

Hon Simon Watts, Minister of Revenue

Information Release

Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023

March 2024

Availability

This information release is available on Inland Revenue's tax policy website at <https://www.taxpolicy.ird.govt.nz/publications/2024/2024-ir-cab-cbc-23-sub-0026>

Documents in this information release

#	Reference	Type	Title	Date
1	IR2023/268	Policy report	Student Loan Scheme (Repayment Threshold) Regulations 2024-25	30 November 2023
2	BN2023/277	Briefing note	Student loan repayment threshold adjustment – further information	4 December 2023
3	CBC-23-SUB-0026	Cabinet paper	Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023	13 December 2023
4	CBC-23-MIN-0026	Minute	Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023	13 December 2023
5	CAB-23-MIN-0493	Minute	Report of the Cabinet Business Committee: Period ended 15 December 2023	15 December 2023

Additional information

The Cabinet paper was considered and confirmed by the Cabinet Business Committee on 13 December 2023.

One attachment to the Cabinet paper is not included in this information release as it is publicly available:

- Order in Council: Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023¹

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.

¹ <https://www.legislation.govt.nz/regulation/public/2023/0295/latest/whole.html#LMS926309>

Sections of the Act under which information was withheld:

- 9(2)(a) to protect the privacy of natural persons, including deceased people
- Not in scope

Accessibility

Inland Revenue can provide an alternate HTML version of this material if requested. Please cite this document's title, website address, or PDF file name when you email a request to policy.webmaster@ird.govt.nz

Copyright and licensing

Cabinet material and advice to Ministers from the Inland Revenue Department and other agencies are © Crown copyright but are licensed for re-use under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>).





POLICY AND REGULATORY STEWARDSHIP

Tax policy report: Student Loan Scheme (Repayment Threshold) Regulations 2024-25

Date:	30 November 2023	Priority:	High
Security level:		Report number:	IR2023/268

Action sought

	Action sought	Deadline
Minister of Revenue	<p>Agree to recommendations</p> <p>Lodge the enclosed Cabinet paper by 10:00 a.m., Thursday 7 December 2023</p> <p>Refer this report to the Minister of Tertiary Education and Skills for their information</p>	<p>10:00 a.m., Thursday 7 December 2023</p>

Contact for telephone discussion (if required)

Name	Position	Telephone
Carolyn Elliott	Policy Lead	s 9(2)(a) [REDACTED]
Josh Fowler	Senior Policy Advisor	s 9(2)(a) [REDACTED]

Student Loan Scheme (Repayment Threshold) Regulations 2024

Executive summary

1. This report outlines the process for increasing the student loan repayment threshold for New Zealand-based borrowers from 1 April 2024 and recommends you take a paper to Cabinet on this matter.
2. Governments generally choose to adjust the student loan repayment threshold annually. However, in the past, governments have also chosen to suspend adjustments where economic conditions are challenging.
3. In 2022, Cabinet agreed that adjustments to the student loan income repayment threshold for 2023-24 and subsequent years were to be calculated using the Consumer Price Index All Groups ("CPI all-groups") measure. This was a change from the previous approach, which had adjusted the student loan repayment threshold in line with the CPI-ex tobacco. However, as tobacco excise is no longer increased on an annual basis, the Government returned to a CPI measure which includes tobacco products (CPI-all groups).
4. The current repayment threshold is \$22,828.¹ Adjusting for CPI-all groups inflation between September 2022 to September 2023, the new threshold would be \$24,128. This would allow New Zealand-based student loan borrowers to earn an additional \$1,300 of income per year (or \$25 per week) before they must begin to make loan repayments.
5. The fiscal impacts of adjusting the repayment threshold are already accounted for in the forecast. However, the Parliamentary Counsel Office will need to be instructed to draft the necessary regulations to increase the threshold and Cabinet authorisation is needed for the regulations to go to the Executive Council.
6. Any new repayment threshold also needs to be included into payroll software in time for the 2024/25 income year (i.e. 1 April 2024 – 31 March 2025). To provide payroll providers time to make and test changes to payroll software, Inland Revenue starts issuing payroll specifications about 4 months before the start of the next income year. Ideally any amended threshold would be included in the specifications as soon as possible.
7. We therefore recommend aiming to have this matter considered by Cabinet Business Committee on **13 December 2023**, to be confirmed by Cabinet on 18 December 2023.

