Hon Simon Watts, Minister of Revenue

Income Tax (Minimum Family Tax Credit) Order 2026 – Information Release

November 2026

List of documents included in this proactive release

#	Reference	Type	Title	Date
01	IR2026/226 T2026/1641	Inland Revenue/ Treasury Report	Report – Bring forward decision on setting Minimum Family Tax Credit threshold	10/08/2026
02	IR2026/285	Inland Revenue Report	Draft Cabinet paper – Increase minimum family tax credit threshold	01/10/2026
03	n/a	Cabinet paper	Income Tax (Minimum Family Tax Credit) Order 2026	27/10/2026
04	CAB-26-SUB-0330	Cabinet summary	Income Tax (Minimum Family Tax Credit) Order 2026	27/10/2026
05	CAB-26-MIN-0330	Cabinet minute	Income Tax (Minimum Family Tax Credit) Order 2026	27/10/2026

Additional information

The Cabinet paper was considered and confirmed by Cabinet on 27 October 2026.

Information withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply are identified.

Where information is withheld, no public interest was identified that would outweigh the reasons for withholding it.

Sections of the Act under which information was withheld:

9(2)(a) to protect the privacy of natural persons, including deceased people

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Policy report

TE TAI ŌHANGA THE TREASURY

Inland Revenue Te Tari Taake

Bring forward decision on setting Minimum Family Tax Credit threshold

Date	10 August 2026	**Priority**	Medium
Security level	In Confidence	**Report number**	IR2026/226 T2026/1641

Action sought		**Deadline**
Minister of Finance	**Agree** to set the threshold amount of Minimum Family Tax Credit early for the 2027–28 tax year	24 August 2026
Minister for Social Development and Employment	**Agree** to set the threshold amount of Minimum Family Tax Credit early for the 2027–28 tax year	24 August 2026
Minister of Revenue	**Agree** to set the threshold amount of Minimum Family Tax Credit early for the 2027–28 tax year	24 August 2026

Purpose
Seeking agreement to set the 2027–28 tax year threshold amount for the Minimum Family Tax Credit earlier than usual given the timing of the general election. Choosing an inflation figure to use to set the threshold amount.

Contact for phone discussion, if required

Name	**Position**	**Phone number**	**First contact**
Paul Young	Policy Lead, Inland Revenue	s 9(2)(a)	✓
Amie Whitney	Policy Advisor, Inland Revenue	s 9(2)(a)	☐
Alex Harrington	Principal Advisor, Social Sector, Communities and Learning, The Treasury	s 9(2)(a)	☐

Bring forward decision on setting Minimum Family Tax Credit threshold

Background

1 Cabinet has agreed the Minimum Family Tax Credit threshold be reviewed every year to take into account the annual CPI-adjusted increases in main benefit rates [CAB Min (04) 13/4 refers]. This helps ensure that, over a year, beneficiaries with dependent children are generally better off being in work than receiving a main benefit. There is no automatic inflation adjustment for Minimum Family Tax Credit unlike other payments.

2 The tax credit tops up wages to help workers receive at least as much as they could have received on a benefit. The formula is not exact, and officials reported in November 2025 on problems with the tax credit [IR2025/209, T2025/2909, REP/25/11/899 refers]. Larger reform work is under consideration for future Budget decisions that would not apply until 2028–29 at the earliest.

3 The 2026–27 tax credit threshold was increased from $35,316 to $36,604 after tax, applying from 1 April 2026, through the Income Tax (Tax Credit) Order 2025. This increase was not solely due to CPI adjustment but also accounted for changes in welfare, tax and Working for Families settings through recent Budgets.

4 Usually, this annual review of the tax credit would occur after the release of CPI figures for the year ended 30 September, with Cabinet decisions made in November (see table below). An Order in Council must be published no later than 1 December to take effect from the following 1 April in accordance with legislative requirements. Any change after 1 December requires amending legislation.

5 In terms of the size of the issue, in 2025 approximately $10.9 million was spent on the Minimum Family Tax Credit for around 2,300 families, mostly sole parents.

