

Comparing responses in 2006 and 2022 for people with children

Family tax credits (2022)/Family Assistance
and family support (2006)

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Introduction

Some questions in the 2022 New Zealand Income Support Survey were asked in the same or similar form in a survey of parents and caregivers run in 2006. This 2006 survey was part of the evaluation of the Working for Families Reform. This allows some responses to be compared over time.

This findings pack compares selected findings relating to awareness, experiences with past overpayments, self-reported receipt, and reasons for non-receipt for the main Working for Families (WFF) payment, the family tax credit (known as family support in 2006).

What is the family tax credit?

The family tax credit, which is part of the wider Working for Families package, is a payment for families with dependent children aged 18 and under to help with the cost of raising a family. The payment can be received as a weekly or fortnightly payment, or as a lump sum after the end of the tax year.

Entitlements are based on parents' annual income and family circumstances. The base entitlement rate of the family tax credit is displayed in the table below.

Number of children	1 April 2021 weekly rate (rate that applied for the 2021/2022 tax year)	1 April 2022 weekly rate (rate that applied during the survey)	1 April 2024 weekly rate
First or only child	\$113	\$127	\$144
Second and subsequent children	\$91	\$104	\$118

Families who earn over \$42,700 per year have their family tax credit reduced by 27 cents per additional dollar they earn until their entitlement reduces to zero.¹

In the 2021/2022 tax year, this meant that a family with one child would no longer be eligible for the family tax credit once their income was higher than \$65,000.

However, in the 2022/2023 tax year when the survey took place, this amount had increased to \$66,500. As the 2022/2023 thresholds were used, a very small number of families in the survey could have been asked the questions about the family tax credit when they would have been ineligible for the payment in the 2021/2022 tax year.

Families who receive a main benefit payment can choose to receive their family tax credit payment from either Work and Income or Inland Revenue. Virtually all receive the payment from Work and Income.

¹ For a table showing how payments abated as at the time of the survey, see: <https://www.ird.govt.nz/-/media/project/ir/home/documents/forms-and-guides/ir200---ir299/ir271/ir271-2023.pdf?modified=20220406213635&modified=20220406213635>

What was family support?

Prior to 1 April 2007, the family tax credit was known as family support. This payment was the main payment of the Family Assistance package of payments (now known as Working for Families payments). At the time of the 2006 survey this included: family support, in-work payment (which had just replaced the child tax credit and is now called the in-work tax credit), family tax credit (now called the minimum family tax credit), and the parental tax credit (abolished when Best Start was introduced in 2018). Different payment rates for family support, including payment rates dependent on the age of children, were in place at the time of the 2006 survey. These are included below.

Number and age of children	1 April 2005 weekly rate (rate that applied during the 2005/2006 tax year)	1 April 2006 weekly rate (rate that applied during the fieldwork period)	Real value of 1 April 2006 weekly rate in \$ 2022 ^{2,3}	Real value of 1 April 2006 weekly rate in \$ 2024 ⁴
First or only child, 0-15	\$72	\$72	\$102.34	\$113.54
First or only child, 16+	\$85	\$85	\$120.82	\$134.04
Second or subsequent child, 0-12	\$47	\$47	\$66.80	\$74.12
Second or subsequent child, 13-15	\$55	\$55	\$78.18	\$86.73
Second or subsequent child, 16+	\$75	\$75	\$106.60	\$118.27

At the time of the 2006 survey, families who earned over \$27,500 per year had their family support reduced by 20 cents per additional dollar they earned until their entitlement reduced to zero. This was an increase from a two-threshold system used in 2005, with reductions of 18 cents per additional dollar once income passed \$20,356, and 30 cents per additional dollar once income passed \$27,481. This meant that for a family with one child aged 0 to 15 years old, the income cut-out point for family support increased from \$37,940 in the 2005/2006 tax year, to \$57,100 in the 2006/2007 tax year.⁵

² Rates are adjusted when the cumulative value of quarterly increases in the Consumers Price Index reaches five percent since the rates were last adjusted. See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/family-packages/2021/monitoring-the-families-package-and-changes-to-income-support-from-2018-to-2021.pdf> for more information on historical payment rates.

³ Calculated using the Reserve Bank of New Zealand inflation calculator tool and comparing 2006 Q1 against 2022 Q1. See: <https://www.rbnz.govt.nz/monetary-policy/about-monetary-policy/inflation-calculator>

⁴ Calculated using the Reserve Bank of New Zealand inflation calculator tool and comparing 2006 Q1 against 2024 Q1.