Recommended action

We recommend that you:

- a) **Note** that under current policy, the student loan repayment threshold is adjusted for inflation annually.

Noted

¹ Student Loan Scheme (Repayment Threshold for 2023-24 Tax Year and Subsequent Tax Years) Regulations 2022 <https://legislation.govt.nz/regulation/public/2022/0316/latest/whole.html#LMS785213>

- b) **Note** that in 2022, Cabinet agreed that adjustments to the student loan income repayment threshold for 2023-24 and subsequent years will be calculated using the consumer price index-all groups measure (noting this is a departure from the previous CPI measure which excluded tobacco products).²

Noted

- c) **Agree** to increase the student loan repayment threshold to \$24,128 and that the threshold apply from 1 April 2024.

Agreed/Not Agreed

- d) **Agree** that the Parliamentary Counsel Office be instructed to draft the necessary regulations to give effect to recommendation (c), above.

Agreed/Not Agreed

- e) **Agree** to take the attached Cabinet paper to the Cabinet Business Committee on **13 December 2023**, asking for authority to submit the Student Loan Scheme (Repayment Threshold) Regulations 2023 to the Executive Council.

Agreed/Not Agreed

- f) **Agree** to proactively release the Cabinet paper, associated minutes, and key papers in full, in line with the provisions of the Official information Act 1982, within 30 working days of Cabinet making final decisions.

Agreed/Not Agreed

- g) **Refer** this report to the Minister of Tertiary Education and Skills for their information.

Referred/Not referred

s 9(2)(a)

Carolyn Elliott
Policy Lead
Policy and Regulatory Stewardship

Hon Simon Watts
Minister of Revenue
/ /2023

² LEG-22-MIN-0214, 24 November 2022.

Background

8. The student loan repayment threshold sets the amount of annual income at which a New Zealand-based borrower is required to begin making loan repayments. Borrowers who earn over the threshold must pay 12% of every dollar earned over the repayment threshold toward their student loan balance.
9. The threshold is a mechanism which governments can use to reduce the likelihood that a low-income borrower would be placed into financial hardship because of their student loan repayment obligations. The current student loan repayment threshold of \$22,828 is significantly lower than a full-time annual salary at minimum wage.³ It is also lower than comparable schemes overseas (for example, Australia employs a graduated scale which begins at 1% for amounts over \$51,550).⁴ To ease repayment and cost of living pressures on borrowers, governments generally choose to adjust the repayment threshold annually.
10. Until the 2005/06 tax year, the student loan repayment threshold was set relative to the Domestic Purposes Benefit rate for a sole parent with two children. In the following years, the threshold was inflation-adjusted based on the movement in the Consumer Price Index.
11. However, governments have not always chosen to raise the repayment threshold. For example, in 2009, the Government suspended the inflation-adjustment of the repayment threshold for the 2010/11 tax year due to economic conditions. The threshold remained frozen until 1 April 2017, when CPI adjustments resumed.
12. The student loan repayment threshold is prescribed by regulation through Order in Council. The Student Loan Scheme (Repayment Threshold) Regulations 2022 set the annual repayment threshold for the 2023/24 income tax year at \$22,828.⁵

Process for calculating the threshold adjustment

13. Adjusting the repayment threshold for inflation maintains the real value of the amount of income someone can earn before they are required to begin repaying their student loan.
14. In 2022, Cabinet agreed that adjustments to the student loan income repayment threshold for 2023-24 and subsequent years were to be calculated using the consumer price index all groups measure. This was a change from the previous approach, which had adjusted the student loan repayment threshold in line with the CPI-ex tobacco. However, as the tobacco excise is no longer increased on an annual basis, the Government returned to a CPI measure which includes tobacco products (CPI-all groups).⁶

The threshold for the 2024/25 tax year

15. The CPI-all groups for the quarter ending 30 September 2023 was up 5.6% from the September 2022 quarter. Applying the CPI-all groups value to the formula set out in the Appendix to this report produced a new annual repayment threshold of \$24,128⁷. This would mean that New Zealand-based student loan borrowers could

³ A full-time worker on the minimum wage of \$22.70 per hour could be expected to earn a gross (pre-tax) salary of \$47,216 per annum.