Timing with general election

6 The usual timeframe for seeking agreement to a new threshold amount, based on the 2025 process, is:

Step	Timing
CPI figure for year ending 30 September published	20 October
Draft Cabinet paper provided for approval and ministerial consultation	22 October to 5 November
LEG Committee consideration	13 November
Cabinet and Executive Council	17 November
Gazetting	20 November
Deadline for when an Order in Council must be approved by	1 December
Cabinet agrees to increase main benefit rates by CPI for year ended 31 December	Mid-February
Notices sent to tax credit recipients with the new threshold seeking confirmation of family details	Mid-February
New benefit rates and tax credit threshold come into force	1 April

7 The timing is driven by when the quarterly CPI information is released by Stats NZ, usually in mid-October, and the legislative requirement for the Order in Council to be published no later than 1 December.

8 The general election is scheduled this year for 7 November. This means that the usual timeframe for agreeing a new threshold amount would happen immediately before and after election day. Usually, the caretaker Government consults with the incoming Government on policy decisions during the government formation period, with only

important and urgent items being considered. In our view, based on experience in 2023, a caretaker Government or the parties forming a new Government are unlikely to want to engage on this minor matter during that time. In previous years this has led to the need for urgent legislation to enact change post 1 December.

Making decision earlier to avoid election period

9 We recommend bringing this timetable forward to avoid decisions being made during the government formation period. This would require using an alternative CPI measure, because the CPI for the year ended 30 September 2026 will not be available. We anticipate Cabinet agreement would be sought in August/September 2026 if Ministers agree to bring the decision forward. The new rates and threshold would still come into force on 1 April 2027.

10 The Minimum Family Tax Credit threshold is usually adjusted using September CPI, which already acts as a proxy for the December CPI measure used to adjust main benefit rates. Using an alternative CPI measure to support an earlier decision would therefore be consistent with the existing approach and the objective of increasing the threshold in response to anticipated annual increases in main benefit rates.

11 We have considered alternative CPI measures that could be used as a proxy for the December 2026 CPI. The two options that seem the closest proxy are the actual CPI for the year ended 30 June 2026, which would be the most recent published CPI data, and the Treasury's BEFU forecast CPI for the year ended 31 December 2026.

12 The actual CPI for the year ended December 2025 and March 2026 were both 3.1%. Annual CPI increased to 4.1% for the year ended 30 June 2026. This was largely driven by the spike in fuel prices as a result of the Middle East conflict, which suggests that the June 2026 CPI outturn may be higher than CPI for the year ended December 2026.

13 The Treasury's 2026 Budget Economic and Fiscal Update forecast for CPI for the year ended December 2026 is 3.17%. While this is a forecast, it reflects the expected CPI for the same period that will be used to adjust main benefit rates. We consider this is the more appropriate measure to use when setting the Minimum Family Tax Credit threshold amount, particularly given the impact of the spike in fuel prices on the June 2026 CPI outturn.

14 We considered using the Treasury's upcoming 2026 Pre-election Economic and Fiscal Update forecast for CPI for the year ended December 2026; however, it will not be published until 29 September, which would be too late for setting an updated threshold amount.

15 The main risk with using the June 2026 CPI or the Treasury's forecasts of CPI is it may differ significantly from the CPI used for adjusting main benefits. For example, in 2025 the CPI for the year ended June 2025 was 2.7%, the Treasury's Budget Economic and Fiscal Update forecast of CPI for the year ended December 2025 was 2.3%, but the actual CPI outturn for the year ended December 2025 that was used to adjust main benefits was 3.1%. This would result in the tax credit being higher or lower than necessary to maintain relativity with main benefit increases. We consider the risk is relatively low for the Treasury forecast CPI, and the fiscal impact for either option would be relatively small because the threshold can be corrected at the next annual review, meaning only a single fiscal year risk of less than $2 million.

16 The new Minimum Family Tax Credit threshold using the actual outturn for the year ended June 2026 of 4.1% would be $37,456 after tax. The threshold using the Treasury's Budget Economic and Fiscal Update forecast CPI for the year ended December 2026 would be $37,249 after tax. The difference between the two thresholds is estimated to be $3.98 per week in tax credit payments to families.

17 It is possible for a new Government to change the threshold amount for the 2027–28 tax year after 1 December, but we do not recommend this because it would require amending legislation to be enacted preferably before notices are sent to families in February 2027. It may also cause some delays in Inland Revenue updating its system and sending notifications out to families.