⁵ Calculated using the Ministry of Social Developments Effective Marginal Tax Rate model

About the surveys

2006 Communications Survey

Population

Included parents and caregivers potentially eligible for Working for Families payments based on 1 April 2006 cut-out points.

Timeframe

Interviewed May to June 2006.

Recruitment method

Recruited via a national household survey of people living in private dwellings within most major towns and cities, but little rural representation.

Total respondents and response rate

988 respondents, 77 percent response rate.

Margin of errors/confidence intervals

The maximum margin of error on the total sample size of 988 is ± 3.1 percent. This assumes that the sample collected was a simple random sample of the eligible population, which it was not. Confidence intervals for individual responses have not been calculated for this findings pack. Results discussed here were not weighted to ensure representativeness at a population level, and therefore may contain bias based on the characteristics of those who responded.

2022 New Zealand Income Support Survey

Population

Included parents and caregivers potentially eligible for Working for Families tax credits or Accommodation Supplement, as well as people without children potentially eligible for Accommodation Supplement based on 1 April 2022 cut-out points.

Timeframe

Interviewed June to December 2022.

Recruitment method

Recruited via a national household survey of people living in private dwellings. Included a mix of urban and rural locations.

Total respondents and response rate

1,852 respondents, 1,018 of whom were parents or caregivers, 50 percent response rate overall (including families without children).

Margin of errors/confidence intervals

Results were weighted to reduce bias based on the characteristics of those who responded. Confidence intervals for individual responses are reported using this weighted data. Estimates with a high margin of error and/or a high relative sampling error are marked with a hash (#).

Approach to reporting results

Weighting

Results from the 2022 survey are weighted to ensure that the findings are representative of the New Zealand population of working-age families on low- and middle-incomes. The data presented here from the 2006 survey was not weighted.

Comparisons between 2006 and 2022

While some differences between 2006 and 2022 findings could indicate changes between the years, it is possible that external factors like question wording, ordering, and differences in sample design, could also have an impact on the results.

Eligibility for payments in this findings pack

There are differences in how eligibility was defined for analysis in 2006 and 2022, with impacts on comparability as a result.

In 2006, respondents were asked to identify their income and family type on a shaded grid. The shading designated the “eligible” combinations of family type and family income based on 2005/2006 tax year income cut-out points for Family Assistance (which were generally a few thousand dollars higher than the income cut-out points for family support). A key assumption for this grid was that the family’s children qualified for the payment rates that applied to older children (16 to 18 years old). This meant that some respondents who

were asked questions in the Family Assistance section were not eligible for family support due to their incomes being too high. Additionally, some respondents may not have been eligible for family support due to the combination of their children’s age and income.

In 2022, in addition to the detailed income criteria for family tax credit (questions about which were customised for respondents depending on their number of children), respondents were filtered out of the analysis if they did not care for children who were eligible for Working for Families (for example, they did not meet the shared care rules if they had shared care of a child), or did not meet the residency criteria for Working for Families. However, a small number of respondents who were asked the questions may not have had incomes that qualified them in the 2021/2022 tax year, as we used the slightly higher 2022/2023 income thresholds for the 2022 survey.

This means that respondents in 2006 who may have been ineligible for family support payments were included within the analysis when equivalent respondents in 2022 were not included.

Rounding of percentages and weighted figures

Due to rounding, percentages may not add up to 100 percent, and weighted figures may not add up to weighted totals.

Awareness of the payments for respondents who were potentially eligible

What were respondents to the 2006 survey asked?

- Family Assistance which includes family support is a part of Working for Families. Before today, had you heard of Family Assistance or family support?

What did we ask respondents in 2022?

- Before today, were you aware of the family tax credit, which is part of Working for Families?

If respondents said they were unaware of the payment but appeared potentially eligible, they were asked this question later in the survey:

- Earlier, you said that before today you weren't aware of family tax credit. Now that we have talked about it a bit more, does it sound familiar to you?

Awareness of payments was similar in 2006 and 2022

In 2006, 95.4 percent of respondents with children who were potentially eligible for Family Assistance or family support said that they **were aware** of the support available.

In 2022, 90.9 percent of respondents with children who were potentially eligible for family tax credit said that they **were aware** of the payment.



Note: Total asked in 2022 = 721, weighted total asked in 2022 = 239,651, total asked in 2006 = 562

Awareness and understanding of lump sum payments

Note: Interviewing for the 2006 survey took place sooner after the end of the tax year (May to June) than the 2022 survey (June to December). This is likely to affect the comparisons in this section.

What were respondents to the 2006 survey asked?

- There is a payment option for Family Assistance or family support that does not involve any weekly or fortnightly payments, but instead you only get one lump sum payment a year. Have you heard of this option?

