



28 January 2026

Tēnā koe

Official Information Act request

Thank you for your email of 20 October 2025 requesting information about client debt policies and processes.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

- *All MSD policies, guidelines, and procedures relating to the creation, calculation, management, and recovery of client debts.*
- *Any internal manuals or instructions provided to MSD staff on handling client debts.*

There is a wide range of legislation, policies, procedures and guidance relevant to your request.

At the foot of this letter there is a series of tables setting out information in scope of your request. There are separate tables for both Work and Income and StudyLink debt, and you can access the information by either clicking on the weblinks within each table or by referring to the appendices attached to this response. Links to relevant legislation, regulations and the Ministerial Direction on Debt Recovery are also provided.

In addition, I draw your attention to **Appendix Seven** for a copy of the Debt Guidelines for Contact Centre staff.

When a client applies for most types of hardship payments, Ministry staff consider the client's existing levels of debt when deciding whether to approve the assistance. You can find more information on this via the following links:

- www.workandincome.govt.nz/map/income-support/extra-help/recoverable-assistance-payment/immediate-and-essential-needs-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/immediate-and-essential-needs-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/housing-support-products/index.html

Housing Support products (HSP's) except for Transition to Alternative Housing grant have the same guidance for recovery of debt, the below page is an example of this guidance.

- <https://www.workandincome.govt.nz/map/income-support/extra-help/housing-support-products/bond-grant/clients-with-existing-debt.html>

The Ministry has policy guidance on recovering hardship payment debt (including repayment rates) for the wide range of recoverable assistance the Ministry provides. Further information can be accessed here:

- www.workandincome.govt.nz/map/income-support/extra-help/recoverable-assistance-payment/recovery-of-payment-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/recovery-of-payment-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/housing-support-products/bond-grant/recovery-of-payment.html
- <https://www.workandincome.govt.nz/map/income-support/extra-help/emergency-housing/client-needs-to-pay-security-deposit-debt.html>
- <https://www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/recovery-of-payment-01.html>
- *Any current auditing or review processes MSD uses to ensure debt records are accurate.*

The Ministry does not have audit or review processes specifically to ensure the accuracy of client debts. Instead, it undertakes a range of quality control processes on actions by Ministry staff, including those that result in the establishment of a debt. Clients can also request a Review of Decision if they disagree with a decision (including the establishment of a debt) made by a Ministry staff member. You can find details about the Review of Decision process at the following links:

- www.workandincome.govt.nz/about-work-and-income/feedback-and-complaints/review-of-decisions.html
- www.workandincome.govt.nz/map/income-support/core-policy/reviews-and-appeals/index.html

The National Quality Team provides an independent check of actions processed in Ministry service centres, contact centres and centralised services offices to help ensure Ministry staff are delivering an accurate and timely service to clients. Actions are assessed as being “accurate” when a client receives the right benefit, at the right rate, from the right date. Checks are done on applications and review actions - so they can be triggered by a client’s change in circumstances.

The Learning and Continuous Improvement Team conduct quality assessments of a wide range of staff actions, including reviewing actions that involve the creation of a debt and assessing whether this action was correct and accurate. These quality assessments are carried out at a local level within service centres, contact centres, Centralised Services and Integrity and Debt units, with a focus on providing staff with feedback and building Ministry staff capability.

The Client Service Integrity Team conduct a 100% quality assessment on any prosecution case. This means that any debt actions relating to the case are fully reviewed.

I will be publishing this decision letter, with your personal details deleted, on the Ministry’s website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp.



Anna Graham
General Manager
Ministerial and Executive Services

Table of links from the Work and Income Debt Homepage (Doogle)

Debt Good Practice
Debt Breach Types (<i>see attachment 1 in Appendix 2 for page content</i>)
Debt training resources for Case Managers (<i>see attachment 2 in Appendix 2 for page content</i>) <i>Links on the page:</i> • Debt explanation training (<i>See Appendix 3 for content</i>) • Arranging repayments at cancellation • Non-beneficiary client debt • Negotiating repayments for current debt • Establishing and recovery of Child Disability Allowance debts (<i>See Appendix 4 for content</i>)
Debt treatment procedures for Work and Income (<i>see attachment 3 in Appendix 2 for page content</i>) <i>Links on the page:</i> • Work and Income Debt Homepage (<i>See Appendix 1</i>) • Childcare Assistance – Debt Management (<i>see attachment 16 in Appendix 2</i>) • Recoverable Assistance Payment and Debt Balance (<i>see attachment 17 in Appendix 2</i>)
Client debt letters (<i>see attachment 4 in Appendix 2 for page content</i>)
Debt at grant of ongoing assistance (<i>see attachment 5 in Appendix 2 for page content</i>)
Debts established while receiving ongoing assistance (<i>see attachment 6 in Appendix 2 for page content</i>)
Debts at cancellation of assistance (<i>see attachment 7 in Appendix 2 for page content</i>) <i>Links on the page:</i> • Processing standards - Cancellations (<i>see attachment 18 in Appendix 2 for page content</i>) • Repayment options available to clients (<i>see attachment 13 in Appendix 2 for page content</i>) • Debt repayment protection for sole parent rate of benefit • Map – Transition to Work Grant – Debt recovery suspension
Debt recovery for clients receiving ongoing assistance (benefit) (<i>see attachment 8 in Appendix 2 for page content</i>) <i>Links on the page:</i> • Current client debt – negotiating repayment of debt • Current client debt – SWIFTT process maximum debt recovery • Current client debt – Debt types retained in TRACE • Jobseeker Support – Priority for deductions • Repayment options available to clients (<i>see attachment 13 in Appendix 2 for page content</i>)

Debt recovery for non-beneficiary clients (*see attachment 9 in appendix 2 for page content*)

Links on the page:

- [Core Policy – Current client debt](#)
- Working for Families Accommodation Supplement – Consolidation of debt from TRACE to SWIFTT (*see attachment 10 in Appendix 2 for page content*)
- Recoverable Assistance Payment recovery (*see attachment 19 in Appendix 2 for page content*)

Guide to preventing overpayments (*see attachment 11 in Appendix 2 for page content*)

Links on the page:

- [Map – Accommodation Supplement – Change in accommodation](#)
- [Map – Away from Home Allowance – Changes and reviews](#)
- [Map – Community Costs – Change in costs](#)
- [Map – Disability Allowance – Change in costs](#)
- [Map – Special Benefit – Change in costs](#)
- [Map – Temporary Additional Support – Change in costs](#)
- [Map – Training Incentive Allowance](#)
- [Map – New or formative relationships](#)
- [Map – Effective date of review](#)
- [Map – Child leaves care](#)
- [Map – Child leaves sole parents care suddenly](#)
- [Map – Death of a single client](#)
- [Supported Living Payment – Patient changes](#)

Transferring between benefits (*see attachment 12 in Appendix 2 for page content*)

Link on the page:

- Automatic transfer from SPS to JS when youngest dependent child turns 14 (*see attachment 20 in Appendix 2*)

Repayment options available to clients (*see attachment 13 in Appendix 2 for page content*)

Links on the page:

- [Pay debt in New Zealand](#)
- [Bank automatic payment form](#)

Debt Training Resources for Case Managers

Debt training resources for Case Managers (*see attachment 2 in Appendix 2 for page content*)

Links on the page:

- Debt explanation training (*see Appendix 3*)
- [Arranging repayments at cancellation](#)
- [Non-beneficiary client debt](#)
- [Negotiating repayments for current debt](#)
- Establishing and recovery of Child Disability Allowance debts (*See Appendix 4*)

Debt write-off and sign off delegation process for Service Delivery staff
Debt write-off and sign-off delegation process for Service Delivery Staff <i>Links under this heading:</i> - Financial Delegations document (see Appendix 5) Regulation Establishing debt Current debt: Process for provisional write-off (Map) Current debt: Process for provisional debt write-off (Map) Debt the result of an error
Debt Resources for Clients
Debt Resources for Clients No Asset Procedure (<i>see attachment 14 in Appendix 2 for page content and Appendix 6</i>)

Subsequent links from pages provided above:

Current debt write-off
Current debt write-off Process for debt write-off decision Provisional write off
Debt treatment procedures for Work and Income
Childcare Assistance – Debt Management (<i>see Attachment 16 in Appendix 2 for page content</i>) <i>Links on the page:</i> Map – Childcare Assistance Debt Map – Third party debt
Recoverable Assistance Payment and Debt Balance (<i>see Attachment 17 in Appendix 2 for page content</i>) <i>Link on the page:</i> Work and Income Debt Balance-Recoverable Assistance Payment

Legislation and Ministerial Direction

The Ministry's debt recovery approach is founded on the requirements of the Social Security Act 2018 (the SSA), the Social Security Regulations 2018 (the Regulations), and the Ministerial Direction on Debt Recovery (the Ministerial Direction).

The Social Security Act 2018 (SSA)

- [Social Security Act 2018 No 32 \(as at 22 February 2024\), Public Act 353 Debts and deductions – New Zealand Legislation](#)
- [Social Security Act 2018 No 32 \(as at 22 February 2024\), Public Act 362 MSD's duty to recover debts – New Zealand Legislation](#)

- [Social Security Act 2018 No 32 \(as at 22 February 2024\), Public Act 444 Regulations: debts and deductions – New Zealand Legislation](#)
- [Social Security Act 2018 No 32 \(as at 22 February 2024\), Public Act 448 Regulations: remittance or suspension of debt – New Zealand Legislation](#)

The Social Security Regulations 2018

- [Social Security Regulations 2018 \(LI 2018/202\) \(as at 06 November 2023\) 207 Exceptions to duty to recover debts – New Zealand Legislation](#)
- [Social Security Regulations 2018 \(LI 2018/202\) \(as at 06 November 2023\) Subpart 11—Debt recovery suspension – New Zealand Legislation](#)
- [Social Security Regulations 2018 \(LI 2018/202\) \(as at 06 November 2023\) 217 Deduction notice requiring debtor's payer to deduct, and pay MSD, amount due – New Zealand Legislation](#)
- [Social Security Regulations 2018 \(LI 2018/202\) \(as at 6 November 2023\) 208 Debts caused wholly or partly by errors to which debtors did not intentionally contribute](#)

The Ministerial Direction

- [Clause 4. Rate and method of recovery - Map \(workandincome.govt.nz\)](#) requires the Ministry to contact the client to ascertain their ability to repay their debt.
 - Clauses 4(1) to 4(3) are in relation to non-current clients.
 - Clause 4(4) is in relation to clients currently receiving a benefit.
- [Clause 5. Deferral of recovery - Map \(workandincome.govt.nz\)](#) enables the Ministry to temporarily place the recovery of debt on hold if the client, current or non-current, is not able to repay.
- [Clause 6. Deduction notices - Map \(workandincome.govt.nz\)](#) requires the Ministry to advise non-current clients when they have a debt and request that they contact the Ministry to make a payment arrangement.
 - This clause requires the Ministry to send two letters to non-current clients: an 'important reminder' and a 'final warning.' The Ministry sends these letters to seek repayment or to prompt the client to make contact.
 - If the non-current client does not contact the Ministry to discuss their circumstances, or begin repaying their debt, the Ministry can issue a deduction notice 14 days after the final warning letter has been sent.

Section 362 of the SSA requires the Ministry to take all reasonable and practical steps to recover debt owed to the Crown.

Although the Ministerial Direction requires a minimum of two letters (for clients no longer on a benefit), the Ministry has determined that it should also attempt to contact non-current clients by phone, SMS, and/or email to ensure that every reasonable effort has been made to negotiate a robust and sustainable debt repayment arrangement with the debtor.

It is important to note that not all non-current clients have the means or ability to repay their debts to the Ministry.

Non-current clients include people who may:

- have debt recovery suspension for the first 90 days
- have their debt recovery deferred for a period of time, determined in accordance with the provisions of the Ministerial Direction

- be overseas
- be in prison
- be subject to an insolvency process (e.g. Bankruptcy or No Asset Procedure)
- not have their own income (e.g. they may be financially supported by another person).

StudyLink

Table of links from StudyLink Knowledge – StudyLink Debt

Accidental Debt • Accidental debt change (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/establishing-debt.html
Student calls us about their debt 1. See attachment titled 'StudyLink Knowledge – Reviewing Student Loan Entitlement' (Appendix 8) 2. See attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9)
Considering if a debt is the Ministry's mistake • Debt write-off for Student Allowance (Map) - https://www.workandincome.govt.nz/map/students/student-allowance/debt-write-off.html • Debt write-off for Student Loan (Map) - https://www.workandincome.govt.nz/map/students/student-loan/debt-write-off.html • Debt write-off criteria – SWIFTT payments (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-write-off-criteria.html • Process for debt write-off flowchart (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/process-for-debt-write-off-flowchart-01.html
Before we've established a debt • Debt write-off (Map) - https://www.workandincome.govt.nz/map/students/student-allowance/debt-write-off.html • Debt write-off criteria (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-write-off-criteria.html • Debt the result of an error (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-the-result-of-an-error-01.html
Writing off a debt if it was a Ministry's mistake • Debt write-off – Student Allowance (Map) - https://www.workandincome.govt.nz/map/students/student-allowance/debt-write-off.html • Debt write-off criteria – Income support (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/debt-write-off-criteria.html

Debt amount is \$500 or less

- Pay debt in New Zealand (StudyLink website) - <https://www.studylink.govt.nz/in-study/debt/pay-debt-in-new-zealand.html>

Table of links from StudyLink Knowledge – Debt for Student Allowance

How students can get into Student Allowance debt
3. See attachment titled 'StudyLink Knowledge – StudyLink Debt' (Appendix 10)
Processing debts
4. See attachment titled 'StudyLink Knowledge – StudyLink Debt' (Appendix 10)
Repay debts through Student Allowance deductions
• Debt recovery (Map) - https://www.workandincome.govt.nz/map/students/student-allowance/debt-recovery.html
Other ways to repay debt
• Authority Form for Debt Repayments (StudyLink website) - https://www.studylink.govt.nz/documents/forms/debt-repayments-authority-form.pdf • Pay debt in New Zealand (StudyLink website) - https://www.studylink.govt.nz/in-study/debt/pay-debt-in-new-zealand.html • Pay debt from overseas (StudyLink website) - https://www.studylink.govt.nz/in-study/debt/pay-debt-from-overseas.html
When the student has other Student Allowance deductions
• Deductions from Student Allowances - Map (ssi.govt.nz) - https://www.workandincome.govt.nz/map/students/student-allowance/deductions-from-student-allowances.html
Recovering SWIFTT debt from Student Allowance
• UCVCHKDEBT change event (StudyLink Knowledgebase) – Refer to attachment titled 'StudyLink Knowledge – UCVCHKDEBT change event' (Appendix 11)

Table of links from StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

Changing weekly repayments in SWIFTT
1. Current client debt (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/current-client-debt.html
2. Non-current debt - https://www.workandincome.govt.nz/map/definitions/non-current-debt.html
Recover SWIFTT debt with SWIFTT arrears

Using benefit arrears to recover debt (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/using-benefit-arrears-to-recover-debt-01.html
Student is on a benefit Using benefit arrears to recover debt (Map) - https://www.workandincome.govt.nz/map/income-support/core-policy/current-client-debt/using-benefit-arrears-to-recover-debt-01.html
Recover Student Allowance debt with SWIFTT arrears Student is not on a benefit–Refer to attachment titled 'StudyLink Knowledge – Debt for Jobseeker Support Student Hardship' (Appendix 12)
Using a backdated review to change the SWIFTT record Debt - Student Allowance (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9)

Table of links from StudyLink Knowledge – Reviewing Student Loan entitlement

Checking Student Loan entitlement Reviewing entitlement to a Student Loan (Map) - https://www.workandincome.govt.nz/map/students/student-loan/reviewing-entitlement-to-a-student-loan.html
Guidelines for staff to consider Converting all or part of a Loan into an MSD debt (Map) - https://www.workandincome.govt.nz/map/students/student-loan/converting-all-or-part-of-a-loan-into-an-msd-debt-01.html
Debt repayment orders Debt Repayment Orders (Map) - https://www.workandincome.govt.nz/map/students/student-loan/debt-repayment-orders.html

Table of links from StudyLink Knowledge – UCVCHKDEBT change event

Viewing debt information StudyLink debt (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – StudyLink Debt' (Appendix 10)
Updating a debt in SAL - Deductions from Student Allowances (Map) - https://www.workandincome.govt.nz/map/students/student-allowance/deductions-from-student-allowances.html - Student Allowance debts (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9)
Updating SAL with CMS information

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| 4. Student Allowance debts (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9) |
|---|

No income support debt in SAL

- | |
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| 5. Student Allowance debts (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9) |
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Income support debt already exists in SAL

- | |
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| 6. Student Allowance debts (StudyLink Knowledgebase) – Refer to the attachment titled 'StudyLink Knowledge – Debt for Student Allowance' (Appendix 9) |
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[Work and Income Debt Homepage - Doogle](#)

Work and Income Debt Homepage

Information to help manage and prevent debt to clients receiving Work and Income assistance.

