



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Order in Council: Increase in Working for Families Tax Credit rates

**Portfolio**                      **Revenue**

On 26 October 2022, the Cabinet Social Wellbeing Committee:

- 1        **noted** that Cabinet agreed:
  - 1.1        in April 2004, to increase the Minimum Family Tax Credit from 1 April 2006 onwards by an amount sufficient to ensure that families do not suffer a reduction in income when moving off a welfare benefit and into full-time paid work [CAB Min (04) 13/4];
  - 1.2        in December 2020, to calculate the threshold based on sole parents moving off benefit at 20 hours being better off, rather than couples at 30 hours [CAB-20-MIN-0512];
  - 1.3        in April 2021, to change the approach to calculating the Minimum Family Tax Credit so that the Winter Energy Payment of the formula equates to five months of payments rather than 12 months of payments [CAB-21-MIN-0116.33];
- 2        **agreed**, subject to the finalised Half Year Economic and Fiscal Update (HYEFU) figures, that the annual amount of the Minimum Family Tax Credit increase from \$32,864 to \$34,164 (i.e. from \$38,647 to \$40,223 gross) for the tax year beginning 1 April 2023, as allowed under section MF 7 of the Income Tax Act 2007;
- 3        **agreed** that, as allowed under section MF 7 of the Income Tax Act 2007, the amount of the Family Tax Credit increase:
  - 3.1        for the eldest child, from \$6,642 p.a. to \$7,121 (i.e. from \$127 to \$136 per week) after tax;
  - 3.2        for a subsequent child, from \$5,412 p.a. to \$5,802 (i.e. from \$104 to \$111 per week) after tax;
- 4        **agreed** that the Best Start Tax Credit rate increase from \$3,388 p.a. to \$3,632 (i.e. from \$65 to \$69 per week) after tax;
- 5        **authorised** the Minister of Revenue to finalise the amount of the Minimum Family Tax Credit as may be required once the confirmed HYEFU figures are available after 9 November 2022;

6 **authorised** the submission of an Order in Council to the Executive Council at its meeting on 14 November 2022, to give effect to paragraphs 2, 3 and 4 above.

Rachel Clarke  
Committee Secretary

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**Present:**

Hon Grant Robertson  
Hon Kelvin Davis (Chair)  
Hon David Parker  
Hon Peeni Henare  
Hon Hon Jan Tinetti  
Hon Kiri Allan  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials Committee for SWC