Additional information provided to respondents: "Some people get a larger payment at the end of the tax year to 'square-up' any over or under payment during the year. We are not referring to this here."

If aware:

- Have you applied for a lump sum payment for Family Assistance or family support for the tax year ending March 2006? If you have, you would receive the payment some time after March 2006.

If so:

- Why do you prefer the lump sum option over getting payments on a weekly or fortnightly basis?

What did we ask respondents in 2022?

- There is a payment option for family tax credit that does not involve any weekly or fortnightly payments, but instead you only get one lump sum payment once a year. Are you aware of this option?

Additional information provided to respondents: "Some people receive a larger payment at the end of the tax year to 'square-up' any over or under payment during the year. We are not referring to this here."

If aware:

- Have you applied for a lump sum payment of family tax credit for the tax year from April 2021 to March 2022?

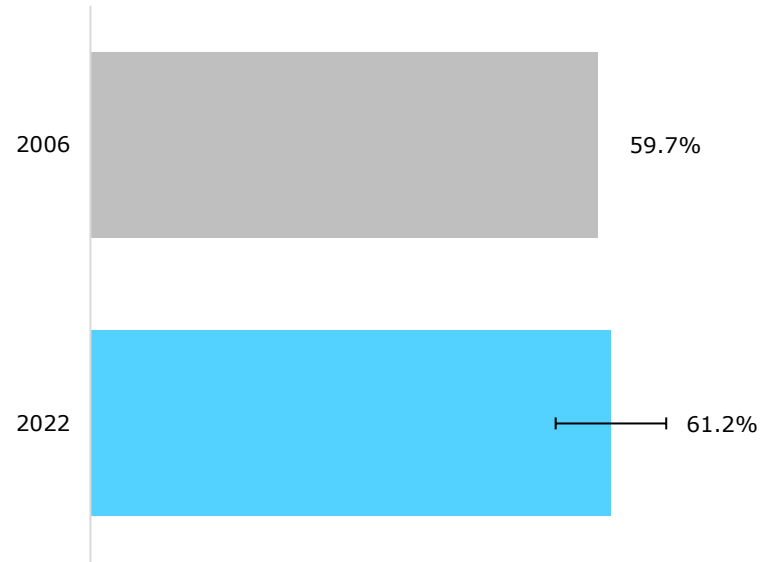
If so:

- Why do you prefer the lump sum option over getting payments on a weekly or fortnightly basis?

Awareness of the lump sum option for payments was similar in 2006 and 2022

In 2006, 59.7 percent of respondents who were potentially eligible for Family Assistance and aware of it, said they **were aware** of the lump sum option for Family Assistance or family support payments.

In 2022, 61.2 percent of respondents who were potentially eligible for the family tax credit and aware of it said that they **were aware** of the lump sum option for the payment.

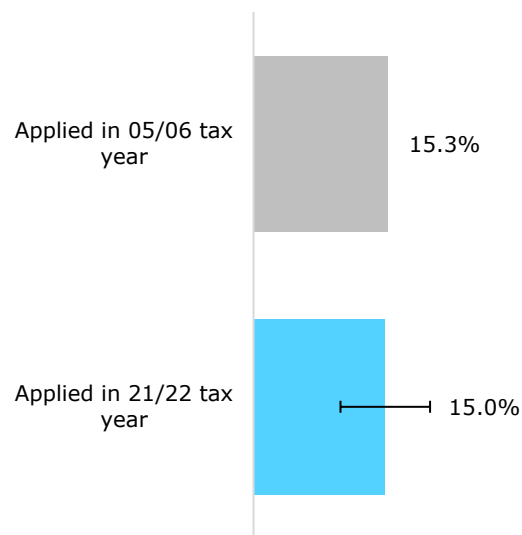


Note: Total asked in 2022 = 651, weighted total asked in 2022 = 217,960, total asked in 2006 = 536

A similar proportion of respondents in the 2006 and 2022 surveys said they applied for the lump sum payment option

In 2006, 15.3 percent of respondents who were aware of the lump sum option for Family Assistance or family support payments said they had **applied for it** for the 2005/2006 tax year.

In 2022, 15 percent of respondents who were aware of the lump sum option for family tax credit payments said they had **applied for it** for the 2021/2022 tax year.



Note: Total aware asked in 2022 = 377, weighted aware asked in 2022 = 133,386, total aware asked in 2006 = 320.

Comparing 2006 and 2022, the most common reasons for preferring the lump sum option for payments were similar. In both years, the most common responses were that:

- lump sum payments were more useful to them and/or that it allowed them to get money when they needed it
- they were worried about having to pay some of their payments back
- it was hard to predict their income from week to week, or fortnight to fortnight.