On this Page:

- [Our Responsibilities](#)
- [Rate of Recovery](#)
- [Why is debt created?](#)
- [Debt Good Practice](#)
- [Effective Debt Management](#)
- [Debt Training Resources for Case Managers](#)
- [Debt write-off and sign off delegation process for Service Delivery staff](#)
- [Debt Resources for Clients](#)

Our Responsibilities

To help our clients avoid creating or increasing their debt with Work and Income, you should:

- let clients know what they need to tell us and when (their obligations)
- make sure your clients have regular entitlement and needs assessment checks
- give clients good advice, and make appropriate referrals to support services when they ask for additional assistance
- discuss other options clients may have before they incur debt
- consider the long-term impact on the client (and/or their partner/children) when granting recoverable assistance
- prevent overpayments by processing review actions in a timely manner
- negotiate a recovery rate appropriate to the clients individual circumstances
- use the debt management tools to help you manage your clients with current debt.

Rate of Recovery

The rate of recovery must be negotiated with the client taking into account their circumstances.

When setting the rate of recovery, you need to consider the following (where relevant):

- the circumstances of the client and his or her dependents
- the ability of the client to meet their needs and the needs of their dependents
- the amount of the debt - we want clients to pay off their debt as fast as they can, but always consider the circumstances of the client and their ability to repay without placing them in undue hardship. If the debt is large, you should consider a higher repayment rate if the client can afford to pay
- the effect the rate and method of recovery will have on the client's ability to support themselves
- whether the rate or method of recovery would cause undue hardship to the client or their dependents
- the effect the rate of recovery will have on the client's ability to meet their work and social obligations

If the client does not agree with the rate of repayment, you must record why you decided to set it at that rate.

Rate of repayment for advance payment of benefit and recoverable assistance

When setting repayment rates, try and get advances and recoverable assistance paid off first so the client is able to get more advances and recoverable assistance in the future.

Reducing existing recovery rate for Recoverable Assistance

A Recoverable Assistance Payment needs to be repaid within 24 months unless there are exceptional circumstances, ie meets the exceptional circumstances criteria.

All requests must be approved by a Service Centre Manager and the decision recorded in a Client Event Note.

Housing Support Products are not required to be repaid within 24 months, however an appropriate rate of recovery must still be set.

Why is debt created?

Debt is generally created from:

- late income notification by clients
- transfer between benefits
- changes of circumstances affecting entitlement to benefit for example; travel overseas, imprisonment or entering employment
- review of annual income
- late processing of client information
- reviews of entitlement
- not applying the '14 day rule' or 'discretionary review date' policy where applicable

or following the payment of:

- Advance Payment of Benefit
- Recoverable Special Needs Grant or
- Recoverable Assistance Payment.

Debt Good Practice

Understanding Debt

- » [Debt breach types](#) (Link attachment 1)
- » [Debt training resources for Case Managers](#) (Link attachment 2)

Out of scope

Establishing Debt

- » [Debt treatment procedures for Work and Income](#) (Link attachment 3)
- » [Client debt letters](#) (Link attachment 4)
- » [Client event notes](#) (Page not included as it is an index page)
- » [Debt at grant of ongoing assistance](#) (Link attachment 5)
- » [Debts established while receiving ongoing assistance](#) (Link attachment 6)
- » [Debts at cancellation of assistance](#) (Link attachment 7)
- » [Debt recovery for clients receiving ongoing assistance \(benefit\)](#) (Link attachment 8)
- » [Debt recovery for non-beneficiary clients](#) (Link attachment 9)
- » [Working for Families Accommodation Supplement - Consolidation of debt from TRACE to SWIFTT](#) (Link attachment 10)

Preventing Debt

- » [Guide to preventing overpayments](#) (Link attachment 11)
- » [Transferring between benefit](#) (Link attachment 12)
- » [Repayment options available to clients](#) (Link attachment 13)

Effective Debt Management

It is expected that at least 95% of current Work and Income clients with debts have an arrangement to repay their debt. There are a number of reports which help to manage and monitor performance.

Briefcase can filter and sort your clients with debts (current and suspended). The information is updated overnight and contains clients with debts and debts on suspended records for over 2 weeks.

Case management reporting system is available through Briefcase. These reports are updated each Monday based on data of the previous Friday.

Reports on-line (ROL) has the following SWIFTT reports on clients with debts:

- debt not being recovered (SBDBTNRECM)
- debts on suspended records over 4 weeks (SBFDBTSUSW)
- outstanding debt approvals (SBOUTAPPRM)
- low value offset (SBFLOWOFFM)
- debt recovery retention level (SBFRECLVLW)
- debts transferred from non-current (SBFNCDDBDT)
- family assistance debtors by client (FBFMSDEBTM).

Out of scope

Debt Training Resources for Case Managers

» [Debt training resources for case managers](#) (Link attachment 2)

There are many reasons a client can end up owing us money, such as:

- deliberate breach, where a person received a payment from us knowing they weren't entitled to it
- innocent breach, where a person has been unintentionally paid too much
- error, where a benefit was overpaid due to incorrectly assessed income, changes not made in time, a system fault or a processing error.

Each time a debt is established, it is important to consider whether there may be grounds to write-off the debt before you start debt recovery.

When there are grounds for a debt write-off recommendation, it is important that the right process is followed, including the correct delegation level needed to sign off any recommended debt write-off.

Delegation Levels

All debt write off recommendations must be made at the correct delegated level. When the debt created meets the criteria for debt write-off, the financial delegations determine who is authorised to sign off what level of debt.

Debt write-off and sign off delegation process for Service Delivery staff

Debt Level	Sign Off Required
Debt less than \$2,500	Service Delivery Service Manager or equivalent
Debt more than \$2,500 less than \$10,000	Service Delivery Operations Managers (including Regional Directors and Central Processing Unit Managers), Business Managers or equivalent
Debt more than \$10,000 less than \$25,000	Service Delivery General Managers, Regional Commissioners, National Managers or equivalent
Debt more than \$25,000 less than \$50,000	Group General Managers
Debt more than \$50,000 less than and \$200,000	Deputy Chief Executive Service Delivery jointly with the Chief Financial Officer (in that order). Important: All recommendation of debt write of \$50,000 and over must be forwarded to DCE's Office (Jenni Allan), National Office, DCE_Office_ServiceDelivery (MSD) prior to sign off.
Debt over \$200,000	Chief Executive Important: All recommendation of debt write of \$50,000 and over must be forwarded to DCE's Office (Jenni Allen), National Office, DCE_Office_ServiceDelivery (MSD) prior to sign off.

Financial Delegations document

» [Financial Delegations document](#)

Process for debt decision and debt write-off

Every debt established on or after 26 September 2002 must be checked against the criteria of [regulation 208\(1\) Social Security Regulations 2018](#) to decide if the debt or part of the debt is recoverable.

 [Regulation](#)

 [Establishing debt](#)

Debt write-off – debts established after 26/09/2002

Every debt established on or after 26/09/2002 must be checked against the criteria of regulation 208(1) Social Security Regulations 2018 to determine if the debt is recoverable or should be recommended for write-off. If the debt created should be recommended for write off, and the debt write-off criteria has been met, then staff need to follow the procedures in Doogle and MAP.

The following process is to be followed when considering debt under [regulation 208\(1\) Social Security Regulations 2018](#).

Debt write-off – debts established after 26/09/2002

Every debt established on or after 26/09/2002 must be checked against the criteria of regulation 208(1) Social Security Regulations 2018 to determine if the debt is recoverable or should be recommended for write-off. If the debt created should be recommended for write off, and the debt write-off criteria has been met, then staff need to follow the procedures in Doogle and MAP.

The following process is to be followed when considering debt under [regulation 208\(1\) Social Security Regulations 2018](#).

 [Current debt: Process for provisional debt write-off \(MAP search\)](#)

Out of scope

Debt write-off – debts established before 26/09/02

Any debt established before 26/09/02 can only be considered for provisional write-off under section 86(9A) Social Security Act 1964 irrespective of when you are reviewing the debt. A debt which has been provisionally written off under section 86(9A) can, after three months, be considered for full debt write off.

The following process is to be followed when considering debt under [section 86\(9A\) Social Security Act 1964](#)

Out of scope

 [Current debt: Process for provisional debt write-off \(MAP search\)](#)

Accidental debt

Accidental debt is debt created by mistake on a client's SWIFTT and/or TRACE record during processing. For example income added to the client's record from the wrong date accidentally creates a debt.

Accidental debt is **not** when the client got benefit payments they were not meant to. It is a 'paper' debt only.

You must change or undo accidental debt in the correct way to keep the client's benefit record accurate.

Out of scope

Debt result of an error

An error has been made when a debt has been caused wholly or partly because Work and Income:

- gave the client incorrect information and/or
- did not do something that should have been done or did something wrong

 [Debt result of an error \(MAP\)](#)

Client event note template

Details of debt

- Period:
- Overpayment for main benefit:
- Overpayment for supplementaries:
- A/S:
- DA:
- TAS:
- Total overpayment:
- Amount of debt recovered from arrears, if applicable:
- Balance of debt:
- Recovery rate p/w:
- Copy of manual letter sent to client (please paste a copy):
- Details of debt discussed with client (Yes/No):

Debt Resources for Clients

Out of scope

Repaying debt while not receiving assistance

When a client cancels their benefit and they have an outstanding debt to repay, you must consider the clients financial circumstances when negotiating a repayment arrangement.

Out of scope

[Ways to pay debt in New Zealand](#)

[Ways to pay your debt from overseas](#)

Money Management Services

Out of scope

[No Asset Procedure](#) (Link attachment 14)

StudyLink debt

This page is about how students may get into debt with StudyLink. It explains where to find debt information in different systems, when to send a debt letter, and how to decide if a debt was a Ministry's mistake. It also includes how to process debt write-off.

How students get into debt

A student can get into debt with StudyLink if we've been overpaying them for a period.

They can get into StudyLink debt on any of the following payments:

- Student Allowance
- Jobseeker Support Student Hardship
- Student Loan.

Situations that may result in debt include, but aren't limited to:

- changes in circumstances
- late income notification by students
- transfer between benefit and student finance (late applications)
- transferring between benefit types
- late processing of students' information
- reviews of entitlement.

Monitoring and recovering debt

Client Support – Debt Management is responsible for monitoring and recovering all debts created within the Ministry of Social Development, except Student Loan debt.

This includes the collection of:

- Student Allowance overpayments
- Recoverable Assistance Payment (RAP) from previous students
- any other payments the student owes (for example, Liable Parent Contributions and Court ordered maintenance).

When SAL creates a Student Allowance debt:

- it automatically transfers the debt to Client Support – Debt Management
- from there, the debt is automatically loaded into their system (TRACE).

Client Support – Debt Management has access to SAL. This is where they update debt information when needed.

Debt outcomes

When a debt is created, there are 3 main outcomes:

1. invalid debt
2. valid debt to be recovered
3. valid debt able to be considered for debt write off.

The following table describes the 3 debt outcomes.

Debt outcome	Explanation
Invalid debt	• The debt was created accidentally during processing. • We can correct the file and recover the debt in full.
Valid debt to be recovered	• The student received money they weren't entitled to. • The debt wasn't the Ministry's mistake.
Valid debt able to be considered for debt write off	• The student received money they weren't entitled to. • The debt was the Ministry's mistake.

When we understand how the debt was created, we can decide if we need to establish the debt or consider it for write-off.

Accidental debt

Accidental debts are created by mistake on a student's SWIFTT or TRACE record during processing. Accidental debt is not when the student got payments they weren't entitled to. You must change or undo accidental debt correctly to keep the student's benefit record accurate.

For more information about accidental debt, see:

[Accidental debt change \(Map\)](#)

Actioning accidental debts in SWIFTT

Follow these steps when you identify an accidental debts that you can't manually recover in SWIFTT.

Step	Process
1.	Complete the SWIFTT Recommendation for Accidental Debt Change form. Get a manager to sign it.
2.	In the SDBTC or DEBTC screen, change the debt status to 17.
3.	Take the completed form to the Report Writing team.

Actioning accidental debts in TRACE

Follow these steps when you identify an accidental debt that you can't manually recover in TRACE.

Step	Process
1.	Complete the TRACE Recommendation for Accidental Debt Change form. Get a manager to sign it.
2.	Scan the form and send it to Client Support – Debt Management for them to action.

Where to view debt information

If a student has outstanding debt, you can view it in:

- CMS
- SAL
- SWIFTT
- TRACE (only some processors have access to this).

CMS

CMS

Note: The **Debt Details** tab in CMS has the most accurate debt information. If the student hasn't received payments in a while, their information won't be up to date in SAL and SWIFTT, but it will be in CMS.

You can find all Ministry of Social Development debt balances and recovery arrangements in CMS.

To view debt information in CMS:

1. go to the **Products and Services** tab
2. go to the **Debt Details**

You can view additional information about the debts held in the different systems by checking the **SWIFTT**, **TRACE** and **WAM** tabs.

If CMS shows the student has a TRACE debt, click into the **TRACE** tab to find out what type of debt the student has.

