



Frequently asked questions

Empowering families: Increasing certainty and preventing debt in the Working for Families scheme – discussion document

What proposals are covered in the discussion document?

- Using a period shorter than a year to calculate entitlements, along with using past rather than estimated future income, to help improve the accuracy of payments and to help prevent families going into debt.
- Simplifying the definition of 'family scheme income', which affects how Working for Families tax credit entitlements are calculated.
- Increasing information sharing between Inland Revenue and the New Zealand Customs Service and refining the Working for Families residence requirements.
- The document also asks for feedback on peoples' experiences as they move from benefit into work, and where there might be opportunities to improve the transition.

Do I need to read the discussion document to submit?

No, you don't. We've created an [information sheet](#) this covers the main proposals. We have also produced [summarised submission questions](#) based on the topics likely to be of the most interest to families receiving Working for Families. Some of these questions ask about your experiences with the Working for Families system, not just what you think about the proposals. So even if you don't have a view on the specific proposals, we would still like to hear from you. You could also choose to read the full chapter on a topic that interests or affects you.

How will my information be used?

The Government wants to hear about genuine experiences so we can improve Working for Families. We are very keen to hear about your experience with the scheme. Any information you provide in your submission will only be used for policy development purposes.

Officials from Inland Revenue or the Ministry of Social Development may need to contact you to get a better understanding of the points you have made. If you are happy for that to happen, please note that in your submission.

Please be aware that if a member of the public asks to see all submissions, we are obliged under the Official Information Act 1982 to provide them. Contact information such as an address, email, and phone number for submissions from individuals will be withheld. If there are other parts of your submission that you do not want released, please make that clear in your submission. Whether any information is withheld will be determined using the Official Information Act 1982.

Will this change mean that the Government will spend less on supporting the families who currently receive Working for Families?

This set of proposals is aimed at making the scheme run more smoothly and to help reduce the chances of people going into debt. It is not about changing the amounts that people are entitled to.

If you switch to a shorter period for assessment, won't that mean that I will have to spend more time estimating my income or talking with the Inland Revenue?

Part of this proposal is to stop using income estimates to calculate your Working for Families entitlement. One possibility would be to look back at what you actually earned over the past 3 months and use this information to calculate your payments for the next 3 months. This way you wouldn't need to worry about estimating what you think you might earn.

For most families, this would be based on income that is automatically reported to Inland Revenue like salary and wages paid by your employer or interest paid by your bank. If you earn income that isn't regularly reported to Inland Revenue, for example if you are self-employed, then you might still need to estimate your income.

One aim of this lagged-income proposal is to reduce the amount of time most people spend estimating their income and talking with Inland Revenue.

We would like to hear your thoughts on your experience with estimating your income for Working for Families and what the proposals might mean for your interactions with Inland Revenue.

How could changing the definition of family scheme income affect me?

Working for Families looks at a broad range of income types to make sure families' entitlements reflect what they earn.

Most of the different income types aren't relevant for most people, but simplifying the list will make it easier for you when you have to determine what information you need to provide to Inland Revenue.

When will I see this change in my Working for Families payments?

This is just public consultation at this stage. The Government will consider any feedback, and decide whether any changes should be made. Any changes would have to be passed by Parliament.

When will the changes come into effect?

This is just public consultation at this stage. Depending on the outcome of consultation, the proposals would be included in a Bill and a date for coming into effect would be decided at that time.

I heard that the Government is changing the threshold and the abatement rate. Why are these not mentioned in this document?

There were two sets of Working for Families announcements as part of Budget 2025. The changes to the threshold and the abatement rate as well as the introduction of income testing for Best Start are not included in this discussion document because they are in a Bill to be considered by Parliament. These are to take effect on 1 April 2026.

You can find out more about those changes here - [Taxation \(Budget Measures\) Bill \(No 2\) – Bill commentary](#).