

The Questions and Answers below were correct as of 25 March 2024. Subsequent decisions were made, legislation was enacted and FamilyBoost came into effect on 1 July 2024. To read the most up to date information about FamilyBoost, please visit [www.ird.govt.nz/FamilyBoost](http://www.ird.govt.nz/FamilyBoost)

## FAMILYBOOST – QUESTIONS AND ANSWERS

### THE BASICS

#### What is FamilyBoost?

FamilyBoost is a new childcare payment that will be made to eligible households, to help with the rising costs of early childhood education (ECE).

#### How much is FamilyBoost?

Households can be reimbursed up to 25 percent of their ECE fees incurred after the 20 Hours Free and MSD Childcare Subsidy have been taken into account. This is up to a maximum amount of \$75 per week.

Payments to families will be made three-monthly. So, for the \$75 per week payment cap, the three-monthly equivalent amount of \$975 would be paid.

#### Am I eligible for FamilyBoost?

If your household earns up to \$180,000 and you have costs from a licensed ECE provider, you will be eligible to receive FamilyBoost up to a maximum of \$975 every three months (this is the equivalent of \$75 per week, paid in a three-monthly lump sum).

The payment slowly reduces for household incomes over \$140,000 to a maximum of \$180,000, as shown in the table below.

| Household income | Maximum weekly rebate | Amount refunded, paid three-monthly |
|------------------|-----------------------|-------------------------------------|
| Up to \$140,000  | \$75                  | \$975                               |
| \$150,000        | \$56.25               | \$731.25                            |
| \$160,000        | \$37.50               | \$487.50                            |
| \$170,000        | \$18.75               | \$243.75                            |

#### When will I be able to get FamilyBoost?

If you're eligible and apply, your first FamilyBoost payment will be paid in October 2024. This covers the three-month period from 1 July – 30 September.

### HOW IT WILL WORK

#### What do I need to do?

Make sure you are registered for a personal myIR account to apply for FamilyBoost. More information on how to register for myIR can be found on the Inland Revenue website: [www.ird.govt.nz/myir](http://www.ird.govt.nz/myir)

Start saving your ECE invoices from 1 July in either a PDF or JPEG format. Make sure that the name on your ECE invoice matches your details in your myIR account, and that all your other details are up to date in myIR.

If you have a physical copy of your ECE invoice, you can take a digital photo of your invoice. From September, you will be able to register through Inland Revenue's online account, myIR. When you have all your invoices collected for the 1 July to 30 September quarter,

upload them into myIR and Inland Revenue will calculate your payment to be paid into your bank account in October.

### **What's the timeline for applying?**

1 July 2024: ECE fees which families have paid from 1 July onwards are eligible for FamilyBoost, so you will need to save all your ECE invoices for the period starting 1 July 2024.

September 2024: Registrations open in myIR for FamilyBoost. You can choose to register from this date or later.

1 October 2024: Applications for FamilyBoost open. You can register and apply at the same time.

### **How often will I need to apply for FamilyBoost?**

You will need to apply via Inland Revenue's online account, myIR. From 1 October you'll be able to claim your previous three-month ECE invoices (for the period 1 July – 30 September) by uploading them in myIR.

You can only claim once in a three-month period.

You should continue collecting invoices for your next FamilyBoost claim on 1 January, which will cover invoices for the period 1 October 2024 – 31 December 2024.

You can save up your invoices to claim less often i.e. six monthly or annually.

### **I share the care of my child/ECE costs with my child's other parent. Can we both get FamilyBoost?**

FamilyBoost can be claimed by both separated parents of a child in shared care, provided each parent meets at least a portion of the ECE costs and have separate invoices.

Separated parents will not be able to claim more than the \$75 per week household cap, but each parent will be treated as having a separate household.

### **I pay my grandchild's ECE costs. Am I eligible for FamilyBoost?**

Yes, as long as the child for whom you pay ECE costs is in your household. The ECE invoice must also be in your name.

If your grandchild is not in your household, you will not be able to claim FamilyBoost, even if the ECE invoice is in your name.

### **Will I be able to claim FamilyBoost for all of my children?**

FamilyBoost is made available on a per household (rather than per child) basis, so you will only be able to make one FamilyBoost application for each three-month period.

You will be able to claim FamilyBoost for your ECE costs, and be reimbursed up to \$75 per week regardless of which child the ECE costs are for. If your children attend different ECE providers you will still be able to claim FamilyBoost, you will just need to provide your invoices from both providers.

### **I am self-employed and don't file my income with Inland Revenue until the end of the tax year. How will my income be calculated for FamilyBoost?**

Your income will be calculated based on the most recent tax return you have filed with Inland Revenue and adjusted to reflect a three-month period. For example, if your most recent

return declared earnings of \$120,000 for the tax year, the income used to determine your FamilyBoost refund would be \$30,000.

**I am on a benefit. Will I still be able to get FamilyBoost?**

Yes. As long as you have ECE costs for a child in your household you will be able to receive FamilyBoost.

**What if I don't have access to the internet?**

Inland Revenue can only accept online FamilyBoost applications. However, you can access the internet through using public libraries, Inland Revenue service kiosks, or family and whānau members. Customers will be able to use their mobile phones and public Wi-Fi to apply.

**I need help accessing myIR and/or applying for FamilyBoost. What help is available?**

More information about applying for FamilyBoost will be available on the Inland Revenue website after the Budget Day announcement on 30 May.

Or for information on how to register or access myIR head to [www.ird.govt.nz/myir](http://www.ird.govt.nz/myir)

Inland Revenue also offers support through their call centre, Front of House sites and through their Community Compliance Officers and Kaitakawaenga Māori.