Operational implications and communications

18 As updating the threshold is a standard change that happens every year and only has a minor impact for a small number of families, the change is not normally announced by Ministers.

19 Once the new threshold amount has been set, Inland Revenue will update its website and will notify families in mid-February 2027 of the changes and seek confirmation of their family details and estimated income for the 2027–28 year.

Financial implications

Non-departmental impact

20 The annualised fiscal cost of increasing the Minimum Family Tax Credit threshold is approximately $2 million and is already included in appropriation baselines as part of Budget forecasts.

Administrative impact

21 There is no additional operational cost, with the increase planned to be included in existing annual processes.

Consultation

22 Public consultation for this annual increase is not required. The Ministry for Regulation will be consulted on the draft Cabinet paper.

23 The Ministry of Social Development has been consulted in the preparation of this report and is comfortable with the recommendations.

Next steps

24 If Ministers agree, officials will draft a Cabinet paper to approve an Order in Council setting the threshold amount for the 2027–28 tax year for consideration in August/September in line with Ministerial decisions. We will instruct the Parliamentary Counsel Office to draft the Order in Council.

Recommendations

We recommend you:

1 **Agree** to bring forward the decision on setting the Minimum Family Tax Credit threshold amount for the 2027–28 tax year.

Agree / Disagree	Agree / Disagree	Agree / Disagree
Minister of Finance	*Minister for Social Development and Employment*	*Minister of Revenue*

2 **Agree to: Either**

a. Use the Treasury's Budget Economic and Fiscal Update forecast CPI of 3.17% for the year ended December 2026 to set the 2027–28 Minimum Family Tax Credit threshold amount at $37,249 after tax. (*Officials' preferred option*)

Agree / Disagree	Agree / Disagree	Agree / Disagree
Minister of Finance	*Minister for Social Development and Employment*	*Minister of Revenue*

or

b. Use the actual CPI outturn of 4.1% for the year ended June 2026 to set the 2027–28 Minimum Family Tax Credit threshold amount at $37,456 after tax.

Agree / Disagree	Agree / Disagree	Agree / Disagree
Minister of Finance	*Minister for Social Development and Employment*	*Minister of Revenue*

3 If you agree to bring forward the decision, **agree** to instruct officials to draft a Cabinet paper on increasing the Minimum Family Tax Credit threshold for an early decision.

Agree / Disagree	Agree / Disagree	Agree / Disagree
Minister of Finance	*Minister for Social Development and Employment*	*Minister of Revenue*

4 **Note** that officials will instruct the Parliamentary Counsel Office to draft an Order in Council in line with your decisions.

s 9(2)(a)

Jean Le Roux

Senior Manager, Social Sector, Communities and Learning

The Treasury

10 August 2026

s 9(2)(a)

Paul Young

Policy Lead

Policy | Inland Revenue

10 August 2026

Hon Nicola Willis	Hon Louise Upston	Hon Simon Watts
Minister of Finance	**Minister for Social Development and Employment**	**Minister of Revenue**
/ /2026	/ /2026	/ /2026

Tax policy report

Inland Revenue
Te Tari Taake

Draft Cabinet paper – Increase minimum family tax credit threshold

Date	1 October 2026	**Priority**	Medium
Security level	In Confidence	**Report number**	IR2026/285

Action sought		**Deadline**
Minister of Revenue	**Agree** to circulate the attached draft Cabinet paper for Ministerial consultation.	12 October 2026

Purpose
This report seeks your agreement to begin Ministerial consultation on the attached draft Cabinet paper, giving effect to Ministers' August 2026 decision to increase the minimum family tax credit threshold from 1 April 2027 [IR2026/226 refers]. It contains a placeholder for the threshold amount, which will be calculated following the release of the CPI for the year ended September 2026 on 22 October 2026. Ministerial consultation needs to be undertaken before the Stats NZ CPI data release to ensure that the Cabinet paper and Order in Council can be considered by Cabinet on 27 October 2026.

Contact for phone discussion, if required

Name	**Position**	**Phone number**	**First contact**
Paul Young	Policy Lead, Inland Revenue	s 9(2)(a)	✓
Amie Whitney	Policy Advisor, Inland Revenue	s 9(2)(a)	☐

Draft Cabinet paper – Increase minimum family tax credit threshold

Background

1 The minimum family tax credit "tops up" a recipient's after-tax earnings to a minimum level of income set in legislation, referred to as the minimum family tax credit threshold.