Note: Student Allowance debts will show in CMS 3 days after the debt was created in SAL.

SAL

SAL

In SAL, you can find debt information in different places.

Customer Details (3) screen

In the **Customer Details (3)** screen, you can see if the student has any of the following:

- Student Allowance
- Child Support deductions
- Inland Revenue debt recovery
- Work and Income debt.

Note: Student Allowance debt is the only debt that SAL adds automatically. We manually add any other debts. If none of the other debts are listed, check CMS and SWIFTT.

Notes

You can also find debt information in the notes. If a student is asking about their debt, always check the notes for information.

SWIFTT

SWIFTT

You can find debt information in these 2 screens in SWIFTT.

If...	Screen
the student is currently receiving a benefit	SDBTI screen.
either: • the student isn't currently receiving a benefit • the debt is being created on a past benefit	SPBTI screen. Type DBT in the Action field to open the SPBTI screen.

TRACE**TRACE**

Note: Only some processors have access to TRACE and can see debt information.

If a student's TRACE record is locked, email **Out of scope** and ask Client Support – Debt Management to unlock the record.

You can find debt information in 2 screens in TRACE.

DTAIL – Debtors Debt Details screen

The **DTAIL** screen gives you a breakdown of the student's current debts that aren't in SWIFTT.

You can use information from the following fields in the **DTAIL** screen to update debt balances in SAL.

Field	Debt information
Open Balance	The student's current debt with the Ministry of Social Development.
Debt Balance	The part of debt that still needs to be repaid.
Debt Amount	The original balance when the debt was transferred to TRACE.
Ben Type	The benefit the student's debt was created under.
Start Date	The date the benefit debt was transferred to TRACE. Note: Ignore Student Allowance debt start dates as they're always set to 10161.
Period Covered	The start and end date of the original debt. (This may sometimes be blank.) PWO/SUS/NAP and SIO debt balance can't be offset or transferred into SAL.

PYMTI – Debtor Payments Inquiry screen

The **PYMTI** screen is where you can view all payments made by a student towards their debt.

In the **PYMTI** screen, you can view different information in different fields.

Field	Debt information
Amount Received	The amount the student has paid towards their debt.

Date Received	When the payment was processed into TRACE. (This may not match the date the automatic payment was made from SAL, SWIFTT or the student.)
Type	• automatic payment (AP) • direct credit (DC). Note: If a student has been making deductions from Student Allowance, this will show as a direct credit.

Note: Payments aren't processed in real time. When deductions are made in SAL, SWIFTT or CMS, TRACE isn't updated straight away.

Student calls us about their debt

Students may call us to:

- discuss their debt
- ask to change their Student Allowance debt repayments.

If the student calls about their Student Loan debt, see:

[Converting Student Loan into Ministry of Social Development debt \(StudyLink Knowledgebase\)](#)

If the student wants to change their debt repayments on their Student Allowance, see the section 'Re-negotiating Student Allowance debt deductions' on the following page:

[Student Allowance debts \(StudyLink Knowledgebase\)](#)

Student doesn't understand debt

Student doesn't understand their debt

A student may call us because they don't understand their debt letter or debt recovery.

Check:

- their file in SAL for debt notes
- their correspondence history for debt letters.

If you still can't help the student, follow this table.

If...	Then...
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you can't find answers to the student's questions in their file	either: • contact support link/SSC support • talk to your manager.
the student is angry or wants answers immediately	talk to your manager to see if this can be resolved over the phone.
both: • the student is disputing having to repay their debt • you've spoken to support link and your manager and you're still unsure	leave a note in SAL and select the escalation category 'debt queries' asking for a processor to contact the student.

Student has missed a phone call

Student has missed a phone call

If a student calls because they have a missed phone call from StudyLink about their debt, follow this table.

If...	Then...
a student calls back after missing a phone call	read the applicable notes in SAL. The original processor who tried to contact the student may have: • left instructions for you to either transfer the call to them or send them an email once the student has called back. • left enough detail in their note that you can explain the debt to the student.
the original processor hasn't left enough notes	Leave a note in SAL and select the escalation category 'debt queries' asking for a processor to contact the student.
both: • the debt is a Ministry's mistake • the student is disputing having to repay their debt	Log a workflow in SLKBase under the category 'SSC – Debt Write Off'

Debt letters

If...	Then...
either: - we've added debt repayments to an incomplete Student Allowance application for an existing debt - we established a new valid debt.	we send a debt letter to the student.
both: - the Student Allowance is approved or declined - the debt already exists in SAL, so we're only updating the balance both: - the debt already exists in CMS - we're adding the debt to SAL on an approved Student Allowance application	we don't send a debt letter to the student.

When we send a debt letter, we need to include all the following:

- period of debt
- amount of debt
- reason for the debt
- how the debt be recovered
- how much we'll be recovering per week
- when the debt recovery will start.

Student calls us to discuss a debt write off letter

When a debt is a Ministry's mistake, we'll send a letter to the student to say:

- we're checking if they meet the criteria for a debt write off
- we'll contact them shortly.

The student may call us discuss this letter. While you're on the phone with the student, make sure they understand all of the following:

- There are specific criteria they must meet before we can write off a debt. An expert staff member will contact them to discuss this.
- We'll contact them soon to discuss the debt and if they have to repay it.
- We won't set up debt recovery until we've fully investigated why the debt was created and we've called the student.

If the student is upset or wants to be contacted immediately, talk to your manager to see if you can solve this over the phone.

Considering if a debt is the Ministry's mistake

If a debt was the Ministry's mistake, we may be able to write it off.

There are different scenarios that can be considered the Ministry's mistake.

For more information on debt write off guidelines, see:

[Debt write-off for Student Allowance \(Map\)](#)

[Debt write-off for Student Loan \(Map\)](#)

[Debt write-off criteria – SWIFTT payments \(Map\)](#)

[Process for debt write-off flowchart \(Map\)](#)

There are different processes we need to follow depending on whether we've already established a debt or not.

Before we've established a debt

Before we've established a debt

If we identify a student is overpaid because of a Ministry error, you can consider:

- correcting the entitlement
- not establishing the debt.

Use your discretion and consider each situation on a case-by-case basis.

- Discuss the file and circumstances with your manager to decide what's best to do.
- You may also need to discuss this with the student.

There are many factors to consider when you're deciding if you should write off a debt.

For more information on what you should consider, and what criteria the student should meet, see:

[Debt write-off \(Map\)](#)

[Debt write-off criteria \(Map\)](#)

[Debt the result of an error \(Map\)](#)

You'll need to establish the debt and pass it on to the Debt Write-off team if you identify that the student either:

- knew they may have been receiving the incorrect rate of payment

- contributed to the mistake in any way.

Pass the debt to the Debt Write-off team by logging a workflow in SLKBase under the applicable category:

- SSC – Debt Write Off SA
- SSC – Debt Write Off SWIFTT.

After we've established a debt

After we've established a debt

When we've established a debt in either SWIFTT or SAL, we should consider why the debt was created, including if it was because of a Ministry's mistake.

If the debt was created because the Ministry made a mistake, follow the debt write-off process in the following section.

Writing off a debt if it was a Ministry's mistake

When a debt was created because the Ministry made a mistake, we must consider if we can write it off.

For more information on the guidelines of debt write off we need to follow, see:

[Debt write-off – Student Allowance \(Map\)](#)

[Debt write-off criteria – Income support \(Map\)](#)

- If the debt was created within the last 48 hours, follow the process under 'Overpayment made within the last 48 hours'.
- If it debt was created more than 48 hours ago, follow either one of these processes:
 - 'Debt amount more than \$500'
 - 'Debt amount less than \$500'.

Overpayment within 48 hours

Overpayment made within the last 48 hours

If you spot the overpayment within 48 hours of when it was created:

- call the student immediately
- tell them why a debt was created and how much the debt is
- apologise.

If the student still has the money or part of it, they might be able to give it back immediately.

If the student decides to spend the money after we told them they shouldn't have gotten it, they won't meet the 'good faith' debt write off criteria.

Note: If you're not trained in this, pass it on to your support team.

Can't contact the student

Try to call the student 3 times within 24 hours after spotting the debt.

Follow these steps if the student doesn't pick up the first time.

Step	Process
1.	Email the student and ask them to not spend the money.
2.	Text the student through SAL to tell them you'll try to contact them.
3.	If the student has a voice mail message on their phone: a. leave a voice message asking them to not spend the money b. ask the student to contact you and give them your direct dial number.
4.	If the student doesn't have a voice mail message on their phone: a. only leave a message asking them to call StudyLink b. leave a Must View Note in their SAL file with you direct dial number and ask for the student to be transferred to you.

This table explains what to do depending on if the student still has the money, and if they want to pay it back or not.

If...	Then...
you can contact the student within 24 hours	discuss repayment of the full debt if they still have the money.
they no longer have the money	discuss debt repayment options with them.
the student refuses to pay back the money	in SLKBase, log a workflow to the relevant category: • SSC – Debt Write Off SA • SSC – Debt Write Off SWIFTT.
you can't contact the student	follow either one of these processes: • 'Debt amount more than \$500' • 'Debt amount less than \$500'.

Debt amount more than \$500

Debt amount more than \$500

Follow these steps when the student's debt is more than \$500.

Step	Process
1.	Correct their record and make sure they're getting the full and correct entitlement.
2.	Check where the debt was created. a. If it was created in SAL, go to Step 3. b. If it was created in SWIFTT, go to Step 4.
3.	In SAL, in the Customer Details (3) screen, update these fields: a. Arrangement field: Yes b. Deductions field: 0 c. Active field: No. Go to Step 5.
4.	In SWIFTT, update these fields: a. Debt recoverable: N b. Debt status: 2 (recovery undecided). If possible, leave the benefit and/or supplementary suspended instead of cancelling.
5.	In SLKBase, log a workflow to the relevant category: • SSC – Debt Write Off SA • SSC – Debt Write Off SWIFTT. Include both of the following details in your workflow: a. why the debt was created b. what mistake the Ministry made.
6.	In SAL: a. leave a note using template B – DWO – DWO b. make it a Must View Note c. include all the following details:

	• • • • when the debt was created • debt amount • debt period • actions taken in the debt fields • why the debt should be considered for a write-off • workflow number and when the workflow was logged d. if the debt comes from SWIFTT, copy and paste the note into CMS.
7.	Send a letter to the student using template 3.1.7 to tell them: a. they have a debt b. we're considering writing it off.

Debt amount is \$500 or less

Debt amount is \$500 or less

Follow these steps when the student's debt is less than \$500.

Step	Process
1.	Correct their record and make sure they're getting the full and correct entitlement.
2.	Check where the debt was created. a. If it was created in SAL, go to Step 3. b. If it was created in SWIFTT, go to Step 4.
3.	In SAL, in the Customer Details (3) screen, update these fields: a. Arrangement field: Yes b. Deductions field: 0 c. Active field: No. Go to Step 5.
4.	In SWIFTT, update these fields: a. Debt recoverable: N b. Debt status: 2 (recovery undecided). If possible, leave the benefit and/or supplementary suspended instead of cancelling.

5.	Try to call the student. a. If you manage to contact the student: • • • • tell them why they have a debt and how much • apologise it was the Ministry's mistake • tell them they can pay the debt back immediately if they have the money • go to Step 7. b. If you can't contact the student, go to Step 6.
6.	Try to contact the student 3 times within the 24 hours of noticing the debt. If the student doesn't pick up the first time: a. Email the student and ask them to not spend the money. b. Text the student through SAL to tell them you'll try to contact them. c. If the student has a voice mail message on their phone: - leave a voice message asking them to not spend the money • • • • ask the student to contact you, and give them your direct dial number d. If the student doesn't have a voice mail message on their phone: • • • only leave a message asking them to call StudyLink • leave a Must View Note in their SAL file with you direct dial number and ask for the student to be transferred to you. After this: • If you managed to contact the student, go to Step 7. • If you didn't, go to Step 8.
7.	• If the student agrees to pay the money back in full, direct them to this page: Pay debt in New Zealand (StudyLink website) • If they agree to pay back the money via arrangement, go to Step 8. • If the student advises they spent the money and refuse to pay it, go to Step 9.

8.	In SAL: a. in the Customer Details (3) screen, set up debt recovery b. send a letter using template 3.2.2. c. leave a note using template B-DEBT-DB1.
9.	In SLKBase, log a workflow to the relevant category: • SSC – Debt Write Off SA • SSC – Debt Write Off SWIFTT. Send a letter to the student using template 3.1.7 to tell them: • they have a debt • we're considering writing it off. Go to Step 10.
10.	In SAL: a. Leave a note using template B – DWO – DWO. b. Make it a Must View Note. c. Include all the following details: • • • • when the debt was created • debt amount • debt period • actions taken in the debt fields • why the debt should be considered for a write-off • workflow number and when the workflow was logged. d. If the debt comes from SWIFTT, copy and paste the note into CMS.

Clearing debt write-off workflow

Note: The Report Writing team and staff who help on this workstream manage these actions.

Assessment stage

Follow these steps to assess if you should write off a debt or not.

Step	Process
1.	In SLKBase, assign the relevant workflow to yourself: a. SSC – Debt Write Off SA b. SSC – Debt Write Off SWIFTT.
2.	Check the students file and read debt notes. Make sure you know the details of the overpayment and resulting debt.
3.	Call the student to discuss the debt and check if they meet the debt write off criteria. • If the student meets the debt write off criteria, go to Step 4. • If the student doesn't meet the debt write off criteria, go to Step 5. • If you can't contact the student, go to Step 7.
4.	a. Complete the Debt Write-Off report. You must answer all questions in full. b. Go to step 6.
5.	In SAL: a. Leave a note to explain why the Debt Write-off team declined the debt write-off. b. Send a letter using template 3.1.8 to explain that: • • • you aren't writing off the debt. • the debt recovery you've established/you're recovering the debt. c. Check how much the debt is. • • • If the debt is between \$2,500 and \$4,999, send the template email to the Manager Centralised Services Student Support Centre. Get their email sign off that they understand this debt won't be written off. • If the debt is \$5,000 or more, complete a Debt Write-Off report. d. Paste both emails into SAL. Also paste them into CMS if need.
6.	Update the relevant debt write off database spreadsheet: • Report Writing team – update your decision sheet

	Other staff – pass on to Report Writing team to update the decision sheet.
7.	- If you can't contact the student within 24 hours, send them a letter using template 3.1.6. Give them 7 days to contact us. - If you can't contact the student by the 8th day: a. establish the debt b. send the student a letter using template 3.1.9.

Approval stage

Debt write-off submissions waiting for sign off are allocated to service managers. They'll return the signed report within 48 hours.

Hard copies of debt write-off reports ready for sign-off are placed in the manager's sign-off folder with the Report Writing team.

Follow these steps once a service manager has returned the debt write-off submission to you.