⁴ [Study and training loan repayment thresholds and rates | Australian Taxation Office \(ato.gov.au\)](https://www.ato.gov.au/Study_and_training_loan_repayment_thresholds_and_rates)

⁵ <https://legislation.govt.nz/regulation/public/2022/0316/latest/whole.html#LMS785213>

⁶ This had reflected an all of Government approach to indexation to prevent on-going increases in tobacco excise, as well as any other price changes for tobacco products, flowing through to increases in financial assistance.

⁷ If the CPI-ex tobacco measure was used, the 2023/24 repayment threshold would also be \$22,828

earn an additional \$1,300 of income per year (or \$25 per week) before being required to make loan repayments.

Regulations to be made by Order in Council

16. To increase the student loan repayment threshold to \$24,128 per year from 1 April 2024, the Parliamentary Counsel Office needs to be instructed to draft regulations under s 215(a) of the Student Loan Scheme Act 2011.
17. Ideally, the Order in Council should be made before the end of 2023 to provide sufficient certainty and time for payroll providers to build the new repayment threshold amount into payroll software in time for the 1 April 2024 application date.

Financial implications

18. The impacts of adjusting the threshold from 1 April 2024 using the proposed methodology are already accounted for in forecasts.⁸

Administrative and system implications

19. Threshold adjustments need to be built into payroll specifications for the relevant tax year and tested. Inland Revenue issues a number of draft specifications to allow payroll providers to gauge the impacts of payroll changes well in advance of their application. These specifications are normally published in December to apply for the following tax year.

Consultation

20. Inland Revenue has consulted with the Ministry of Education and the Treasury on the proposal to increase the repayment threshold for the 2024/25 tax year (1 April 2024 – 31 April 2025).

Proactive release considerations

21. If the student loan repayment threshold is adjusted, officials recommend that the Cabinet paper, associated minutes, and key advice papers be proactively released within 30 working days of Cabinet making final decisions.

Next steps

22. We recommend the attached Cabinet paper be lodged with the Cabinet Office by **10:00 a.m., 7 December 2023** for the Cabinet Business Committee meeting on **13 December 2023**.
23. If you agree with the recommendations in this report, we will instruct PCO to draft the necessary regulations to increase the student loan repayment threshold to \$24,128, applying from 1 April 2024.

⁸ CAB-16-MIN-0655 refers.

Appendix – Calculation method for the student loan repayment threshold

Method in general for calculating the threshold for the year starting 1 April Y (from 2023 onwards)	Application of the method for the 1 April 2023 to 31 March 2024 year
<p>$T_{new} = RU (K \times (CPI / 1106))$</p> <p>Where:</p> <p>Tnew is the new threshold to be effective from 1 April Y to 31 March Y+1</p> <p>Ru() is a function which rounds its argument up to the next multiple of 52</p> <p>$K = 19084 \times 1099 / 986.677769$</p> <p>= 21256.50</p> <p>being the 2016/17 repayment threshold inflated by CPI excluding tobacco products for the period from 30 September 2015 to 30 September 2021 without rounding.</p> <p>CPI is the value of the Consumer Price Index all groups for 30 September Y-1</p> <p>1106 is the CPI all groups for September 2021</p>	<p>CPI = 1253 (index for September 2023)</p> <p>$T_{new} = Ru (21256.50 \times CPI / 1106)$</p> <p>= Ru (21256.50 x 1253 / 1106)</p> <p>= Ru (21256.50 x 1.132911)</p> <p>= Ru (24081.73)</p> <p>The next multiple of 52 above 24081.73 is 24128 (52 x 464). So, 24081.73 is rounded up to 24128.</p> <p>$T_{new} = 24128$</p> <p>Proposed threshold from 1 April 2024 is \$24,128.</p>

Briefing note

Reference: BN2023/277

Date: 4 December 2023

To: Revenue Advisor, Minister of Revenue – Lonnie Liu
Private Secretary, Minister of Revenue – Helen Kuy

From: Carolyn Elliott/Josh Fowler

Subject: **Student loan repayment threshold adjustment – further information**

- On 30 November 2023, we provided you with IR2023-268. This report sought the Minister of Revenue’s agreement to the adjustment of the student loan repayment threshold for the 2023-24 income tax year. The report also enclosed a draft Cabinet paper for the Minister’s consideration.
- You have asked for further information about the student loan repayment threshold adjustment.

