetting of liabilities situations)	37	26 October 2021
Section 129(1) (Right to choose voluntary automatic deductions or other payment method)	40	26 October 2021
Section 129A (Newly liable persons to pay financial support by automatic deduction)	41	26 October 2021
Section 134AAA (Sixty-day grace period before penalties apply)	43	1 November 2021
Sections 152B(1), (1A), (2) to (4) (Offsetting child support payments)	55	26 October 2021

Section being amended in the Child Support Act 1991	Section in the Taxation (Budget 2021 and Remedial Measures) Act 2021	Proposed new commencement date
Sections 134(2) and (3) (Penalties for late payment of financial support debts)	8(2) and (4)	1 November 2021
Part 5 - Schedule 1 - Clause 23 (Amendments to section 134 (Penalties for late payment of financial support debts))	9	1 November 2021