Step	Process
1.	Call the student to let them know the debt write-off has been approved.
2.	Send the student a letter using template 3.1.5.
3.	In SAL, leave a detailed note using template B-DWO-DWA.
4.	When Client Support – Debt Management tells you they've completed their actions in TRACE: a. in SAL, go to the Customer Details (3) screen b. update the debt balance.
5.	If it's a SWIFTT debt and: a. the full debt is in SWIFTT: • change the debt status to 13 • ask a staff member with access to approve it b. part of the debt has already been recovered, send the debt write off submission to Client Support – Debt Management.

6.	- If any of the debt was recovered before you considered writing it off, complete the submission as normal. - If the debt write off is approved, Client Support – Debt Management will action any refunds.
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Student Allowance or Student Loan debt \$5,000 and over

If you're considering writing off a Student Allowance or Student Loan debt of \$5,000 or more, this requires a legal opinion.

Follow these steps to do so.

Step	Process
1.	Complete the Debt Write-Off report. If the debt write off is approved, scan and email it directly to Out of scope for their legal opinion.
2.	In SAL: a. leave a note using template B – DWO – LOR. b. make it a Must View Note to make sure none of the debt is recovered while waiting for legal opinion. c. when you hear back from Legal Services, remove the Must view tick.
3.	When you hear back from Legal Services: a. email Client Support – Debt Management at Out of scope b. attach the scanned, signed report and the email from Legal Services for actioning.

Debt write-off actions in SWIFTT

Follow the steps below to make sure the debt is set up correctly in SWIFTT.

Step	Process
1.	In the SDBTI screen: a. select Debt b. enter CHG.

	This will take you to the SDBTC screen.
2.	In the SDBTC screen, fill in these fields: a. Debt Recoverable r208: N b. Debt Status – Debt Write Off: 13 c. Breach Type: Error 4 d. NAP Debt: N.

Authenticator actions

Follow these steps to authenticate the debt write-off actions in SWIFTT.

Step	Process
1.	In the SDBTI screen: a. select Debt b. enter CHG. This will take you to the SDBTC screen.
2.	In the SDBTC screen, fill in these fields: a. Approve/Decline: APP b. User Code: enter your code c. Password: enter your password.
3.	Go back to the SDBTI screen to check the debt is no longer showing.

UCVCHKDEBT change event

This page is about when SAL generates an UCVCHKDEBT change event. It includes when to escalate or process the change event, how to update a debt in SAL and how to recover a SWIFTT debt from Student Allowance arrears.

UCVCHKDEBT change event overview

SAL will generate a UCVCHKDEBT change event when both:

- a benefit check fails because the student doesn't have a current benefit
- the student has a current debt in either:
 - CMS
 - TRACE
 - SAL.

Actioning or escalating a UCVCHKDEBT change event

Before actioning a UCVCHKDEBT, check SWIFTT and CMS to see if the student or their partner has a benefit with a status of:

- current
- suspended
- expired
- cancelled.

This table shows what actions to take depending on the student's benefit status.

If...	Then...
the student is getting non-beneficiary assistance	They may be able to stay on this assistance while studying. Ask a processor trained in UCV checks if you can continue processing the UCVCHKDEBT.
the student is getting Disability Allowance	They can still receive it while studying. Continue processing the UCVCHKDEBT.
the student or their partner has either: • any other main benefit • a suspended Jobseeker Support Student Hardship	We may need to cancel the student's benefit or adjust their dates. Pass this on to someone who's trained in UCV checks.

StudyLink Knowledge – UCVCHKDEBT change event

an expiry date that's different from the study start date	
the student's benefit is cancelled	you should only escalate if either: - it was cancelled due to full time study, and it's within 4 weeks of the study start date - the study start date has already passed and the benefit was cancelled after the study start date.
the student: - doesn't have a benefit - has a Jobseeker Support Student Hardship where the expiry date is the Sunday before study starts	You can clear the UCVCHKDEBT. Don't do anything else if there's another outstanding UCV change event such as: - UCVCHKFAIL - UCVCHKSUSP - UCVFAILEARL. Someone else would be assigned to these. Where the student has a debt that is being recovered from their JSSH and their study start date is in the future, you will not need to update the balance in SAL. You will need to add a BRUPI for the study start date for the debt to be updated.

Viewing debt information

If a student has an outstanding debt, you can view this in either:

- CMS
- SAL
- SWIFTT
- TRACE

For more information on viewing debt information in these systems, see:

[StudyLink debt \(StudyLink Knowledgebase\)](#)

Updating a debt in SAL

In SAL, benefit debts are entered under the category 'Income Support Debt'.

When entering new benefit debts in SAL, you need to:

1. add any benefit debts that haven't already been added into SAL.

2. check the total deductions that are already being made from the Student Allowance.

Student Allowance debts are automatically entered by SAL when they are created. SAL adds these under the category of 'Student Allowance Debt'.

Before updating a benefit or Student Allowance debt balance in SAL, check the outstanding balance of all debts that are in SAL.

For more information on what debts can be recovered from a Student Allowance, see:

[Deductions from Student Allowances \(Map\)](#)

For more information on maximum deduction amounts from the Student Allowance, see:

[Student Allowance debts \(StudyLink Knowledgebase\)](#)

Note: You should only recover benefit debts from Student Allowance arrears if they're paid for the same period.

Debt Arrangement field

Set the Arrangement field (**Customer Details (3)** screen > Debt field) to either Yes or No depending on the outcome of the Student Allowance assessment.

Student Allowance outcome	Debt Arrangement field
Incomplete, pre-approved or approved for a future period	Yes
Approved and in payment	Yes
Declined and no future applications	No

Updating SAL with CMS information

Follow these steps to update SAL if there's Student Allowance or Student Loan debt.

Step	Process
1.	In CMS, check debt details for the correct outstanding balance.
2.	In SAL: a. go to the Customer Details 3 screen

	b. in the Debt field, update the outstanding debt amount on the relevant field. Note: If the student is currently receiving a Student Allowance and is making debt repayments, the latest repayment may not show in CMS, so the debt balance in CMS may be slightly higher than the balance on SAL. Don't update the outstanding debt balance in these situations.
3.	If there are multiple debt lines, check each debt to make sure the correct outstanding balance shows. Note: Don't update the capital balance of the debts.
4.	Update debt deductions where applicable.

Updating SAL with SWIFTT information

Before updating SAL with a debt from SWIFTT, check if:

- there are other SWIFTT debts that have already been entered in SAL
- the student already has a payment arrangement or automatic payment for their SWIFTT debts (you can find this information in CMS or in the **SOFSI** screen in SWIFTT).

No income support debt in SAL

No income support debt in SAL

Follow these steps if there's no income support debt in SAL.

Step	Process
1.	In the Customer Details 3 screen: a. enter a new line in the Debts section b. set the Debt to INCOME SUPPORT DEBT RECOVER (BENEFIT RECOVERY) c. set the Arrangement field to Yes d. in both the Capital Balance field and Outstanding Balance field, enter the total SWIFTT debt e. in the Deduction/Week field, enter debt deductions.
2.	SAL will automatically set the debt recovery start date to 14 days away.

StudyLink Knowledge – UCVCHKDEBT change event

	a. For all new SWIFTT debts that we aren't recovering in full from the Student Allowance arrears, the student has 14 days from the date the debt was created to contact us to re-negotiate their debt. b. After this, SAL will start deducting from the Student Allowance based on: • • • • the deduction amount entered in the Deduction/Week field • the date entered in the Debt Recovery Start Date field. Change the debt recovery start date to today's date if the student: a. already knows about the SWIFTT debt b. was repaying it from their SWIFTT benefit.
3.	In the Student Allowance Assessment screen, reassess the Student Allowance.
4.	If the Student Allowance is incomplete and we need to recover the debt in full: a. load the debt into SAL first b. leave a Must View Note in SAL to recover the debt once the Student Allowance goes to approved. We can only do this if the debt is for the same period as the Student Allowance.
5.	Enter a Must View Note in CMS and mention any debt recovery that you've set up in SAL.

Income support debt exists in SAL**Income support debt already exists in SAL**

Step	Process
1.	Check CMS/TRACE Debt Details to see if the old debt has already been repaid in full.
2.	If the student has repaid all their SWIFTT debts in full, enter \$0.00 in the outstanding balance for all income support debt lines.
3.	If the student hasn't repaid the previous debt in full and there are multiple lines of income support debt: a. enter a stop date on all but one of the debt lines b. update the capital and outstanding balance on the remaining line to reflect the correct income support debt balance from CMS.

	Note: There should only be one active line of debt for income support debt. All other income support debt lines should be end dated by entering a STOP date.
4.	Update debt deductions where you can.

Recovering a valid SWIFTT debt from Student Allowance arrears

If...	Then...
- you're recovering a debt - the client is due a week of Student Allowance	you must pay this week of Student Allowance to the student. It can't be used to recover any outstanding balance of debt.
you're recovering an old debt	this should already have a set weekly recovery rate in SWIFTT, SAL and TRACE. Continue to recover the debt at this rate.

Note: Recover any overdrawn living costs for the same period as the arrears payment before you recover any debt.

Process to recover SWIFTT debt from Student Allowance arrears

Follow these steps to recover a SWIFTT debt from Student Allowance arrears.

Step	Process
1.	Calculate how much of the Student Allowance arrears should be used for debt recovery.
2.	In SAL: a. go to the Customer Details 3 screen b. enter a new line in the Debt section c. set the Debt field to INCOME SUPPORT DEBT RECOVER (BENEFIT RECOVERY) d. set the Arrangement field to Yes e. in both the Capital Balance field and Outstanding Balance field, enter the total SWIFTT debt f. in the Deduction/Week field, set debt deductions to 25.00.

StudyLink Knowledge – UCVCHKDEBT change event

	g. set the debt recovery start date to today's date h. note down the debt recovery start date of any other current debts and change these to a future date. i. save.
3.	In the Student Allowance Assessment screen, reassess the Student Allowance.
4.	Get the Student Allowance authpaid.
5.	Clear the PAYLIMAUTH if applicable.
6.	In the Student Allowance Assessment screen: a. go to the Review Deductions screen b. update the Debt Deduction Amount field next to any BENRECOV and SACURRDEBT rows to 0 c. save Note: You can only update and save one row of debt deductions at a time. If you need to update more than one, save after making each update. d. in the Debt Deduction field, enter the recovery amount on the line for the SWIFTT debt you want to recover e. save.
7.	In the Customer Details 3 screen, update the debt recovery start dates to the original start date noted down in Step 2. Note: Don't reassess the Student Allowance application.
8.	Once the debt recovery actions in SAL have been completed: • If any other debts exist in TRACE, go to step 9. • If the debt recovered is in SWIFTT instead of TRACE, go to step 9. • If no other debts exist, go to step 10.
9.	Send an email to Collections Unit using the template below. • Under Action required, delete both titles and all text from the option not required. • Copy and paste the sent email into SAL and CMS notes. Email address: Out of scope

StudyLink Knowledge – UCVCHKDEBT change event

	Email subject: [SWN] Student Allowance arrears used toward benefit debt Email content: Kia ora Student Allowance arrears for this client have been used toward recovery of a debt that was created in SWIFTT for the same period. Client details: [SWN and name] Benefit debt details Debt establishment date: [Date] Debt amount: \${amount} Debt period: [Dates] Student Allowance payment details Date payment created: [Date] Payment period: [Dates] Payment sent to TRACE: \${amount} Action required Option 1 – Has an old debt in TRACE Please ensure the above Student Allowance payment is applied to the correct debt line in TRACE. Option 2 – Benefit debt remains in SWIFTT/won't be transferred to TRACE The Student Allowance payment will be sent to TRACE, however the benefit debt remains in SWIFTT. Please ensure the Student Allowance payment is applied to the debt in SWIFTT.
10.	In SAL, leave a relevant note using template B – BEN. Copy and paste the note into CMS.

Processing a UCVCHKDEBT change event

Before processing the UCVCHKDEBT change event, check if it needs to be [escalated](#) to someone who's trained in UCV checks.

Step	Process
1.	Check CMS to view outstanding debt information. a. If the student has an outstanding debt, go to Step 2. b. If the student doesn't have an outstanding debt, follow these steps in SAL: • • • • go to Customer Details 3 screen • in the Debt field, update any outstanding debt to • in the Stopped field, enter today's date • set the Active field to No.
2.	a. Check if there is debt held in SWIFTT or TRACE. b. In SAL: • • • • go to the Customer Details 3 screen • update the outstanding balance of the SWIFTT debt on an income support debt line. Note: Make sure there's only one income support debt line remaining.
3.	In TRACE, check the type of debt. a. If it's a Student Allowance debt, go to Step 4. b. If it's a benefit debt, follow these steps in SAL: • • • • go to the Customer Details 3 screen • update the outstanding balance of the SWIFTT debt on an income support debt line • set the debt deduction amount accordingly or contact the student to negotiate repayments.

	Note: Make sure there's only one income support debt line remaining. Go to Step 5.
4.	In SAL: - go to Customer Details 3 screen - update the outstanding balance of each Student Allowance debt line. Note: Don't combine these into one debt line and don't change the capital balance amount.
5.	If the student has a Student Allowance application that's still incomplete, send them a letter using template 3.2.2 to tell them about their outstanding debt balance.
6.	- In SAL, leave a relevant note using template B – BEN. - Copy and paste the note into a Client Event Note in CMS. Use the Event Type 'Change in Circumstances' and the applicable Sub-Type: • • • Commencing full-time study • Other - if the student is only part time. - save the Client Event as a Must View Note. - Set the expiry date as the Sunday of the week the students study ends.

[Back to top](#)

When to send the student a debt letter

If...	Then...
you've added debt repayments to an incomplete Student Allowance application	send a letter to the student confirming their debt information. Let the student know that, when their Student Allowance is approved, we may recover their Student Allowance arrears to reduce their debt balance.
- there's already a debt in SAL, and we're only updating the balance - there's already a debt in CMS, and we're adding the debt into SAL on an approved Student Allowance application	you don't need to send a debt letter.

IN-CONFIDENCE

StudyLink Knowledge – UCVCHKDEBT change event

Debt for Jobseeker Support Student Hardship

This page is about recovering debts in SWIFTT and reissuing Jobseeker Support Student Hardship (JSSH) payments. It covers using SWIFTT arrears to recover SWIFTT and Student Allowance debts and using the student's back payments to pay their partner's debt.

Changing weekly repayments in SWIFTT

If a student has a debt, we typically deduct \$25 a week off their Jobseeker Support Student Hardship. However students can negotiate down to a minimum of \$1 a week.

Follow these steps in SWIFTT to change how much debt is recovered each week:

Step	Process
1.	To start the debt recovery immediately, enter the deduction amount in the SOFS screen. To access the SOFS screen: - go to the student's SSTAI screen - go to the SOFSI screen - go to SOFS screen - in the Offset amount field, enter the weekly amount of debt recovery. Enter either: - the default amount of \$25 - a different amount if the student has negotiated this. The minimum amount is \$1.
2.	To start the debt recovery at a later stage, enter a NOTE. Include: Debt recovery to commence @ \$25 from xxxx.
3.	Send a letter to the student through SAL, including: - a breakdown table of the debt that's been created - the deduction amounts - when these will start to be deducted. Use letter template 3.2.5.