2 The policy intent of the minimum family tax credit is to ensure that low-income families remain better off in full-time work than receiving a main benefit. Sole parent benefit levels are adjusted annually for CPI movements, so the threshold is generally adjusted annually to maintain this policy objective.

3 In the 2024–25 tax year, approximately $10.9 million was spent on the minimum family tax credit for around 2,300 families, mostly sole parents. Annual inflation for the year ending September 2025 was 3% and in response, the minimum family tax credit threshold increased from $35,316 to $36,604 after tax from 1 April 2026 (the 2026–27 tax year).

4 In August 2026, Ministers agreed that the minimum family tax credit threshold for the year beginning 1 April 2027 (the 2027–28 tax year) would be calculated using the CPI for the year ended September 2026 [IR2026/226 refers]. Stats NZ will release the CPI data on 22 October 2026, after which we will calculate the new threshold.

Timing

5 The adjustment must be made by Order in Council before 1 December 2026 to take effect from 1 April 2027, in accordance with legislative requirements.

6 The new threshold cannot be calculated until the CPI is released on 22 October 2026. We will report to you when the CPI data is released, and the final threshold amount is calculated.

7 To enable the Order in Council to be made before the government formation period and before the 1 December statutory deadline, we suggest lodging the Cabinet paper on 23 October 2026 for consideration by Cabinet on 27 October 2026.

8

Key activity	By proposed date
Ministerial consultation on draft Cabinet paper	12 to 22 October
CPI data for year ended September released	22 October
Report seeking agreement to the threshold amount and authorisation for lodgement	22 October
Cabinet paper lodged	23 October
Cabinet consideration and confirmation	27 October
Gazetted	29 October

Consultation

9 The Treasury and the Ministry of Social Development have been consulted on the draft Cabinet paper.

Next steps – Ministerial consultation

10 If you agree to the draft Cabinet paper attached to this report, the next step is to undertake Ministerial consultation.

11 The paper seeks authorisation for submission to the Executive Council of an Order in Council to increase the minimum family tax credit threshold from 1 April 2027. The Parliamentary Counsel Office has not yet drafted the Order in Council.

12 As the annual CPI figure for September is not yet available, the attached draft Cabinet paper contains a placeholder for the threshold amount.

13 To support Ministerial consultation before the threshold amount is available, we have attached information on previous changes to the minimum family tax credit threshold and corresponding September CPI movements to indicate the likely scale of the adjustment.

14 The proposed increase to the minimum family tax credit threshold is exempt from the requirement to provide a regulatory analysis summary and consistency accountability statement, which would otherwise need to be circulated as part of ministerial consultation.

15 We will report to you on 22 October seeking your agreement to the final threshold amount and your authorisation to lodge the Cabinet paper on 23 October.

16 Officials will provide speaking notes to your office ahead of Cabinet consideration.

Recommendations

We recommend you:

1 **Agree** the draft Cabinet paper be circulated for Ministerial consultation.

Agree / Disagree

2 **Refer** a copy of this report to the Minister of Finance for her information.

Refer/not refer

3 **Refer** a copy of this report to the Minister for Social Development and Employment for her information.

Refer/not refer

s 9(2)(a)

Paul Young

Policy Lead

Policy | Inland Revenue

1 October 2026

Hon Simon Watts

Minister of Revenue

/ /2026

Office of the Minister of Revenue

Chair, Cabinet

Income Tax (Minimum Family Tax Credit) Order 2026

Proposal

1 This paper seeks Cabinet's agreement to the submission to the Executive Council of the attached Income Tax (Minimum Family Tax Credit) Order 2026. The Order increases the after-tax value of the minimum family tax credit threshold from $36,604 to $37,411 for the tax year beginning 1 April 2027. This increase takes into account the expected inflation adjustment to be made to the Sole Parent Support payment, applying from 1 April 2027.

Policy

2 The minimum family tax credit provides a guaranteed level of after-tax income to households with dependent children where the parents work full time and do not receive a main benefit.[1] If a family's after-tax income is below the minimum family tax credit threshold, Inland Revenue pays them an amount of minimum family tax credit to top up their income to the threshold. This is intended to ensure that a recipient is better off in full-time employment and receiving the minimum family tax credit than they would be receiving a main benefit.