Background

- For New Zealand based borrowers, student loan repayment obligations are income-based, and repayments commence at a rate of 12 cents for every dollar of taxable income above the repayment threshold. Repayment thresholds are reset for each tax year (March year) with adjustments referring to CPI growth. The existing threshold for the 2023-24 March year is \$22,828, and the proposed threshold for 2024-25 is \$24,128, an increase of \$1,300.
- A summary of the repayment thresholds for recent years is within the table below:

Year commencing 1 April	Repayment threshold (\$)
2017	19,136
2018	19,448
2019	19,760
2020	20,020
2021	20,280
2022	21,268
2023	22,828
2024 (<i>proposed</i>)	24,128

Proposed 2024-25 adjustment

- At a rate of 12 cents for every dollar, the maximum impact of the threshold change on any affected borrower is 12% of \$1,300, or \$156. In other words, because of the changed thresholds, affected borrowers will repay \$156 less of their loan balance within the 2024-25 March year, marginally extending the time it takes them to repay their loan.

Student loan repayments and the Government's operating balance

6. The operating balance (revenue) is not directly impacted by student loan repayment threshold changes.
7. There is an indirect impact, unquantifiable at this stage, on the value of the student loan asset. An increase in the student loan threshold means that that domestic loans are repaid more slowly. This reduces their value as an asset due to the effect of time value of money.
8. The student loan asset is revalued once a year by PwC, in a process which also takes into account income growth and other repayment behaviours (for example repayments of overseas based borrowers).
9. The operating balance is impacted by the revaluation of the student loan asset. There are appropriations (operating expenses) for fair value write down as new lending occurs and subsequent impairment. These appropriations fund the reduction in value of the student loan asset and are informed by the annual valuation.

Cashflow impacts

10. You have asked for some background information on the likely cashflow impact (noting that cashflow is not revenue, see above). Below is an estimate of the amounts involved.
11. Because 2022-23 tax returns are still being filed, the most recent complete year of data for analysis is from the 2021-22 March year. In that March year 512,400 domestic borrowers made \$1.4 billion of loan repayments. The repayment threshold was \$20,280 during this period.
12. To estimate the cashflow impact of increasing from the current threshold of \$22,828 to \$24,128, we projected the 2021-22 incomes forwards using the average wage as a reference: about 19% wage growth across three years. For context and relative to the existing \$22,828 threshold, a +/- 1% change in our estimated income growth (in addition to 19% average wage growth) would alter repayment obligations under that threshold by +/- \$32m.
13. From this projected income distribution we estimate that repayments for domestic borrowers under a \$22,828 threshold would be \$1,761m and under a \$24,128 threshold would be \$1,681m giving an overall cashflow difference of \$80 million per year. If the threshold was not changed, repayments would be \$80 million higher.

Previous adjustment to the threshold

14. You also asked us with regards to any year that the threshold was adjusted since 2017, what advice/analysis was provided to the government to facilitate their decision making.
15. The reporting in 2016 (when the decision was made not to recommend continuing the threshold freeze) contained some adjustments to forecasts taking into account reinstating CPI increases, using the CPI (ex tobacco) measure and adjusting the formula previously used to ensure that the threshold did not increase ahead of inflation.
16. The advice provided in 2017 and subsequent years was substantially the same as our report this year – as the 2016 analysis adjusted the forecasts for ongoing threshold changes and agreed a process for annual reviews, this has been addressed each year by reference back to that decision as was done in our 2023 report.

17. We note that the policy reports in question for the years 2019 to 2022 have been proactively released and are available on Inland Revenue's tax policy website.