Experiences with past overpayments among potentially eligible respondents

What were respondents to the 2006 survey asked?

- Have you ever been asked to pay back Family Assistance or family support?

If so:

- Did you do anything differently with Family Assistance or family support the next year as a result of this? If so, what was that?

For respondents who had never been asked to pay back Family Assistance or family support:

- Have you ever done anything to make sure you don't get paid too much Family Assistance or family support?
- What have you done?

What did we ask respondents in 2022?

- Have you ever been asked to pay back family tax credit?

If so:

- Did you do anything differently with family tax credit the next year as a result of this?

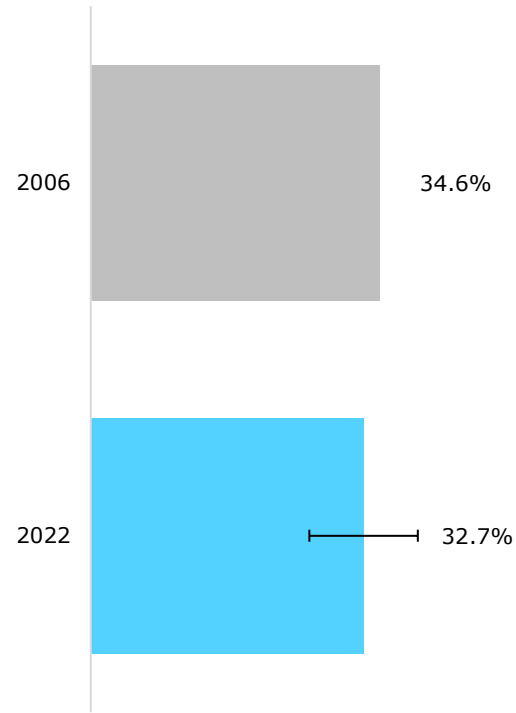
For respondents who had never been asked to pay back family tax credit:

- Have you ever done anything to make sure you don't get paid too much family tax credit?
- What have you done?

A similar proportion of respondents in 2006 and 2022 had been asked to make repayments to Inland Revenue at some time in the past

In 2006, 34.6 percent of respondents who appeared eligible for Family Assistance, and said that they were currently receiving, or had previously received Family Assistance or family support, said that they **had been asked to make repayments of Family Assistance or family support to Inland Revenue** at some time in the past.

In 2022, the equivalent proportion was **32.7 percent** of respondents in relation to the family tax credit.



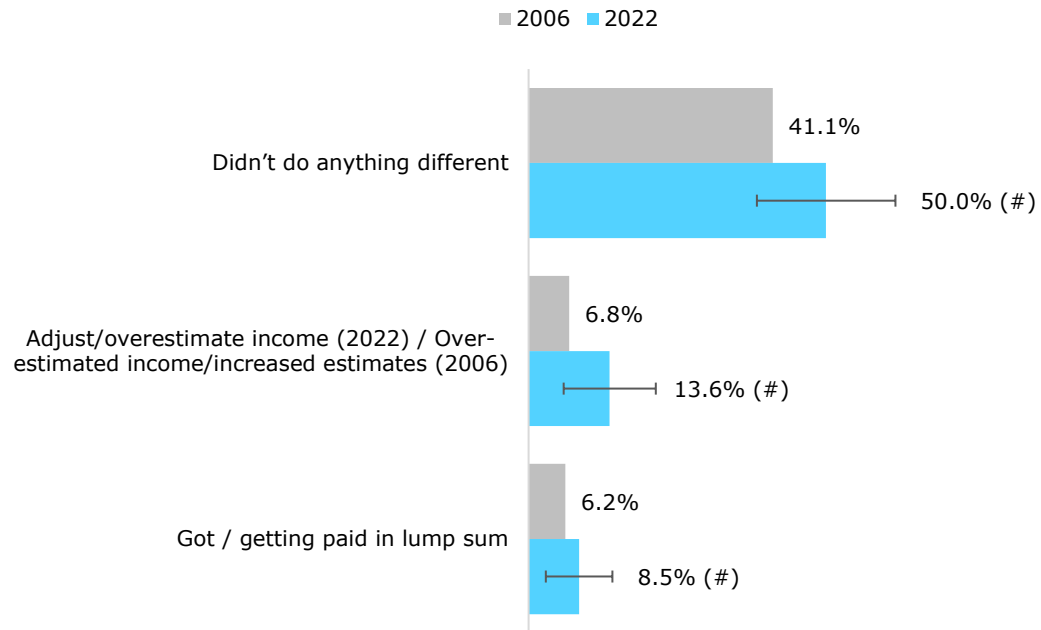
Note: Total asked in 2022 = 524, weighted total asked in 2022 = 174,682, total asked in 2006 = 422

In 2006 and 2022, respondents commonly said that they didn't do anything different in the next tax year following being asked to make repayments

In 2006, 41.1 percent of respondents said they didn't do anything different in the next tax year after being asked to make repayments of Family Assistance or family support.