You can find out more about support available on the Inland Revenue website: [www.ird.govt.nz/contactus](http://www.ird.govt.nz/contactus)

**My ECE provider does not charge me any fees. Am I still able to claim for FamilyBoost?**

No. FamilyBoost is calculated as a proportion of your ECE costs. If you do not have ECE costs, then you will not be able to claim FamilyBoost.

**Am I eligible for FamilyBoost even if I receive MSD's Childcare Subsidy?**

If you receive the Childcare Subsidy and have additional costs that you pay on top of the subsidy you will be able to claim FamilyBoost for those additional costs. You will not be able to claim FamilyBoost for the costs covered by the Childcare Subsidy.

**What income information will be used for FamilyBoost?**

Inland Revenue doesn't have full income data for families until a tax year has ended. To get support to families more quickly, FamilyBoost will be based on the most recent income information Inland Revenue holds, whether that is the past income year or current income year. Using the most recent income information also helps prevent families being over or underpaid, as we're not asking people to predict what they think they'll earn. Payments are full and final, meaning there are no tax bills or 'square ups' at the end of the tax year.

**I have more questions about FamilyBoost. Where can I get more information?**

Further information about how to access FamilyBoost will be released on Budget Day, May 30.

INFORMATION FOR ECE PROVIDERS

## **What do I need to do to make sure families attending my centre will be able to access FamilyBoost?**

As long as the invoices you provide contain all the information required to apply for FamilyBoost then there will be no need for you to do anything further. The information required to be included on the invoice will be finalised through our consultation with ECE providers.

## **What support will Inland Revenue provide ECE centres?**

Inland Revenue will talk to providers during the consultation process to understand how we can support them. Inland Revenue will also provide ECE centres with content and guidance on FamilyBoost that centres can pass on to parents.

### **EXAMPLE FAMILIES**

#### **A couple both earning salary/wages**

Parents Laura and Annalie, have two children in ECE for 30 hours each week, Leo (2) and Holly (4). They have a combined family income of \$150,000 and spend \$350 per week on ECE fees. This means their three-monthly income is \$37,500 and three-monthly fees cost is \$4,550.

The ECE invoices are in Laura's name. In October, Laura logs into myIR and registers for FamilyBoost, providing information on who her partner is and what children are in her household. She then uploads her ECE invoices for July-September and submits her application for this three-month period, confirming the details she provided in her registration. Because of their level of income, they will receive \$731.25 as a refund.

Laura continues to collect her invoices between 1 October 2024 – 31 December 2024 so that she is ready to claim FamilyBoost again on 1 January 2025.

#### **A family where one partner is a salary/wage earner, and the other is self-employed**

Dharmendra works full time for wages, earning \$1,700 per week (\$88,400 a year). His partner, Neisha, is self-employed, working roughly 30 hours per week for her carpentry business. Neisha's last income tax return was filed on 7 July 2024, for the period 1 April 2023 – 31 March 2024. For that period, she earned \$50,000. They have two children, Samira (4) and Niam (2). The combined weekly daycare cost for both children is \$531 per week at a daycare in Christchurch. Due to their level of income, they are not eligible for a childcare subsidy from Work and Income.

Dharmendra receives wages, so Inland Revenue uses his gross wages paid between 1 July to 30 September 2024 of \$22,100. Neisha's income for this quarter will be calculated as \$12,500 (\$50,000 / 4). Their combined income for the quarter is \$34,600.

The ECE invoices are in Dharmendra's name. In September, Dharmendra registers for FamilyBoost via myIR. In October, Dharmendra logs onto the account and submits the first claim, confirming their family's details and including the invoices he's been saving since July which show they've spent \$6,903 on daycare in the last three months. The family's earnings for the quarter are under the three-monthly threshold of \$35,000, so the family receives \$975 into their bank account.

#### **Single parent with one child**

Jacqui earns \$85,000 per year and has one child aged 3 in ECE for 40 hours per week. Her child is eligible for the 20 Hours free, she pays for the remaining 20 hours. This is another \$250 per week.

Jacqui will receive back 25 percent of the fees she pays. So she will be reimbursed \$812.50 as her three-monthly FamilyBoost refund.

### **A couple living together, one working casual hours**

Moana and William have a child, Tim. Moana and William are in a relationship and live together. William works as a tile layer and earns \$110,000 annually. Moana works casually at her local supermarket and earned \$5,000 in the last three-month period. Tim attends the local ECE provider on days when both Moana and William are working. In the last three-month period Moana and William have incurred \$2,000 of ECE costs and have earned \$32,500. The ECE invoices are in Moana's name. She has collected the last three months of ECE invoices and applies for FamilyBoost. As Moana and William's income for the three-month period is below \$35,000 no abatement occurs and Moana is paid out 25% of their ECE fees, a \$500 refund.

### **Two parents who are separated and have week-about care**

Mike and Piper are separated and share care of their three children 50/50. Two children (3 and 4) are in ECE for 30 hours a week and each parent pays half the fees. The fees are \$290 per week, and each parent is separately invoiced \$145 per week by the centre. Piper earns \$90,000 and Mike earns \$170,000. Piper and Mike have separate households and can both apply for FamilyBoost.

Mike incurs \$1,885 in ECE costs over the three-monthly period. When he submits his receipts via myIR, he is refunded \$243.75. Due to Mike's high income of \$170,000, the maximum amount he receives from FamilyBoost is abated.

Piper also incurs \$1,885 in ECE costs over the three-monthly period. When she submits her receipts, she is refunded \$471.25. Her refund is not abated as she earns under the three-monthly income threshold.