Note: Don't set up a debt recovery to repay a debt from non-beneficiary assistance. Only do this if the student or partner asks you to do so. We don't want to put the student into more hardship by reducing their non-beneficiary assistance to pay off debt.

For more information about recovering debts, see:

[Current client debt \(Map\)](#)

[Non-current debt](#)

Recover SWIFTT debt with SWIFTT arrears

For information on when to use arrears to recover debts, see:

[Using benefit arrears to recover debt \(Map\)](#)

We can recover a debt from an arrears payment whether the student is on a benefit or not.

Student is not on a benefit

Student is not on a benefit

Cancelling and registering a benefit

Before starting this process, check if the student's benefit has been cancelled or not.

You need to register a new benefit if:

- the benefit has been cancelled
- the arrears have been created from a backdated review (in the **SBDR** screen).

Before you register the new benefit, make sure you have the right outcome. This is because you can't change the cancellation date on the previous benefit once you've registered the new benefit.

Recovering debt from arrears payments

We need to pay the arrears to Client Support – Debt Management if:

- an arrears payment was created on a record
- the student has a cancelled benefit
- you want to use the arrears to recover the debt.

Client Support – Debt Management will:

- credit the arrears to the appropriate debt
- make sure the correct debt balance shows in CMS.

Follow the steps below to recover a debt from an arrears payment when the student isn't currently on a benefit.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

Step	Process
1.	In SWIFTT: a. go to the SAHPI screen b. select the arrears payment c. enter CHG.
2.	a. In the SAHPC screen, change the Hold Payment field from N to Y. b. Press Enter.
3.	You must open the PYECI screen before opening the PYEES screen. In the PYEES screen: a. search for MSDCOLLECTIONS b. select the record number for MSDCOLLECTIONS c. in the Action field, enter LNK.
4.	In the PYECA screen: a. in the Amount field, enter 0.01 b. in the Payees Reference field, enter D followed by the client number.
5.	In the SAHPI screen, select the line of arrears. In the Action field, enter PYC.
6.	In the PYECI screen, select the MSDCOLLECTIONS payee record. In the Action field, enter PAY.
7.	In the PYECF screen: a. in the Special amount to recover field, enter the amount of arrears you wish to recover b. in the Client Consent field, enter Y.
8.	In the SAHPI screen: a. select the arrears payment b. enter CHG.
9.	a. In the SAHPC screen, change the Hold Payment field from Y to N. b. Press Enter.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

One-off payments

If the payment is a one-off payment, return to PYECI and delete the Payee.

Student is on a benefit**Student is on a benefit**

If the student is on a benefit, we can use the benefit arrears to recover different debts depending on the benefit.

We can use:

- main benefit arrears (for example, Jobseeker Support Student Hardship) to recover either:
 - main benefit debts
 - Student Allowance debt.
We can recover debt for the same period because these payments are used to pay for the student's normal weekly living expenses.
- Accommodation Supplement (ASUP) arrears to recover either:
 - Accommodation Supplement debt
 - Student Allowance debt.
We can't use these arrears to recover main benefit or other supplementary assistance debts.
- Disability Allowance (DA) arrears to recover Disability Allowance debts
- Temporary Additional Support (TAS) to recover Temporary Additional Support debts.

For more information about recovering a debt with benefit arrears, see:

[Using benefit arrears to recover debt \(Map\)](#)

Hold payments**Hold payments**

Follow the steps below in SWIFTT to hold a payment.

Step	Process
1.	In the SAHPI screen: a. select the arrears payment b. enter CHG.
2.	a. Change the Hold Payment field from N to Y. b. Press Enter.
3.	You'll see a message saying: Successful entry, selected payment has been held.

Recover a debt**Recover a debt**

Follow the steps below in SWIFTT to recover a debt from an arrears payment when the student is on a benefit.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

Step	Process
1.	In the SDETI screen, select 'JSSH record'.
2.	In the SAHPI screen: - select record number to action arrears for Jobseeker Support Student Hardship debt - select action DBT.
3.	In the SDBTI screen: - select record number to action - select action REC.
4.	In the SDBTR screen, enter the amount to recover.

Note: When you recover an arrears payment, put the payment on hold in SWIFTT to make sure the student doesn't receive it while you're still processing it. You might also want to put the student's partners arrears on hold. (See 'How to hold payments')

Take payments off hold

Take payments off hold

Once you've finished processing the payments, you need to release the arrears payments that were on hold. You need to do this even if the payment now has a nil balance.

Follow these steps to take arrears payments off hold.

Step	Process
1.	In the SAHPI screen: - select the arrears payment - enter CHG.
2.	- In the SAHPC screen, change the Hold Payment field from Y to N. - Press Enter.

Recover Student Allowance debt with SWIFTT arrears

If a student has a Student Allowance debt and is entitled to Jobseeker Support Student Hardship arrears for the same period, we can manually recover any

overlap between these two types of assistance. SWIFTT can only change a record as far back as the most recent action (the last receive date).

For information on how to recover Student Allowance debt with Jobseeker Support Student Hardship arrears, see:

[Student is not on a benefit \(StudyLink knowledgebase\)](#)

Using a backdated review to change the SWIFTT record

To make changes to the SWIFTT record that apply to the period before the last receive date, you need to do a backdated review.

If SWIFTT detects that you need to do a backdated review, it usually shows a message on the bottom of the screen. Never ignore this message.

Sometimes a student might have debts or arrears, but SWIFTT hasn't shown a message. If you think SWIFTT hasn't created a debt or arrears, you need to process a backdated review so SWIFTT can apply any changes to the relevant period.

For more information on Student Allowance debt, see:

[Debt - Student Allowance \(StudyLink Knowledgebase\)](#)

Using the student's back payments to pay their partner's debt

If we're making back payments (arrears) to a student whose partner owes the Ministry of Social Development money, the student can use these payments to reduce their partner's debt.

If the student has a debt, it needs to be recovered before using their payments for the partner's debt.

Note: Before you do anything else, you need to get permission from both the student and their partner. Don't tell the student how much debt their partner has.

Step	Process
1.	Call the partner first and ask them if it's okay to discuss their Ministry of Social Development debt with the student (their partner). If the partner says no, release the arrears payment to the student. You don't need to do anything else.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

2.	If the partner says yes, call the student and ask if they're willing to use their arrears payment to pay off all or part of their partner's debt. Remember that while you can suggest that this would help their partner, the student is under no obligation to agree to it – we don't want them to feel pressured into it.
3.	• If you can't contact the student, follow the steps below under Unable to contact the student. • If the student doesn't agree, follow the steps below under Student doesn't give permission to pay their partner's debt. • If the student agrees, follow the steps below under Student gives permission to pay their partner's debt.

Unable to contact the student**Unable to contact the student**

Attempt to contact the student throughout the day. Follow these steps if you still can't contact the student.

Step	Process
1	In SWIFTT: a. Open the SAHPI screen b. Under Ad Hoc payment inquiry, select the arrears payment. c. Enter CHG (change).
2	a. Open the SAHPC screen. b. In the Hold Payment field, change 'N' to 'Y' c. Click 'Enter'. A message will appear saying: Successful entry. Selected payment has been held.
3	If you haven't been able to get in contact with the student by the end of the day, open the student's record in SWIFTT and release the payment.

Student doesn't give permission**Student doesn't give permission to pay their partner's debt**

The student might not give their permission for their arrears to pay all or part of their partner's debt.

If the partner is already making repayments, you don't need to do anything else.

Student gives permission

Student gives permission to pay their partner's debt

If the student gives us permission to use their Student Allowance arrears to pay all or part of their partner's debt, you need to:

1. Tell the student how much they'll get after they've paid their partner's debt.
 2. Set up the debt payments in SAL and get them authorised (see the process under Setting up debt repayments in SAL).
 3. Forward the payment to Client Support – Debt Management (see the process under Forwarding the debt repayment to Client Support – Debt Management).
 4. In the Debt note in SAL, add that the student has given us permission to pay their partner's debt.
 5. Copy and paste the note into the CMS.
 6. Email Client Support – Debt Management and tell them the SWN of the partner the money is being credited to.
- - For Student Allowance and Accommodation Benefit debt, email: **Out of scope**
 - For main benefits and SWIFTT debt, email: **Out of scope**

Telling the student how much arrears they'll have left

Note: Be careful not to breach privacy – don't tell the student how much debt the partner has.

Make sure the student knows how much Student Allowance they'll get after they've paid their partner's debt.

Step	Process
1.	Check how much in arrears we will owe the student once we've recovered their Student Loan Living Costs and debt.
1.	Tell the student how much their arrears payment is. If the student's been in hardship waiting for the arrears payment, they might want to get the money instead of paying their partner's debt.
2.	If the student still wants to pay the partner's debt, note down: • how much we will recover for the student's Student Loan Living Costs and Student Allowance debt • their partner's total debt.

Setting up debt repayments in SAL

Follow these steps to set up the debt payments in SAL.

Step	Process
1.	a. In the Customer Details 3 screen, click in the Debts field and press F9. b. Choose INCOME SUPPORT DEBT RECOVER (BENEFIT/RECOVERY).

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

2.	In the Arrangement? field, choose 'Yes' from the dropdown menu.
3.	In the Capital Balance field, enter the amount you want to recover from the arrears. This may be the: • full amount • partner's total debt • amount the student has asked you to recover from their partner's debt.
4.	In the Outstanding Balance field, enter the same figure as in the Capital Balance field.
5.	In the Deduction/Week field, enter the same amount.
6.	In the Debt Recovery Start Date field, enter today's date.
7.	In the Active field, choose 'Yes' from the dropdown menu.
8.	In the Allowance Assessment Screen, assess the Student Allowance, but don't complete the assessment. To do this: a. click on an assessment line b. press F6 c. go to step 9.
9.	In the Max Loan Crossover field, enter 0.
10.	Set the Complete field to 'YES'. Save.
11.	Ask your buddy to authorise the Student Allowance and clear the PAYLIMAUTH.
12.	In the Student Allowance Assessment screen, hit F12 to open the Review Deductions screen.
13.	• Update the Debt Deduction Amount field next to all BENRECOV and SACURRDEBT rows to 0 • Save. Note: You can only update and save one row of debt deductions at a time. If you need to update more than one, save after making each update. You don't need to enter anything in the BANK line – SAL will adjust this amount when you save the updates.
14.	In the DEBT line, enter the debt amount and click Save.

Forwarding the debt repayment to Client Support – Debt Management

Follow these steps to forward a payment to Client Support – Debt Management to pay off the partner's debt.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

Step	Process
1.	In in SWIFTT: a. Open the SAHPI screen b. Under Ad Hoc payment inquiry, select the arrears payment. c. Enter CHG (change).
2.	a. Open the SAHPC screen. b. In the Hold Payment field, change 'N' to 'Y' c. Click 'Enter'. A message will appear saying: Successful entry. Selected payment has been held.
3.	a. Open the PYECI screen. b. Open the PYEES screen and search for MSDCOLLECTIONS. c. Select the record number for MSDCOLLECTIONS. d. In the Action field, enter LNK.
4.	a. Open the PYECA screen. b. In the Amount field, type 0.01. c. In the Payees Reference field, type D followed by and the partner's SWN number
5.	a. Open the SAHPI screen. b. In the Arrears line, find the Action field and type PYC.
6.	a. Open the PYECI screen. b. Select the MSDCOLLECTIONS payee record. c. In the Action field, enter PAY.
7.	Open the PYECF screen. In the Special Amount to Recover field, enter the amount the student has chosen to pay towards their partner's debt.
8.	In the SAHPI screen under Ad Hoc payment inquiry: a. Select the arrears payment. b. Enter CHG.
9.	In the SAHPC screen, in the Hold Payment field, change 'Y' to 'N', and hit 'Enter'.

StudyLink Knowledge – Debt for Jobseeker Support Student Hardship

10.	Set a reminder in your calendar to check the record in 2 working days.
11.	In 2 working days, check whether the PYEES deduction has been made. - If it has, open the PYECI screen and delete the payee. Don't delete the payee on the same day you set up payment. If you do this, the arrears will be forwarded to National Crown Revenue instead of MSDCOLLECTIONS. - If it hasn't, check in SAL that you've released the payment.

Withdraw or reissue payments

Sometimes there's a debt on a payment before we even pay the student. This happens when the student's circumstances change and their entitlement reduces from the previous week, but the student's payday is later in the current week.

To recover the debt from a payment before it's issued, you need to withdraw the payment and reissue it. The payment will show as a lump sum in the **SAHPI** screen.

Follow these steps to withdraw or reissue a Jobseeker Support Student Hardship payment in SWIFTT.

Step	Process
1.	In the SPYHI screen: - go to the Select Record Number to Action field - enter the record number for the payment you want to withdraw or reissue.
2.	In the Select Action field, enter ALT. This will open the SPALT screen.
3.	In the Alteration Action field, enter either WDRW (withdraw) or REIS (reissue).

Attachment 1

Debt Breach Types

It is important that you use the correct breach type when establishing debt. This ensures the information we capture is accurate and correct for reporting purposes. The table below provides you with the correct breach types to be used for each business unit.

Service Delivery, Contact Centre and Processing Centre Staff		
Code:	Breach Type:	For use where:
1	Innocent	Overpayment established
4	Error	Overpayment established as a result of an error or oversight by staff
5	Reciprocal	Overpayment established in NZ due to the client owing debt in another country where a reciprocal arrangement exists
6	Overlap	Overpayment created due to a client transferring between different benefit types
Fraud Investigation Unit		
Code:	Breach Type:	For use where:
3	Deliberate	Overpayments established following investigation where the client is not prosecuted
7	Fraudulent	Referral for prosecution
National Data Match Centre		
Code:	Breach Type:	For use where:
2	Doubtful	Overpayment identified through data-matching

Attachment 2

Support for staff

This page has links to training packages and links to enhance your knowledge on managing money owed

Training modules

-  [Debt Explanation Training \(Word 1.01MB\)](#)
-  [Arranging repayments at cancellation](#)
-  [Non-beneficiary client debt](#)
-  [Negotiating repayments for current debt](#)
-  [Establishing and recovery of Child Disability Allowance debts \(Word 673KB\)](#)
- » [Current debt write-off](#)

Attachment 3

Debt treatment procedures for Work and Income

Debt treatment procedures for Work and Income. Our procedures tell us how we do things so that our policy and standards are followed. By adhering to our policies, standards and procedures we can be sure we're doing the right thing.

- » [Work and Income Debt homepage](#)
- » [Childcare Assistance - Debt Management](#)
- » [Recoverable Assistance Payment and Debt Balance](#)

Attachment 4

Client Letters

This page provides you with guidelines for editing client SWIFTT letters following the review of a client's benefit or supplementary assistance.

All letters must be checked for accuracy and readability before being issued. When multiple SWIFTT actions are completed on a client's record, some information in the letter may not be accurate or the letter may be difficult to understand.

The following information must be included:

- Date (of the period reviewed)
- Reason (e.g. income details)
- Rate (e.g. summary of how the rate was calculated)

This is to ensure that the reader is able to fully understand the actions you have taken.