In 2022, the equivalent proportion was 50 (± 11.7) percent of respondents in relation to repayments of the family tax credit.

Common actions to avoid future overpayment debt were also similar between survey years, namely overestimating income, and choosing to receive lump sum payments instead.



Note 1: Total asked in 2022 = 157, weighted total asked in 2022 = 57,140, total asked in 2006 = 146

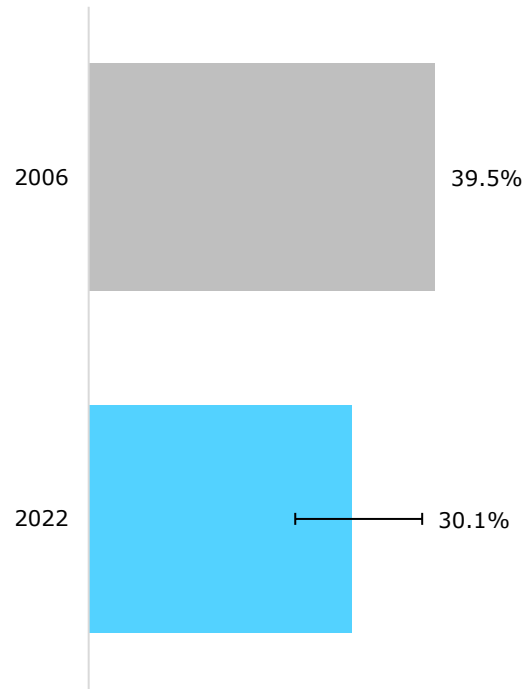
Note 2: In 2006 and 2022 when respondents said they did something different, they were able to give multiple responses as to things they did differently. This means counts and percentages for this graph will not match totals or add up to 100 percent.

Note 3: Flagged estimates for 2022 marked with a hash (#) should be interpreted with caution and reported with additional context (for example including the margin of error within text where numbers are reported).

Around 30 to 40 percent of respondents in 2006 and 2022 who had never been asked to make repayments said they had done something to make sure they don't get paid too much

In 2006, 39.5 percent of potentially eligible respondents, who were currently receiving or had previously received, and had never been asked to pay back Family Assistance or family support said that they **had done something to make sure they didn't get paid too much.**

In 2022, the equivalent proportion was **30.1 percent** in relation to the family tax credit.



Note: Total asked in 2022 = 367, weighted total asked in 2022 = 117,542, total asked in 2006 = 276.

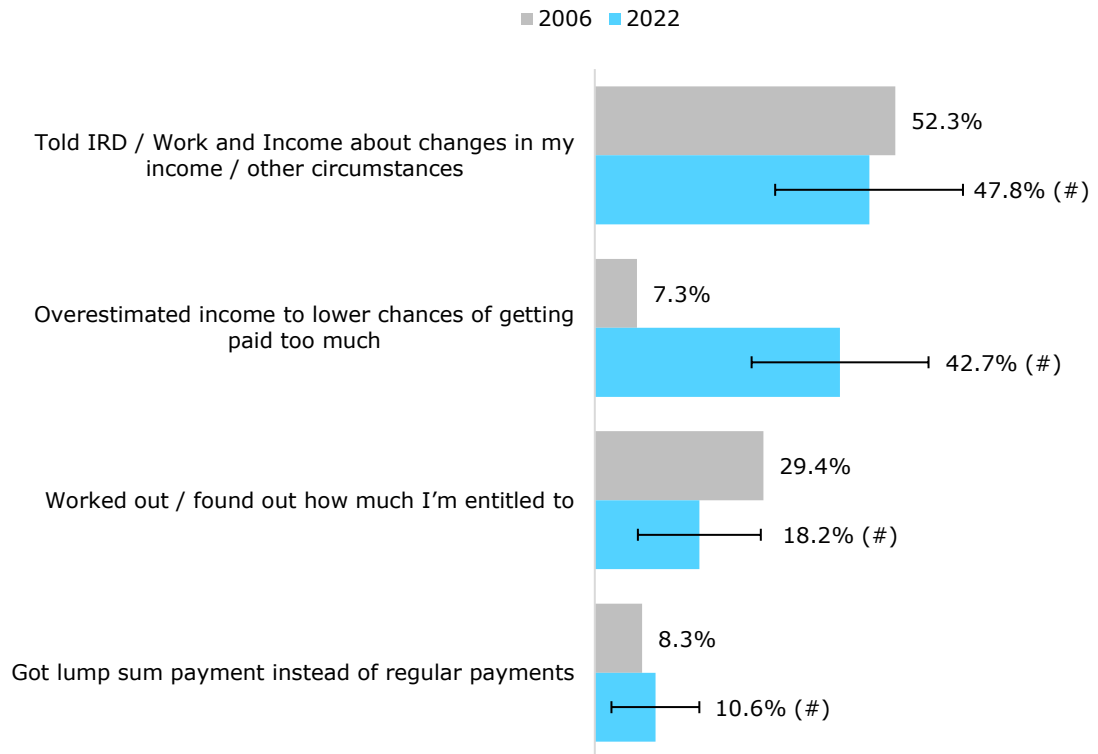
In 2006 and 2022, the most common action taken by respondents to avoid being paid too much was to tell Inland Revenue or Work and Income about changes to their circumstances