Previous suspension of the threshold

18. You also asked us for some context around the previous decision to suspend inflation adjustments to the repayment threshold. The threshold was first frozen in 2010 by Cabinet decision, due to the economic climate and cost of the student loan book to the Crown.¹ The freeze was extended in Budget 2011 (to 1 April 2015) and then again in Budget 2014. Inflation adjustments recommenced from 1 April 2017.
19. Budget 2011 occurred in the wider context of the ongoing recovery from the recession resulting from the global financial crisis and the impact of the Christchurch Earthquakes of 2010/2011. Budget 2011 contained a number of changes to the Student Loan Scheme, the overall impact of which was forecast to reduce the write-down of student loan debt from 45.25 cents to 43.74 cents in the dollar, once the package was fully implemented.²
20. Other changes included restrictions in lending to those over 55 and to those with outstanding overdue repayments, changes to obligations for overseas-based borrowers, and removing access to course-related costs borrowing for part-time students. The Regulatory Impact Statement for the changes³ stated that the objective of the proposals was to modify the Scheme to contain the Government's tertiary education expenditure and improve its performance, while maintaining the interest-free policy.
21. We note that the most recently published cost of lending figure (from the 2022 Student Loan Scheme Annual Report) was 37.99 cents in the dollar.⁴

Relationship to minimum wage

22. While adjustments to the threshold are focused on CPI, we note that the impact of the threshold freeze has had a significant impact on the relationship between the threshold and a full-time minimum wage. The relationship does also vary when adjustments to the threshold are made. This is due to the minimum wage rising at a rate greater than CPI inflation.
23. However, the effect of the freeze has been a significant change in that ratio. During the period the threshold was frozen, the repayment rate was increased from 10 to 12 cents in the dollar (from 1 April 2013).
24. When the decision was taken in Budget 2011 to maintain the freeze at \$19,084, the adult minimum wage was \$12.75/hr, meaning a full-time minimum wage worker would earn \$26,520 per year. The repayment threshold was therefore around 72% of a full-time minimum wage.
25. When the repayment threshold freeze was lifted in 2017 and the threshold moved to \$19,136, the adult minimum wage was \$15.75 meaning a full-time minimum wage worker would earn \$32,760 per year. The repayment threshold was therefore 58% of a full-time minimum wage.
26. In 2023 with a repayment threshold of \$22,828 and a minimum wage of \$22.70 (annualised to \$47,216) the repayment threshold sits at approximately 48% of the full-time minimum wage.

¹ <https://www.scoop.co.nz/stories/PA0912/S00270/student-loan-repayment-threshold-remains-same.htm>

² <https://www.treasury.govt.nz/sites/default/files/2018-02/b11-2077544.pdf>

³ <https://www.treasury.govt.nz/sites/default/files/2012-01/ris-minedu-ssp-sep11.pdf>

⁴ https://www.educationcounts.govt.nz/data/assets/pdf_file/0004/219082/The-Student-Loan-Scheme-Annual-Report-WIP-A3.pdf

27. Overall, the student loan repayment threshold as a proportion of the full-time minimum wage has fallen from approximately 72% in 2010/11, to approximately 48% in 2023/24 (a decline of 24%).

Consultation with the Treasury

28. The Treasury was informed about this briefing note.

Carolyn Elliott/Josh Fowler
Policy Lead/Senior Advisor

s 9(2)(a)

Office of the Minister of Revenue
Chair, Cabinet Business Committee

STUDENT LOAN SCHEME (REPAYMENT THRESHOLD FOR 2024-25 TAX YEAR AND SUBSEQUENT TAX YEARS) REGULATIONS 2023

Proposal

1. I propose that the Cabinet Business Committee authorise the submission to the Executive Council of the attached Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 (“Regulations”). The proposed Regulations increase the income threshold at which New Zealand based borrowers must begin to repay their student loan from \$22,828 to \$24,128 for the tax year beginning 1 April 2024.

Relation to government priorities

2. This is a routine operational adjustment that requires Cabinet approval.

Background

3. Section 215(a) of the Student Loan Scheme Act 2011 allows the Governor General to make regulations setting the annual repayment threshold, or a means by which it may be calculated or ascertained, via Order in Council. The current policy is to adjust the student loan repayment threshold for inflation annually.
4. In 2022, Cabinet agreed that adjustments to the student loan income repayment threshold for 2023-24 and subsequent years were to be calculated using the consumer price index all groups measure. This was a change from the previous approach, which had adjusted the student loan repayment threshold in line with the CPI-ex tobacco. However, as the tobacco excise is no longer increased on an annual basis, the Government returned to a CPI measure which includes tobacco products (CPI-all groups).¹

Analysis

5. Applying this policy to the current year, the student loan repayment threshold will increase from \$22,828 a year to \$24,128 for the tax year beginning 1 April 2024. The implications for cost-of-living pressures are discussed below.