Finally, don't forget to check the spelling and grammar in your letter. Pay particular attention to place names and people's names and watch out for spell checks that default to US spelling.

Attachment 5

Debt at grant of ongoing assistance (benefit)

Does your client have an existing debt with Work and Income?

When granting a benefit in SWIFTT a message is displayed at the bottom of the CLNTI screen which indicates the client has a debt on TRACE.

Non-current debts will be automatically returned from TRACE to SWIFTT within 5 minutes of the benefit grant being automatically or manually authenticated. Remember to add a recovery rate once the debt has transferred to SWIFTT from TRACE.

Generally all debts will automatically transfer from TRACE to SWIFTT, however there are some examples when you may need to manually add a debt to SWIFTT for example:

- debts resulting from backdated reviews in a previous tax year
- splitting debts for write-off
- some CCS/OSCAR overpayments.

If you are unsure of when a debt should be added manually contact your service centre trainer or [Helpline](#) for advice.

If your client has been making regular payments you must:

- advise the client to cancel any existing repayment arrangement now they are receiving ongoing assistance
- explain that their debt will be recovered (offset) from their benefit
- negotiate an appropriate recovery rate **and**
- ensure an offset is added to SWIFTT via the SOFSI screen.

It is important to explain how the debt was established. If the debt is deliberate breach take the opportunity to remind the client about their obligations.

Note: There are some debt types that will not transfer to SWIFTT when granting ongoing assistance. For debt that remains in TRACE you will need to negotiate a repayment arrangement with the client and add the PAYEE "MSD Collections". To find this payee through PYEES, enter "MSD Collections" (reference: 732028) in the payee name field and it will appear as the first entry on the page.

Please remember to add the reference in the following format - D(client number) when the debt is held in TRACE and S (client number) when the debt is held in SWIFTT.

Attachment 6

Debts established while receiving ongoing assistance (benefit)

Whenever a debt is established it is important that we have completed a number of checks to ensure the debt is correct.

On this Page:

- [Is the debt you have established what you expected?](#)
- [Is the debt correct?](#)
- [Is the debt recoverable?](#)
- [SWIFTT changes 18 February 2019](#)
- [What is the debt for?](#)
- [What will the client repay - can this be recovered from arrears?](#)

Is the debt you have established what you expected?

Could this debt have been avoided if the 'first available date' policy was applied.

Is the debt correct?

Is the outcome of the debt what you thought it would be. If it is not correct you will need to reverse your actions by completing backdated review actions.

[eLearn - Backdated Review Procedure Guide](#)

Is the debt recoverable?

Every debt established on or after 26/09/2002 must be checked against the criteria of regulation [208\(1\)](#) Social Security Regulations 2018 to determine if the debt (or part of) is recoverable or should be recommended for write-off.

You must also consider if the debt (or part of) was caused by an office error. Sometimes it is inappropriate to expect recovery of a debt if in some way Work and Income has contributed to the overpayment.

If the debt is a result of an error you need to determine if it has been created by:

- a processing error known as 'Accidental Debt'. This is a paper overpayment where the client has not received the actual money **or**
- if it is a genuine overpayment and the client received the money in good faith, the debt must be considered for write-off if all the criteria of regulation [208\(2\)](#) has been met.

SWIFTT automatically shows the debt as recoverable so it is important that this is changed to "N" if the debt is to be considered for write-off.

Note: If the debt established continues to show as recoverable the debt will transfer to the SOFSI screen for recovery.

For example:

Tax Cert/Year : Open 18/19

Debt type : Overpayment

Debt status : ☒ Recoverable

Breach type : ☒ Innocent

Debt recoverable r208 Y/N? ☒ Y

NAP debt? ☐ N

Approve/Decline ☐ Usercode Password

Nett amount : 232.77 Debt Balance : 232.77

Gross amount : 262.57

Change RC/PA loan to 0

Overpayment from 260318 to 310318

Comment

Debt Recoverable r208

Ensure you update SWIFTT to [N] if the debt is to be considered for write-off.

F1 SDBTI F2 SOFSI F3 STAXI F4 SDBTA F5

Next activity

12:44:42:82 INPUT REQUEST

Ser. Cpy

SWIFTT changes 18 February 2019

From 18 February 2019, when a debt is created:

- SWIFTT will automatically pre-fill the 'Debt recoverable r208 Y/N?' field with a 'Y' in the debt add screen (SDBTA) or debt change screen (SDBTC) depending on the situation
- New messages will remind you to check if the debt is recoverable

Note: It's important that if the debt shouldn't be recovered that you change the 'Y' to 'N' and take the steps to write the debt off.

The 'Debt recoverable r208 Y/N?' field is also mandatory so if you attempt to change an existing debt in SDBTC or DEBTC, and the 'Debt recoverable r208 Y/N?' field is blank, SWIFTT will ask you to enter 'Y' or 'N' when the debt status is:

- 1. Recoverable
- 2. Recovery undecided
- 6. Referred to agency
- 8. Transfer from non-current
- 11. Transfer from other benefit

These changes were made to ensure:

- debts are recovered correctly as offsets can be added straight away
- debt letters are accurate
- clients get the correct debt balance whichever channel they use.

What is the debt for?

In SWIFTT identify the reason for the debt in the comments field for example: late income - McDonalds.

Create a Client Event in CMS with the Note Subject - Debt Details explaining why the debt was established.

This will ensure any future enquiries regarding how the debt was established can be easily explained to the client.

The screenshot displays the 'Client Events List' interface. The top navigation bar includes tabs for Client Events, Other Systems, Service Eligibility, Referrals, Service Plans, Assessments, My Account, Administration, Collections, Evidence, and Summary. The 'Client Events List' tab is active, showing a table with columns: Business Group, Event Type, Event Sub-Type, Start Date, Status, Notes, and Shared. A single event is listed: Service Delivery, Change in Circumstances, Change Income, 17/02/2016 13:27, In Progress, 1 note, and Shared.

Below the table, the 'Notes' section is expanded, showing a list of notes. The first note is selected, displaying details in a form-like structure:

Note-Type	Created Date	Description	Created By	Must View	Expiry Date
Add Income - Debt created	17/02/2016	Late income - McDonalds	Aileen Green	No	
Details - Corrections					
Updated On	17/02/2016 13:38	Received Date	17/02/2016		
Effective Date of Change		Change Reason	Initial		
Approval Requested	No	Approval Status			
Status	Active	Updated By			
Participant					
Example Client (26)					
Short Description					
Late income - McDonalds					
Comments					
Manual Letter Sent	No	Family tax credit extension offered	No		
Income received: \$	200	Period represents:	0		
Hours worked:	13	Employer name:	McDonalds		
Must View					
Must View	No	Must View Expiry Date			
Comments					
Late Income \$84.00 Debt created \$10 Offset added					

What will the client repay - can this be recovered from arrears?

When establishing a debt and arrears for the same period, the debt must be recovered. If there is not enough arrears to fully recover the debt, you must advise the client and negotiate repayment arrangements.

SWIFTT backdated reviews

Wherever possible, SWIFTT will automatically generate debts. However, there are occasions when SWIFTT cannot generate a debt. Usually an attention message will display informing you that a backdated review is required.

In all cases the backdated review process in SWIFTT must be used.

Attachment 7

Debts at cancellation of assistance

This page provides you with information on what actions you should complete when cancelling a client who has been receiving either ongoing assistance or one-off assistance.

When a debt is established or the client has an existing debt at cancellation, which could be an overpayment of ongoing assistance or one-off recoverable assistance, you must:

- negotiate an appropriate repayment arrangement
- provide the client with the repayment options available - the preferred repayment method is by a wage deduction (a Debt Management Officer at Client Support Debt Management will arrange this - case managers **do not** have the required delegation to issue a wage deduction notice)
- have the client to complete the [Repayment Authority form](#) (and other forms as required)
- ensure the client's address and phone number are correct in CMS **and**
- if the client is entering employment, the employer's name (business name) and address are entered in the SBFTZ screen.

Full notes need to be entered into CMS regarding any debt establishment and/or the repayment arrangement.

A copy of the letter must be placed on the client's file to support the non-current debt collection process.

Note: In certain circumstances the debt recovery can be suspended or kept at the existing repayment rate. Please ensure you are familiar with the 'Debt Repayment Protection for Sole Parents' and 'Transition to Work Grant - Debt Suspension' policies.

For more information see:

- » [Processing standards - Cancellations](#)
- » [Repayment options available to clients](#)
- 🔗 [Debt repayment protection for sole parent rate of benefit](#)
- 🔗 [MAP - Transition to Work Grant - Debt recovery suspension](#)

Attachment 8

Debt recovery for clients receiving ongoing assistance

This page provides you with information about debt recovery for clients who are receiving ongoing assistance.

Debt recovery while receiving ongoing assistance (benefit)

A debt could be an overpayment of ongoing financial assistance, or one-off recoverable assistance for example; an Advance Payment of Benefit or a recoverable Special Needs Grant.

When negotiating a debt repayment it is imperative to consider the clients financial circumstances and negotiate a sustainable level of debt repayment.

You must not recover any more than \$40.00 per week from the client to repay a debt, unless the client volunteers to pay more, and makes a request in writing. You will need to ensure this will not place the client in undue hardship. The decision must be recorded in CMS and in SWIFTT.

This does not include debt repayments being made to other agencies for example; Department of Courts or Inland Revenue.

If a client is also repaying a debt that is retained in TRACE, via a payee to Client Support Debt Management, suppress the LSUM addressed to Client Support Debt Management. They receive the information from an alternative source.

Where a client has applied for recoverable assistance, you must ensure the recovery rate will repay the recoverable assistance within two years (24 months). Where the client shows [exceptional circumstances](#) you may consider [reducing the recovery rate](#), with your service centre manager's sign-off.

For more information see:

- 🔗 [Current client debt - Negotiating repayment of debt](#)
- 🔗 [Current client debt - SWIFTT process maximum debt recovery](#)
- 🔗 [Current client debt - Debt types retained in TRACE](#)
- 🔗 [Jobseeker Support - Priority for deductions](#)
- » [Repayment options available to clients](#)

Attachment 9

Debt recovery for non-beneficiary clients

This page provides you with information about debt recovery for non-beneficiary clients.

A debt could be an overpayment of financial assistance such as, Working for Families Accommodation Supplement, Recoverable Assistance Payment or a recoverable Special Needs Grant.

Debts that are generated while the client is receiving for example; Working for Families Accommodation Supplement will generally remain in SWIFTT, an offset will need to be added via the SOFSI screen after an repayment amount has been negotiated with the client. The debt will remain in SWIFTT until such time as the SWIFTT record is cancelled and the debt transfers to TRACE.

For non-beneficiary clients who are granted a one-off recoverable assistance payment, such as a Recoverable Assistance Payment, it is vital you record the repayment arrangement in the SDPAA screen before you decline the SWIFTT record. This will ensure that Client Support - Debt Management has the necessary information to recover the debt.

For more information see:

[Core Policy - Current client debt](#)

- » [Working for Families Accommodation Supplement - Consolidation from TRACE to SWIFTT](#)
- » [Recoverable Assistance Payment recovery](#)
- » [Client Support - Debt Management \(CSDM\) supports people who have exited the benefit system](#)

Attachment 10

Working for Families Accommodation Supplement - Consolidation of debt from TRACE to SWIFTT

When a client makes an application (or transfers) to Working for Families Accommodation Supplement you must check the 'Debt Details' screen in CMS to determine if the client has a debt in TRACE that is not being recovered.

Example of the CMS screens as below:

The top screenshot shows the 'Debt details' screen in the CMS system. It displays a table of services with columns: Service, Client Amount, Partner Amount, Client Status, Effective Date, and Reason. The table shows a single entry for 'Community Services Card' with a Client Amount of 0.00 and a Partner Amount of 0.00. The 'Debt details' label is highlighted with a red box.

The bottom screenshot shows the 'SWIFTT Details' screen in the CMS system. It displays a table of debt balances with columns: SWIFTT, TRACE, MRA/SL, WAM, and Total. The table shows a single entry for 'TRACE' with a balance of 776.96. The 'TRACE' label is highlighted with a red box. A label 'Details of debt in TRACE not being recovered' points to the 'TRACE' entry.

Service	Client Amount	Partner Amount	Client Status	Effective Date	Reason
Community Services Card	0.00	0.00	Current	21/09/2018	

SWIFTT	TRACE	MRA/SL	WAM	Total
0.00	776.96	0.00	0.00	776.96

Process for Case Managers

If the client has a debt in TRACE that is not being recovered you must take the following action:

- ring the Client Support Debt Management on 0800 558 008 to request the debt be returned to SWIFTT. This will happen in approximately 5 to 10 minutes
- add full notes to CMS
- ensure the client is fully aware of the debt.

Note: In certain circumstances clients may be able to suspend their debt recovery or have their existing debt repayment kept at the same level.

Attachment 11

Guide to preventing overpayments

This page provides you with information on how you can prevent overpayments for clients by applying the correct policy guidelines.

14 Day Rule - Extra Help Assistance

When a client advises they have had a change in circumstance that will reduce, suspend or cancel their rate of extra help assistance, and have advised Work and Income of the change within 14 days. Generally the extra help assistance can be reassessed from the first available date.

The 14 day rule applies to the following extra help assistance:

- Accommodation Supplement
- Away from Home Allowance
- Community Costs
- Disability Allowance
- Special Benefit
- Temporary Additional Support or
- Training Incentive Allowance.

However there are some exceptions to this rule.

For more information see:

 [MAP - Accommodation Supplement - Change in accommodation](#)

 [MAP - Away from Home Allowance - Changes and reviews](#)

 [MAP - Community Costs - Change in costs](#)

 [MAP - Disability Allowance - Change in costs](#)

 [MAP - Special Benefit - Change in costs](#)

 [MAP - Temporary Additional Support - Change in costs](#)

 [MAP - Training Incentive Allowance - Change in costs](#)

Discretionary Review Dates

New or Formative Relationships

When a client enters a new (or formative) relationship. There is discretion to cancel or suspend the benefit from the first available date.

For more information see:

 [MAP - New or formative relationships](#)

 [MAP - Effective date of review](#)

Child Leaves Care

Generally when a child leave a client's care, the child would be excluded from the first available date. However there are some exceptions to this rule.

 [MAP - Child leaves care](#)

 [MAP - Child leaves sole parents care suddenly](#)

Death of a Single Client

When a single client dies, there is discretion to continue the benefit for four weeks after the date of death.

For more information see:

 [MAP - Death of a single client](#)

Supported Living Payment

When the patient leaves the care of the client, in certain circumstances the payment can continue.

For more information see:

 [Supported Living Payment - Patient Changes](#)

Attachment 12

Transferring between Benefits

This page assists you in the process to follow when transferring a client between different benefit types.