Around half of respondents in 2006 and 2022 said that they told Inland Revenue or Work and Income about changes in their circumstances to avoid being paid too much.

Respondents were much more likely to overestimate their income in **2022 (42.7 ± 16.4 percent)**, compared to in **2006 (7.3 percent)**.

One factor that could have contributed to this was that “overestimated income” was a pre-coded option for interviewers to code in 2022, when it was not in 2006 (instead these were coded as other verbatim, and then recoded later).

Otherwise, common actions taken by respondents remained broadly similar in the 2006 and 2022 surveys.



Note 1: Total asked in 2022 = 96, weighted total asked in 2022 = 35,416, total asked in 2006 = 109

Note 2: Respondents in both 2006 and 2022 were able to give multiple responses as to things they did to avoid overpayments. This means counts and percentages for this graph will not match totals or add up to 100 percent.

Note 3: Flagged estimates for 2022 marked with a hash (#) should be interpreted with caution and reported with additional context (for example including the margin of error within text where numbers are reported).

Self-reported receipt by those with potential eligibility

What were respondents to the 2006 survey asked?

- Have you received either weekly or fortnightly payments for Family Assistance or family support at any time in the last tax year, that is, between April 2005 and March 2006?
- Have you applied for a lump sum payment for Family Assistance or family support for the tax year ending March 2006? If you have, you would receive the payment some time after March 2006.

What did we ask respondents in 2022?

- Did you receive either weekly or fortnightly payments for family tax credit at any time in the tax year from April 2021 to March 2022?
- Have you applied for a lump sum payment of family tax credit for the tax year from April 2021 to March 2022?

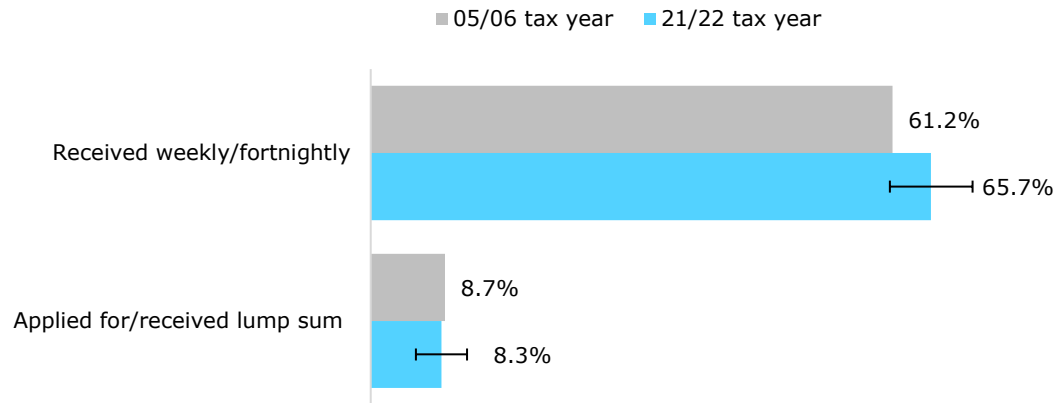
Note 1: We do not include imputation in this section or following sections. This is to allow better comparability between the 2006 and 2022 findings, as imputation was not used in presenting the findings from the 2006 survey.

Note 2: Interviewing for the 2006 survey took place sooner after the end of the tax year (May to June) than the 2022 survey (June to December). This is likely to affect the comparisons in this section, as respondents in the 2022 survey would have had more time to submit and receive outcomes on lump sum applications.