¹ This had reflected an all of Government approach to indexation to prevent on-going increases in tobacco excise, as well as any other price changes for tobacco products, flowing through to increases in financial assistance.

Cost-of-living Implications

6. The repayment threshold limits the likelihood that a low-income borrower would be placed in financial hardship because of having to meet student loan repayment obligations. This year's adjustment would mean New Zealand based borrowers could earn an additional \$1,300 of income per year (or \$25 per week) before being required to make repayments on their outstanding student loan balance.
7. Adjusting the repayment threshold in line with inflation ensures that students are not disadvantaged by the pressures of inflation and wage growth.

Financial Implications

8. The impacts of adjusting the student loan repayment threshold are already accounted for in forecasts [CAB-16-MIN-0655 refers].

Administrative Implications

9. Threshold adjustments need to be built into payroll specifications for the relevant tax year. Inland Revenue issues specifications to allow payroll providers to gauge the impacts of payroll changes on software well in advance of their application.

Legislative Implications

10. The Regulations have been certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.
11. Officials consider that as the adjustment is of a minor and routine nature, it is unnecessary to refer the Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 to the House of Representatives under Standing Order 327.

Impact Analysis

Regulatory Impact Statement

12. The Minister of Revenue previously authorised drafting of the Student Loan Scheme (Repayment Threshold) Regulations 2023, in line with existing policy to adjust the threshold by changes in the CPI each year. Cabinet's impact analysis requirements therefore do not apply.

Climate Implications of Policy Assessment

13. The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

14. No population implications arise.

Human Rights

15. No Human Rights implications arise.

Timing and 28-Day Rule

16. A waiver of the 28-day rule is not required as the Regulations are not proposed to come into force until 1 April 2024 and will apply for the 2024-25 tax year.

Consultation

17. Inland Revenue has consulted with the Ministry of Education and the Treasury on the proposal to increase the repayment threshold for the 2024-25 tax year.

Communications

18. Inland Revenue will inform payroll providers and publish information about the new threshold and its impact on the student loan section of its website.
19. Inland Revenue will publish an article about this change in its *Tax Information Bulletin*.

Proactive Release

20. I propose to proactively release this Cabinet paper, associated minutes, and key advice papers, in line with the provisions of the Official Information Act 1982, within 30 working days of Cabinet making final decisions.

Recommendations

I recommend that the Cabinet Legislation Committee:

1. **Note** that the current policy is to adjust the student loan repayment threshold for inflation every year.
2. **Note** that an Order in Council is required under section 215(a) of the Student Loan Scheme Act 2011 to adjust the repayment threshold.
3. **Note** that the Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 increase the student loan repayment threshold to \$24,128 for the 2024-25 tax year and come into force on 1 April 2024.
4. **Authorise** the submission to the Executive Council of the Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023.

Authorised for lodgement

Hon Simon Watts
Minister of Revenue



Cabinet Business 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 Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023

Portfolio **Revenue**

On 13 December 2023, the Cabinet Business Committee:

- 1 **noted** that the current student loan repayment policy is to adjust the threshold for inflation every year;
- 2 **noted** that an Order in Council is required under section 215(a) of the Student Loan Scheme Act 2011 to adjust the repayment threshold;
- 3 **noted** that the Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 increase the student loan repayment threshold to \$24,128 for the 2024-25 tax year and come into force on 1 April 2024;
- 4 **authorised** the submission to the Executive Council of the Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 [PCO 26005/4.0].

Rebecca Davies
Committee Secretary

Present:

Rt Hon Christopher Luxon (Chair)
Rt Hon Winston Peters
Hon David Seymour
Hon Chris Bishop
Hon Simeon Brown
Hon Paul Goldsmith
Hon Dr Shane Reti
Hon Shane Jones
Hon Erica Stanford
Hon Judith Collins

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet



Cabinet

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.

Report of the Cabinet Business Committee: Period Ended 15 December 2023

On 18 December 2023, Cabinet made the following decisions on the work of the Cabinet Business Committee for the period ended 15 December 2023:

[REDACTED]	Not in scope	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
CBC-23-MIN-0026	Student Loan Scheme (Repayment Threshold for 2024-25 Tax Year and Subsequent Tax Years) Regulations 2023 Portfolio: Revenue	CONFIRMED

Rachel Hayward
Secretary of the Cabinet