On this Page:

-  [STRFB screen - Transferring between benefit types](#)
-  [Transfer from Emergency Benefit to a Statutory Benefit](#)
-  [Transfer from benefit to Working for Families](#)
-  [SBFTZ screen - Transferring between different benefit types](#)
-  [SWIFTT work arounds for spouse inclusion/exclusion](#)
-  [Overlap in SWIFTT](#)
-  [Transferring clients to JS](#)

When a client transfers between different benefit types, any existing debt will need to be transferred to the new benefit for recovery. Any benefit overlap established as a result of the transfer between benefits **must** be recovered and recorded correctly in SWIFTT.

Note: When a client is on Sole Parent Support and their youngest dependent child turns 14 an automatic transfer from Sole Parent Support to Jobseeker Support occurs.

» [Automatic transfer from SPS to JS when youngest dependent child turns 14](#)

STRFB screen - Transferring between benefit types

The STRFB screen is used for transfers between benefit types, or when transferring from a main benefit to Working for Families.

When the STRFB screen is completed, all existing debt, including any overlapping payment (if using a date in the past) will automatically transfer to the new benefit record. You will need to manually re-add any offsets, and recover the overlapping payment from the arrears generated (if applicable).

The overlap **must** be recovered from the arrears generated for the same period on the new benefit record, and **you must** change to breach type to (6) 'Overlap'. This will ensure the overlap is identified correctly in SWIFTT for reporting purposes.

Recovering an overlap is an administrative action therefore there is no need to consult with the client.

Note: If you print the SOFSI screen before completing the STRFB screen, you will have the information required to re-add the offsets.



Transfer from Emergency Benefit to a Statutory Benefit

If you need to transfer from Emergency Benefit (EB) to a statutory benefit you will need to do the following in the SDT1A screen before completing the STRFB action:

- change the entitlement code from 11 (Hardship) to 1 (Statutory)
- remove the emergency service code

If the client is aged 18 or 19 years you must check that the living at home field in SDT1A is correct.



Transfer from benefit to Working for Families

When using STRFB the Accommodation Supplement and Disability Allowance details will transfer to the Working for Families (WfF) record.

However, unlike transfers to similar benefits the debt will transfer to TRACE and not to the WfF record in SWIFTT (code 036 is not to be used).

The client is now a non-current client and debt recovery will be administered by Client Support Debt Management. You must complete the SDPAA screen to advise the debt unit of the repayment arrangement.

SBFTZ screen - Transferring between different benefit types

The SBFTZ screen is used to cancel the previous benefit when transferring between different benefit types.

When you cancel a benefit using any reason code and grant a new benefit on the same day the debt will be available on the new benefit within 5 minutes of the automatic or manual authentication for recovery. If the debt is not recovered during business hours the debt will transfer to TRACE as a non-current debt.

Note: when you cancel a benefit and grant a new benefit from a date in the past any arrears created will need to be put on hold by mid-day so you can recover any debt created from this action. If you do not do this the arrears will get paid into the client's bank account.

Any overlap **must be** recovered from the arrears generated for the same period on the new benefit record, and **you must** change the breach type to (6) 'Overlap'. This will ensure the overlap is identified correctly in SWIFTT for reporting purposes.

Recovering the overlap is an administrative action therefore there is no need to consult with the client.

Note: If you print the SOFSI screen before completing the SBFTZ screen, you will have the information required to re-add the offsets.



SWIFTT work arounds for spouse inclusion/exclusion

The reason code (036) 'Granted other benefit/pension' cannot be used in partner inclusions/exclusions, the correct cancellation code must be used in these cases, for example: client cancels Sole Parent Support, to be included in partner's Jobseeker Support then the SWIFTT code (019) 'commenced living de-facto' would be used.

Spouse Inclusion

1. cancel the current benefit using the appropriate code
2. in CMS, link the client to the new partner before completing SPINC
3. check the partner's CLNTI screen to ensure the clients are linked
4. any existing debt will transfer to the partners new service (generally) within 5 minutes of the SPINC action occurring, as long as the cancellation and partner inclusion occurs on the same day
5. add offset to the new record once the debt has transferred.

(You can complete this process when the client receiving Sole Parent Support will be the primary on the Jobseeker Support).

Spouse Exclusion

1. cancel the partner using code 106 'separated' in SWIFTT
2. in CMS separate (un-link) the client from the partner
3. once separation action is showing in SWIFTT and the partner no longer appears in the primary's CLNTI screen, you can register the new benefit
4. any existing debt will transfer to the new service within 5 minutes of the automatic or manual authentication
5. add offset to the new record once the debt has transferred.

Important: The above actions need to be completed on the same day.

Overlap in SWIFTT

On the new benefit record select the debts for the overlap period from the SDBTI screen, and select CHG.

Note: this action can be completed before or after the recovery of the debt.

Example:

SWN	Est date	Type	Overpymt period	Status	Debt amt	Debt bal	Offset	Dst	IS
1	29/04/06	Ove	27/03/06-29/03/06	Recovered	101.15				126
B./P.:	600	XFER X SB TO IB 220206							
2	29/04/06	Ove	30/03/06-31/03/06	Recovered	67.44				126
B./P.:	600	XFER X SB TO IB 220206							
3	29/04/06	Ove	22/02/06-31/03/06	Recovered	73.64				126
B./P.:	600	XFER X SB TO IB 220206							
4	29/04/06	Ove	22/02/06-31/03/06	Recovered	364.00				126
B./P.:	600	XFER X SB TO IB 220206							

Transferring clients to JS

There may be occasions where because of a change in the client's circumstances, the client is transferred from SPS to JS. i.e., their last dependent child leaves their care.

Before completing the transfer, you must assess a client's eligibility to JS against the [eligibility criteria](#), including checking any income a client receives.

When a client has income that is either wages/salary or self-employment and those hours of employment are 30 or more a week they must not be transferred to JS because they don't meet the eligibility criteria. Instead, assess the client for non-beneficiary assistance and consider other in-work support.

Attachment 13

Repayment options available to clients

When a client cancels their benefit and they have an outstanding debt to repay, you must consider the client's financial circumstances when negotiating a repayment arrangement.

There are a variety of debt repayment options available to clients as listed below:

- payee deductions from Working for Families assistance paid by Work and Income
- deductions from Student Allowance
- employer deduction notice ([Client Support - Debt Management](#) will arrange this - Case Managers do not have the required delegation to issue a wage deduction notice)
- automatic payment from debtor's bank account
- internet/telebanking payments
- online by debit card.

Please transfer the client to Client Support - Debt Management on 0800 558 008, or email [Client Support - Debt Management](#) indicating the client's preferred method of repayment.

When the SWIFTT record is cancelled, please make sure the client's (and/or partner's) CMS/SWIFTT record is updated with any changes in circumstances, for example change of address and employer details.

 [Pay debt in New Zealand](#)

 [Bank automatic payment form](#)

Attachment 14

No Asset Procedure

This page provides information to staff on the No Asset Procedure, what to do if a client has a No Asset Procedure in place and where to refer clients if they require further information.

On this Page:

- [What is a No Asset Procedure?](#)
- [Clients with a No Asset Procedure in place](#)
- [Client requires further information on the No Asset Procedure](#)
- [Frequently Asked Questions](#)
- [Further Information](#)

What is a No Asset Procedure?

A No Asset Procedure (NAP) is an alternative to bankruptcy for debtors who have no means of repaying their debts. Unlike bankruptcy, the NAP will typically run for 12 months. When a debtor enters a NAP, their debts are frozen on the date of entry and creditors cannot pursue the debtor for repayment (this includes debts they may have with Work and Income). When a debtor is discharged from the NAP they are released from all provable debts, and are not liable to repay any part of them, including penalties and interest.

Clients with a No Asset Procedure in place

Initially the NAP will be managed by Integrity Services. If a client advises you that they have a NAP in place, please obtain verification of this from the client i.e. documented evidence from the Official Assignee or Insolvency and Trustee Service.

When you receive the evidence please send a copy to:

Insolvency Team
National Programmes Centre
PO Box 31540
Lower Hutt 5040

When Integrity Services receives the evidence they will stop any debt repayments the client is currently making and add a Must View Note to the client's CMS record.

Client requires further information on the No Asset Procedure

The NAP is administered by the Insolvency and Trustee Service of the Ministry of Business, Innovation and Employment. Applications for a NAP must be made to the Official Assignee.

If a client wishes to find out more information about help available to repay their debts, refer them to your local budget advice service. The budget advice service will provide further information and support.

Frequently Asked Questions

Please refer to the link below for answers to questions commonly asked by case managers about the NAP. It includes further information about:

- who removes the debt offset
- what to do if a client advises they have a NAP in place
- the impacts of a NAP on a clients entitlement to financial assistance, including an Advance or Recoverable SNG, a Recoverable Assistance Payment, TAS and Special Benefit.

 [No Asset Procedure - FAQs \(Word 36KB\)](#)

Attachment 15

Building Financial Capability referral processes and resources

Before you refer a client to a Building Financial Capability (BFC) service, talk to them about their situation. There may be something else that we can support them with. Make sure they are getting their full and correct benefit entitlements. This will enable the BFC service provider to assess the client's financial capability and situation accurately.

On this Page:

- ▣ [Only refer clients to MSD-funded BFC services](#)
- ▣ [Tips to identify clients to refer to a BFC service](#)
- ▣ [Building a standard and consistent referral process](#)
- ▣ [When do you refer a client to a BFC service?](#)
- ▣ [Referral form 'Your referral to a BFC service'](#)
- ▣ [What a client needs for their BFC meeting](#)
- ▣ [Sharing client/partner information must be authorised](#)
- ▣ [Making an appointment with the BFC provider](#)
- ▣ [Feedback loop from BFC providers to Work and Income](#)
- ▣ [Clients can self-refer to the BFC service](#)
- ▣ [Referral process for clients who are trespassed or managed by the Remote Client Unit \(RCU\)](#)
- ▣ [BFC Client Event Note](#)
- ▣ [Resources](#)

Only refer clients to MSD-funded BFC services

It is very important that we avoid referring our clients to BFC services that MSD no longer funds.

Please make sure you ONLY refer clients to one of our MSD-funded BFC providers (see list and map links below):

- A handy map of BFC locations is available [here](#)
- The list of MSD-funded providers is available [here](#)

If there are no MSD-funded BFC services offered locally, you and your team can instead refer clients to MoneyTalks.

MoneyTalks is an integral part of our suite of MSD-funded BFC services and will connect clients with the right support for them.

Tips to identify clients to refer to a BFC service

The difference between referring a client to a BFC provider or MoneyTalks is whether the client will benefit from a face-to-face, one-to-one engagement with a financial mentor and is likely to continue to engage in the financial capability process:

- Don't wait until a client gets into dire financial difficulties before you talk to them about BFC services
- You can refer a client to a BFC provider at any time (the earlier the better) for one-to-one financial mentoring and MoneyMates peer-led group support
- If they're not ready yet, you can encourage the client to self-refer when they are ready (this could be via MoneyTalks or a local BFC provider)
- The client is having a tough time financially and you are seeing a lot of requests for one-off hardship assistance
- Check the Family Services Directory for your local provider/s, and refer clients to the provider best suited to their needs
- Encourage clients to use BFC services – so they become more empowered and independent.

Note: If for some reason the client can't get an appointment with a local BFC provider, or no BFC services are offered in your area, you can refer the client to [MoneyTalks](#) which is also a BFC service.

Building a standard and consistent referral process

There is no right or wrong way to refer a client to BFC services as providers work differently from site to site. However, it is necessary to have some standard and consistent referral processes between Work and Income and BFC providers.

If we want to make a real difference in getting clients to engage with BFC services and build their financial capability, we need to make it a better experience for them overall. When you refer, discuss what services the BFC provider can offer. You should also provide clients with information about where services are located and contact details of BFC services and if feasible make the appointment.

You should only refer clients to an MSD funded BFC provider. If there are no MSD funded BFC services offered in your area, you can refer them to [MoneyTalks](#) which is also an MSD funded BFC service.

When do you refer a client to a BFC service?

The referral process is about referring the right client at the right time. We want to encourage clients to access BFC services at the earliest opportunity - when the time is right for them. You could refer them to a BFC service when they first apply for a benefit or encourage them to self-refer when they are ready – the earlier the better. This could be via MoneyTalks.

Before you refer a client to a BFC service, talk to them about their situation. There may be something else that we can support them with. Make sure they are getting their full and correct benefit entitlements. This will enable the financial mentor to assess the client's financial situation accurately.

Referral form 'Your referral to a BFC service'

There is a standard referral form agreed to between Work and Income and the BFC providers available for case managers to use when referring a client to a BFC provider.

This referral form should replace any other form being used.

 [BFC referral form to use when referring clients](#) (Word 90KB)

Important note: the client is not required to sign this form as it informs the client that Work and Income and BFC providers will only be sharing information about the result of their BFC meeting.

What a client needs for their BFC meeting

When you refer, you should provide clients with information about what BFC services offer and how financial capability is different from budgeting.

You should also provide clients with information about where services are located and contact details of BFC services and if feasible make the appointment. This information can be recorded on the referral form.

The client or partner being referred requires a breakdown of all the benefit payments they are receiving from Work and Income plus debt balances and any deductions being made and all costs recorded in our systems.

Most clients access MyMSD, but it doesn't provide all the information they need and the information it does have is scattered across different screens. To support the client and the provider, you could also provide:

- the Weekly Breakdown of Benefit ECS letter
- print outs of SOFSI for offsets and PYECI for any deductions.

Important note if there is a partner - this Work and Income information is only relevant if the partner shares finances with the client being referred.

If they do, advise the client they will need to arrange for their partner to give authorisation for us to share their partner's information with the client being referred (this can be verbal). Alternatively you could send the information to the partner and they can choose what to do with their own information.

You must record the authorisation/outcome in the BFC Client Event Note. For more information, see Sharing client/partner information must be authorised.

Remind the client to take the following to their BFC meeting:

- MyMSD information – check they use MyMSD
- recent bank transaction lists
- pay slips or a record of their income
- their regular bills
- a list of the people/places they owe money to and how much they owe e.g. parents, Farmers, The Warehouse.

Sharing client/partner information must be authorised

Sharing a partner's information must be authorised by them

You can only provide the Work and Income information for the client (or partner if any) who is being referred.

If there is a partner, advise the client they will need to arrange for their partner to give their authorisation to share their information with anyone, including the client they receive a joint benefit with (can be verbal consent). You should explain to the partner what information you're sharing, to who and why i.e. BFC referral.

You must record this authorisation in the BFC Client Event Note. You can then share their information with the client being referred.

Sharing information with the BFC provider must be authorised

You can only provide the Work and Income information to the BFC provider if the client or partner who is being referred authorises this (can be verbal consent).

If there is a partner, advise the client they will need to arrange for their partner to give their authorisation to Work and Income to share their information with the BFC provider (can be verbal consent). You should explain to the partner what information you're sharing, to who and why i.e. BFC referral.

You must record this authorisation in the BFC Client Event Note. You can then share their information with the BFC provider.

Making an appointment with the BFC provider

There is no right or wrong way to refer a client to a BFC provider as each provider works differently from site to site.

Your BFC champions can determine what works best for your site and your local providers on how the clients get an appointment with the provider. For example:

- you make the appointment for the client or
- the client contacts the provider to arrange the best time that suits them.