Similar levels of receipt were reported in the 2006 and 2022 surveys

In 2006, **61.2 percent** of respondents reported receiving a weekly or fortnightly Family Assistance or family support payment, while **8.7 percent** said they applied for or received a lump sum payment related to the 2005/2006 tax year.

In 2022, these figures were **65.7 percent** and **8.3 percent** respectively in relation to the 2021/2022 tax year.



Note 1: Total asked in 2022 = 721, weighted total asked in 2022 = 239,651, total asked in 2006 = 562

Note 2: Respondents could receive both types of payments depending on timing (for example they might have received a weekly payment from MSD, moved off main benefit, and then elected to receive a lump sum for the rest of their entitlement at the end of the year from Inland Revenue).

Reasons for not receiving payments among potentially eligible respondents

What were respondents to the 2006 survey asked?

In addition to the earlier questions about awareness, people were asked the following questions:

- Do you think you are eligible for Family Assistance or family support?

If they thought they were eligible, or were not sure, and had not applied or reapplied in the last 12 months:

- Can you please tell me the reasons why you haven't applied for, or why you don't currently get, Family Assistance or family support?

What did we ask respondents in 2022?

In addition to the earlier questions about awareness, people were asked the following questions:

- Do you think you were eligible for family tax credit in the April 2021 to March 2022 tax year?

If they thought they were eligible, or were not sure, and had not applied or reapplied in the last 12 months:

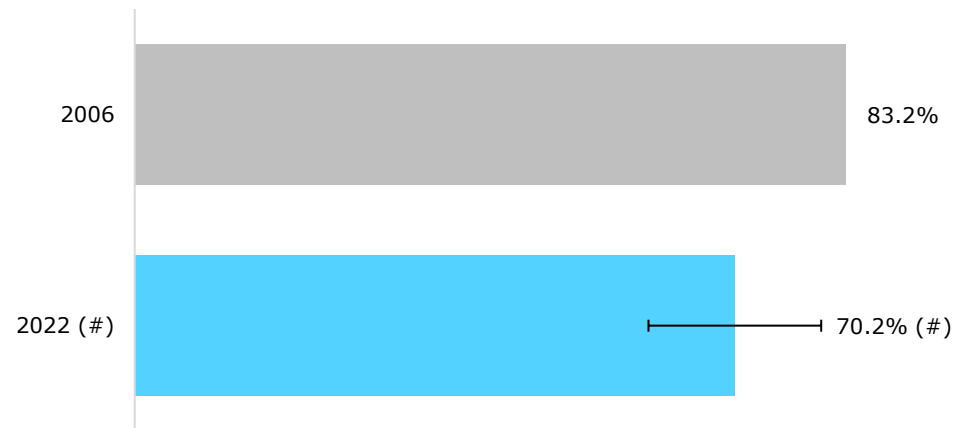
- Can you please tell me the reasons why you haven't applied for, or why you didn't get, family tax credit in the April 2021 to March 2022 tax year.

Note: Interviewing for the 2006 survey took place sooner after the end of the tax year (May to June) than the 2022 survey (June to December). This is likely to affect the comparisons in this section, as respondents in the 2022 survey would have had more time to submit and receive outcomes on lump sum applications.

Among non-recipients, awareness of the payments was slightly higher in 2006 compared to 2022

In 2006, 83.2 percent of potentially eligible respondents who said they were not receiving Family Assistance or family support said they **were aware** of the payments.

In 2022, 70.2 (± 10.1) percent of potentially eligible family tax credit non-recipients said they **were aware** of the payment.



Note 1: Total asked in 2022 = 217, weighted total asked in 2022 = 69,558, total asked in 2006 = 185