3 In the 2024–25 tax year, approximately 2,300 families received the minimum family tax credit, most of them sole parents. The average amount received was $4,783 per family and the aggregate spend was approximately $11 million.

4 In 2004, Cabinet agreed to increase the minimum family tax credit threshold and to adjust it annually from 1 April 2006 to ensure that recipients do not suffer a reduction of income when moving off a benefit and into work [CAB Min (04) 13/4 refers].

5 In 2020, Cabinet agreed for the minimum family tax credit to be adjusted to ensure that sole parents, but not necessarily couples, do not suffer a reduction of income when moving off a benefit and into full-time work [CAB-20-MIN-0512 refers]. This means that the minimum family tax credit threshold is typically set at least $1 a week above the maximum weekly level of income a sole parent beneficiary could receive.

6 In line with this policy, I recommend that the minimum family tax credit threshold be increased from $36,604 to $37,411 after tax from 1 April 2027

[1] Full-time work means 20 hours per week for sole parents, 30 hours per week for couples.

(the start of the 2027–28 tax year). This is equivalent to an increase from $704 per week after tax to $719 per week after tax.

7 This increase takes into account the expected change to Sole Parent Support rates that will apply from 1 April 2027, which will be indexed using consumers price index (CPI) inflation for the year ending December 2026. Due to the legislative requirement that the Income Tax (Minimum Family Tax Credit) Order 2026 be made before 1 December 2026 in order to apply from 1 April 2027, it is not possible to set the threshold using the actual increase to Sole Parent Support. Consistent with usual practice, the new threshold has therefore been calculated taking into account the 3.7% annual increase in CPI inflation for the year ended September 2026 (released by Stats NZ on 22 October 2026).

8 The annual fiscal cost of increasing the minimum family tax credit threshold of approximately $1.3 million is already included in appropriation baselines as part of Budget forecasts. As such, this paper has no financial implications.

Timing and 28-day rule

9 No waiver of the 28-day rule is sought. The Income Tax Act 2007 requires the Order to be made no later than 1 December to come into effect and apply from 1 April following that date. The Order is therefore in accordance with the rule that regulations must not come into force until at least 28 days after they have been notified in the *New Zealand Gazette.*

Compliance

10 This Order complies with:

10.1 the principles of the Treaty of Waitangi

10.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993

10.3 the principles and guidelines set out in the Privacy Act 2020

10.4 relevant international standards and obligations, and

10.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

11 Officials consider that there are no grounds for the Regulations Review Committee to draw the Order to the attention of the House under Standing Order 327.

Certification by Parliamentary Counsel

12 The Order was certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Regulatory Analysis

13 Inland Revenue has determined that this proposal is excluded from the requirement to provide a regulatory analysis summary on the grounds that its economic, social or environmental impacts are limited and easy to assess.

Consistency with principles of responsible regulation

14 This secondary legislation is excluded from the consistency accountability statement requirements under Schedule 8 of the Regulatory Standards (Excluded legislation) Notice 2026. The empowering provision for the secondary legislation, section MF 7(1) of the Income Tax Act 2007, is specified in clause 5(2) of Schedule 8 of the Notice.

Publicity

15 The Order will be published in the *New Zealand Gazette*. Inland Revenue will publish information about the change on its Tax Policy website. Existing recipients will be contacted in February 2027 with an updated estimate of their Working for Families tax credit entitlements for the tax year beginning 1 April 2027.

Proactive release

16 I propose to proactively release this Cabinet paper, associated minutes, and key advice papers within 30 working days of Cabinet making final decisions.

Consultation

17 The Department of the Prime Minister and Cabinet, the Treasury, the Ministry of Social Development, and the Ministry for Regulation have been consulted on this Cabinet paper.

18 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal because the CIPA criteria are not met.

Recommendations

I recommend that Cabinet:

1 **Note** that in April 2004, Cabinet agreed to increase the minimum family tax credit threshold 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 refers].

2 **Note** that the Income Tax (Minimum Family Tax Credit) Order 2026 increases the annual amount of the minimum family tax credit threshold from $36,604 to $37,411 for the tax year beginning 1 April 2027, as allowed under section MF 7 of the Income Tax Act 2007.