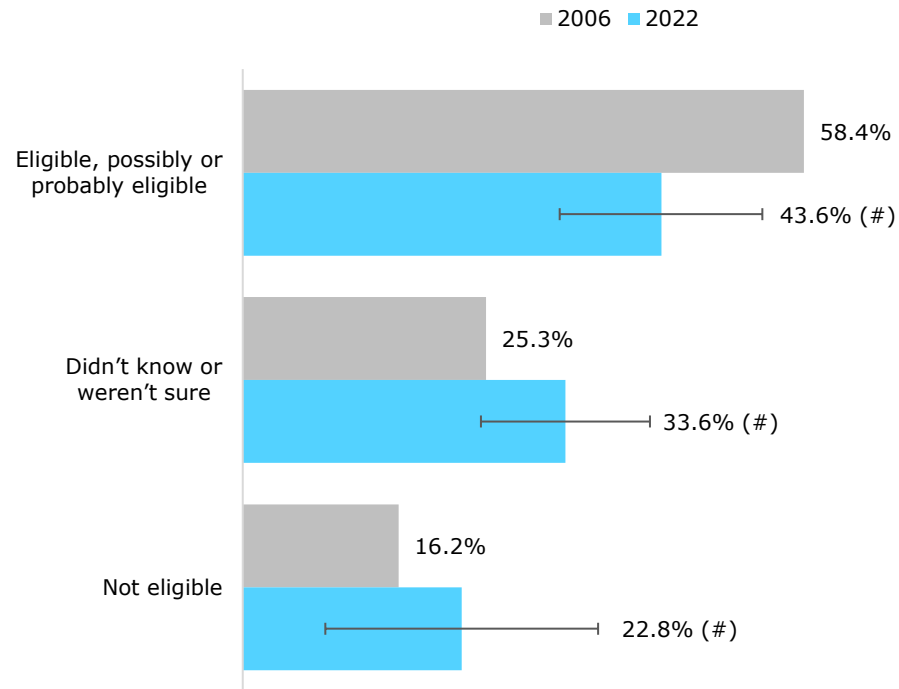
Note 2: Flagged estimates for 2022 marked with a hash (#) should be interpreted with caution and reported with additional context (for example including the margin of error within text where numbers are reported).

Non-recipients appeared more likely to believe they were potentially eligible for payments in 2006 compared to 2022

In 2006, 58.4 percent of respondents who were not receiving, but aware of Family Assistance or family support, said they **were eligible or were possibly or probably eligible** for the payments.

This is higher than the **43.6 (± 14.3) percent** in the **2022** survey who said they **were eligible or were possibly or probably eligible** for the family tax credit.

Compared to 2006, in 2022 respondents were slightly more likely to say they didn't know, were not sure, or were not eligible.



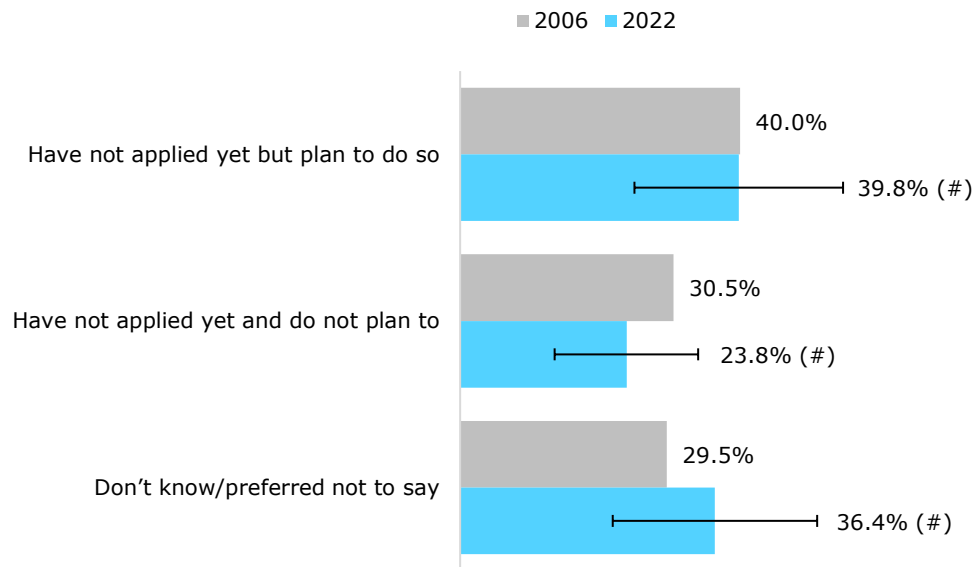
Note: Total asked in 2022 = 151, weighted total asked in 2022 = 48,815, total asked in 2006 = 154.

Note 2: Flagged estimates for 2022 marked with a hash (#) should be interpreted with caution and reported with additional context (for example including the margin of error within text where numbers are reported).

For non-recipients aware of the payments who thought they had some eligibility, future application intentions were similar in the 2006 and 2022 surveys

An almost identical proportion of non-recipients in 2006 and 2022 said they planned to apply for family tax credit/Family Assistance/family support.

A slightly larger (but not statistically significantly different) proportion of respondents in 2006 did not plan to apply, while a slightly larger proportion of respondents in 2022 were not sure or preferred not to say.



Note 1: Total asked in 2022 = 107, weighted total asked in 2022 = 32,899, total asked in 2006 = 105.

Note 2: These figures excluded respondents who had applied for the payments within the last 12 months.

Note 3: Flagged estimates for 2022 marked with a hash (#) should be interpreted with caution and reported with additional context (for example including the margin of error within text where numbers are reported).