3 **Authorise** the submission to the Executive Council of the Income Tax (Minimum Family Tax Credit) Order 2026.

4 **Note** that the Income Tax (Minimum Family Tax Credit) Order 2026 comes into force on 1 April 2027.

5 **Note** that there is a legislative requirement under section MF 7 of the Income Tax Act 2007 that requires the Income Tax (Minimum Family Tax Credit) Order 2026 to be made prior to 1 December 2026 for it to come into force on 1 April 2027.

[Authorised for lodgement]

Hon Simon Watts

Minister of Revenue

Cabinet

Summary

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Income Tax (Minimum Family Tax Credit) Order 2026

Portfolio	**Revenue**
Purpose	This paper seeks authorisation to submit the Income Tax (Minimum Family Tax Credit) Order 2026 (the Order) to the Executive Council.
Previous Decisions	In April 2004, Cabinet agreed to increase the minimum family tax credit threshold 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]. In December 2020, Cabinet agreed to adjust the minimum family tax credit to ensure that sole parents, but not necessarily couples, do not suffer a reduction of income when moving off a benefit and into full-time work [CAB-20-MIN-0512].
Proposal	The Order increases the after-tax value of the minimum family tax credit threshold from $36,604 to $37,411 for the tax year beginning 1 April 2027. This increase takes the expected inflation adjustment to be made to the Sole Parent Support payment (applying from 1 April 2027) into account.
Impact Analysis	Not applicable.
Financial Implications	None from this paper. The annual fiscal cost of increasing the minimum family tax credit threshold of approximately $1.3 million is already included in appropriation baselines as part of Budget forecasts.
Compliance	On 23 October 2026, Parliamentary Counsel certified the Order as being in order for submission to Cabinet. The Order is exempt from consistency accountability analysis requirements.
Timing Matters	The Order comes into force on 1 April 2027. Under section MF 7(3) of the Income Tax Act 2007, the order must be made and published no later than 1 December 2026.
Communications	IRD will publish information about the change on its Tax Policy website. Existing tax credit recipients will be contacted in February 2027 with an updated estimate of their entitlements for the tax year beginning 1 April 2027.

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Consultation Paper prepared by IRD. MfR, DPMC, MSD, and the Treasury were consulted.

The Minister indicates that all Ministers were consulted.

The Minister of Revenue recommends that Cabinet:

1 note that in April 2004, Cabinet agreed to increase the minimum family tax credit threshold 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];

2 note that the Income Tax (Minimum Family Tax Credit) Order 2026 increases the annual amount of the minimum family tax credit threshold from $36,604 to $37,411 for the tax year beginning 1 April 2027, as allowed under section MF 7 of the Income Tax Act 2007;

3 authorise the submission to the Executive Council of the Income Tax (Minimum Family Tax Credit) Order 2026 [PCO 29397/3.0];

4 note that the Income Tax (Minimum Family Tax Credit) Order 2026 comes into force on 1 April 2027;

5 note that there is a legislative requirement under section MF 7 of the Income Tax Act 2007 that requires the Income Tax (Minimum Family Tax Credit) Order 2026 to be made prior to 1 December 2026 for it to come into force on 1 April 2027.

Tom Kelly
for Secretary of the Cabinet

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The Cabinet

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Cabinet

Minute of Decision

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Income Tax (Minimum Family Tax Credit) Order 2026

Portfolio **Revenue**

On 27 October 2026, Cabinet:

1 **noted** that in April 2004, Cabinet agreed to increase the minimum family tax credit threshold 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];

2 **noted** that the Income Tax (Minimum Family Tax Credit) Order 2026 increases the annual amount of the minimum family tax credit threshold from $36,604 to $37,411 for the tax year beginning 1 April 2027, as allowed under section MF 7 of the Income Tax Act 2007;

3 **authorised** the submission to the Executive Council of the Income Tax (Minimum Family Tax Credit) Order 2026 [PCO 29397/3.0];

4 **noted** that the Income Tax (Minimum Family Tax Credit) Order 2026 comes into force on 1 April 2027;

5 **noted** that there is a legislative requirement under section MF 7 of the Income Tax Act 2007 that requires the Income Tax (Minimum Family Tax Credit) Order 2026 to be made prior to 1 December 2026 for it to come into force on 1 April 2027.

Rachel Hayward
Secretary of the Cabinet

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