You or the client can use the referral form to record the meeting information.

You should only refer clients to a contracted BFC provider. If there are no BFC services offered in your area, you can refer them to [MoneyTalks](#) which is also a BFC service.

Feedback loop from BFC providers to Work and Income

Where you refer a client or partner to a BFC provider, you can contact the BFC provider (via email or phone) to discuss the result of that meeting. For example:

- client didn't attend
- client attended but no further engagement requested
- attended and is scheduled for further sessions.

Alternatively, the BFC provider can contact the referrer and advise the result of the meeting.

You must record the result of the BFC meeting in the BFC Client Event Note.

Clients can self-refer to the BFC service

Clients can choose to self-refer to BFC services at any time. They can contact a local BFC provider directly or they can contact the free financial helpline [MoneyTalks](#).

Trained financial mentors will provide free and confidential advice and can also connect clients with BFC providers in their own community:

- Freephone: 0800 345 123
- Text: 4029
- Email: help@moneytalks.co.nz
- Online chat and more information: www.moneytalks.co.nz

Referral process for clients who are trespassed or managed by the Remote Client Unit (RCU)

Clients who are trespassed from Work and Income sites or managed by the Remote Client Unit (RCU) and want to access the BFC services must be referred to MoneyTalks.

BFC Client Event Note

The BFC client event note types in CMS are designed to capture and find documents relating to BFC.

The Event Type = Case Management and the Event sub-type = Building Financial Capability.

The note types are as follows:

- Budget Plan 1 My Money
- Budget Plan 2 My Goals
- Budget Plan 3 Managing Your Money
- BFC Comments
- Feedback from BFC provider
- Other Budgeting Services
- Referred to Financial Mentor
- Referred to Money Mates

Resources

Tools and links for you to use when working with clients in financial hardship:

- [Work and Income Budget Plans](#) can be used with clients you know are having a tough time with managing their money (even if they're not applying for hardship grant). Clients can access the budget plans any time on the Work and Income website.
- [Managing your money](#)
- [Community Finance Initiative](#) aims to help people in financial hardship to borrow safely. It provides affordable credit for people on low incomes (benefit recipients or wage earners). Loans can be used for purchasing higher cost assets (e.g. motor vehicles or for medical and health expenses). People can only apply for these loans if we or other government agencies are not providing similar services. You can advise clients about this initiative if Work and Income is not able to help – check out the criteria. It has limited availability across New Zealand.
- [Sorted website](#) is a free service powered by CFFC (Commission for financial Capability), the government-funded independent agency dedicated to helping New Zealanders get ahead financially.

Link attachment 16

Childcare Assistance - Debt Management

This page provides you with information on how to manage Childcare /OSCAR subsidy and Guaranteed Childcare Assistance Payment (GCAP) debt.

On this Page:

- ▣ [Management of overpayments to Childcare Centres, OSCAR providers and clients](#)
- ▣ [SWIFTT process - Recovery of Childcare / OSCAR Subsidy and GCAP debts](#)
- ▣ [Important - Centre closes or changes ownership](#)
- ▣ [Contact Centre](#)
- ▣ [Refund of debts from Childcare Centres and OSCAR providers](#)

Management of overpayments to Childcare Centres, OSCAR providers and clients

Work and Income is responsible for determining who is required to repay a Childcare / OSCAR Subsidy or GCAP debt. This could be either the Childcare Centre, OSCAR provider or the client.

For detailed information see:

 [MAP - Childcare Assistance Debt](#)

SWIFTT process - Recovery of Childcare / OSCAR Subsidy and GCAP debts

The debt recovery process is as follows:

1. DEBTI - select debt by entering 'C' in the select column and enter
2. DEBTC - enter 'Y' the debt recoverable field. The debtor field automatically defaults to a 'C' as a client debt. If the debt is for the provider you will need to change this field to 'P' and enter.

If you are manually adding a debt in the DEBTA screen you will need to manually assign the debt.

The 'status' and 'breach type' fields will automatically pre-fill with '1'. You will not need to change this.

Note it is important that any debts created have the debt status amended the same day as the debt was established.

Please ensure you enter clear notes in CMS which include the following information:

- who is responsible for repaying the debt
- the period covered
- why the debt was established
- name of the Childcare Centre or OSCAR provider
- date letter sent
- child's first and surname.

Where the client is responsible for repaying the debt, you must send a letter explaining the debt and advising a refund is required. If possible phone the client to explain the debt and negotiate a repayment arrangement, if the client is still in receipt of a benefit or Working for Families assistance paid by Work and Income, repayment can be made from this.

Debts belonging to a client not in receipt of a main benefit will transfer overnight from the DEBTI screen to the client's TRACE record under debt type 'CCS'. Any changes to these debts should be completed by the end of the same business day.

Any arrears created at the same time as a debt is created can still be offset against the debt. However, this can only happen on the day the action takes place and arrears can only be offset against the debt on the same child record.

Where a debt belongs to a client who receives a benefit, the debt will transfer to DEBTI overnight.

Where the debt has been assigned to the provider, the debt will transfer overnight from the provider's DEBTI screen to the provider's record in TRACE under the debt type 'CCP'.

At cancellation of the Childcare / OSCAR Subsidy or GCAP the following actions must be completed:

- the case manager or customer service representative record the debt arrangement in CMS note summary
- transfer the call (handshake) to the Client Support Debt Management Unit where a debt management officer will negotiate repayments with the client and
- letter to be sent to the client.

Note the Client Support Debt Management Unit will manage all debts that are to be repaid by Childcare Centres and OSCAR providers.



[MAP - Third party debt](#)

Important - Centre closes or changes ownership

Where the Childcare Centre closes or changes ownership the Client Support Debt Management Unit must be notified immediately so that they can advise the centre of the bulk debt to be repaid and arrange recovery of the outstanding debt.

Contact Centre

All SWIFTT generated debt letters are to be suppressed. Email the case manager concerned within two hours of completing the action with the letter reference (case manager to decide who will refund the debt and follow the procedure as above).

Refund of debts from Childcare Centres and OSCAR providers

All debts that are the responsibility of the Childcare Centre or OSCAR provider to refund will be made by the end of each directly to National Crown Revenue.

Link attachment 17

Recoverable Assistance Payment and Debt Balance

When you consider approving a Recoverable Assistance Payment a client's (and their partner's, if any) Work and Income debt must be considered

Recoverable Assistance Payment and Debt Balance

When you consider approving a Recoverable Assistance Payment to a client or their partner (if any), you must also consider any debt the client and or their partner owe to Work and Income.

The link below provides you with the detailed process on how to assess what a client can receive if they also have debt with Work and Income.

 [Work and Income Debt Balance-Recoverable Assistance Payment](#)

Link attachment 18

Cancellations

Collecting information and/or evidence of the client's circumstances when they request a cancellation ensures we cancel their financial assistance from the correct date and assess any ongoing entitlement to other financial assistance.

On this Page:

-  [Cancellation](#)
-  [Death of a client](#)

Cancellation

When a client requests a cancellation of main benefit, details from the client of their change in circumstances must be obtained.

You must:

- confirm the client's current address and contact phone number
- send a cancellation letter outlining full details of any debt (including total balance owing), this must also include review rights
- add a note on the client's file, including income details when available and attach any scanned income evidence the client has provided

Depending on the client's circumstances you should also:

- obtain any employment details (including the employer's name, address and date commenced)
- offer debt recovery suspension
- offer an exit interview
- check if the client is a social housing tenant or on the social housing register, if so you should also remind them:
 - they still have an obligation to promptly advise us of any change in circumstances that might affect their Income Related Rent or eligibility for social housing
 - they will need to set up an automatic payment as their redirection will stop.

For more information see: [Work and Income Debt homepage](#).

Death of a client

If a client has died, you must be satisfied you have identified who the deceased client is and have evidence of this before taking any action to stop their benefit. This must be detailed in the client's file.

Examples of evidence could include:

- bereavement notice
- notification (including verbal) from a funeral director, solicitor, the rest home (where the deceased resided), the executor of the deceased's estate
- notification (including verbal) by a family member or authorised agent.

Where there is a surviving spouse or partner, you must review all entitlements and invite applications for other assistance where appropriate.

Link attachment 19

Recoverable Assistance Payment

This page supports you in providing repayment options to clients who have made an application for Recoverable Assistance Payment.

All repayment arrangements are to be recorded in the SDPAA screen in SWIFTT and include the following:

- arrangement type
- amount of regular payments
- frequency of payments
- first payment date

Reminder: SWIFTT/CMS should be updated with new information for example, change of address or employer details.

The following options will help you to negotiate an appropriate repayment option for your client.

Option one - Offset from Working for Families Payment

Client applies for a Recoverable Assistance Payment (RAP) for car repairs. The client is financially supported by her partner, who is in full time work. The client and partner currently receive Working for Families (WfF) from Work and Income.

If the client agrees, the RAP can be offset from their WfF assistance. The debt will remain in SWIFTT until such time that the WfF assistance is cancelled. The debt will then transfer to TRACE. At cancellation of WfF assistance (or a benefit) and the client has a debt, you must negotiate an appropriate repayment arrangement and record the arrangement in the SDPAA screen.

Note: this is the preferred repayment arrangement in this situation; however the client can repay the RAP by any of the options in scenario three.

Option two - Repayments from SAL

Client applies for a RAP for an overdue power account. The client is currently in full time study and receiving Student Allowance through StudyLink.

You can negotiate with the client to repay the RAP through their Student Allowance. You must add the repayment arrangement to the SDPAA screen in SWIFTT. The Collections Unit will organise the repayment arrangement with StudyLink.

Note: this is the preferred method of repayment in this situation; however clients can repay the RAP by any of the options in scenario three.

Option three - Alternative arrangements

Client applies for a RAP for bond and rent. The client is financially supported by her partner, who is in full time work. The client is offered WfF assistance but does not qualify. When the SWIFTT record is cancelled the debt will transfer to TRACE (the non-current debt system).

The client has one of the following options available to repay the RAP:

Employer deduction notice

The client can repay the RAP directly from wages or salary. However, you should ensure the person whose wages/salary will be repaying the RAP agrees to the employer deduction notice. Add the arrangement details in the SDPAA screen including the employer information.

Important: Client Support Debt Management will arrange this - Case Managers **do not** have the required delegation to issue a wage deduction notice.

Automatic Payment from bank

The client can make regular installments by an automatic payment from their bank account. The client should complete an [automatic payment form](#) at the time of the application. The Case Manager should send the completed automatic payment form to the client's bank.

Internet payments

The client can make regular payments using Internet banking. For Internet banking payments the client will need to select the biller name - Work and Income Debt Management, payee reference: D123456789 (client number).

Link attachment 20**Automatic transfer from SPS to JS**

Sole Parent Support (SPS) entitlement ends when a client's youngest dependent child turns 14 years old. Youngest dependent child excludes children for whom Orphans Benefit (OB) and Unsupported Childs Benefit (UCB) is paid. When entitlement to SPS expires it is replaced with Jobseeker Support (JS). The transfer from SPS to JS is an automatic process in SWIFTT.

[26 Week Reapplication expiry based on SPS commencement](#)

[SPS clients in full-time work and their youngest dependent child is turning 14](#)

- » Sole Parent Support – granting benefit when youngest child is turning 14 years old

Out of scope

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

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OFFICIAL INFORMATION ACT

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OFFICIAL INFORMATION ACT

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Client Support - Debt Management

Complex Debt Explanations

- Scenario 1

System processing pathway



Debt Explanation

Open TRACE, SWIFTT, CMS, Excel and Word.

Client debt is currently held in TRACE

Process steps

System screen shot

TRACE

DTAIL screen

The DTAIL screen shows all debts loaded from SWIFTT, the open balance and the number of open debts. Select F7 or next to see further lines of debt (if applicable).

You will see the following information:

- 'Debt balance' is the current amount owing for this debt.
- 'Start Date' is the date the debt transferred from SWIFTT to TRACE.
- 'Original Debt Amount' is the amount that loaded from SWIFTT.
- 'Period Covered' will sometimes contain dates which could indicate an overpayment (when the debt transfers back and forwards from SWIFTT and TRACE these details are lost).

NCD	Open balance: \$745.29		PWO/SUSP/NAP balance:							District: Debt Management	
SWN:	Number of open debts: 3		Number of PWO/SUSP/NAP debts :								
Benefit Cancellation reason: LEFT NZ.											
Client is not current on SWIFTT											
Debt No.	Debt balance	Original Debt Amount	Rfr Stat	Ben Type	Err. Type	Start Date	Period Covered		Select Action		
4	16.57	16.57		SLP	IB	280519	200419-210419		☐		
3	78.20	78.20		SLP	IB	280519	200419-210419		☐		
2	650.52	975.52		SLP	IB	280519			☐		
1	0.00	975.52		SLP	IB	151116	210916-161016		☐		
29/12/16 - 975.52 Returned to SWIFTT											
		0				0			☐		
No more records to view											

Example

This client had debt loaded prior to the 'Start Date' 28/05/19. The debt balance is \$745.29, and the number of open debts is three (three lines of debt). The message 'no more records to view' means there are no further debt lines to view.

DTAIL screen

If a debt returned to SWIFTT, you will see:

- the date the debt returned to SWIFTT.
- the amount of debt returned to SWIFTT.

If the debt was repaid while in TRACE, you will see the date that the debt cleared.

NCD	Open balance: \$745.29		PWO/SUSP/NAP balance:		District: Debt Management	
SWN:	Number of open debts: 3		Number of PWO/SUSP/NAP debts :		Benefit Cancellation reason: LEFT NZ.	
Client is not current on SWIFTT						
Debt No.	Debt balance	Original Debt Amount	Rfr Stat	Ben Type	Err. Type	Select Action
4	16.57	16.57		SLP	IB	280519 200419-210419 ☐
3	78.20	78.20		SLP	IB	280519 200419-210419 ☐
2	650.52	975.52		SLP	IB	280519 ☐
1	0.00	975.52		SLP	IB	151116 210916-161016 ☐
29/12/16 - 975.52 Returned to SWIFTT						
		0			0	☐
No more records to view						

Example

Let's follow the debt of \$975.52 which loaded in TRACE on the 15/11/16. As there are dates in the 'Period Covered' field box, it looks like the debt might be due to an overpayment:

- 'Original Debt Amount' is \$975.52.
- The amount returned to SWIFTT is \$975.52 (this shows that no payments were made whilst the debt was in TRACE).
- The 'Returned to SWIFTT' date is the 29/12/16.

SWIFTT

SPBTI screen

As the debt is not current in SWIFTT you need to look at the SPBTI screen.

Any records that have debts on them contain a 'Y' in the debt field.

To select a record, you enter the line number and type 'DBT' (debt).

	Stat.	Dbt.	Commence	Cnc/decl	Reason	Service	Dist.
01	CANC	Y	08/12/16	20/04/19	LEFT NZ.	SLP	RTRUA
			Caring for			From 08/12/16 To 20/04/19	
02	CANC	Y	12/11/13	21/09/16	LACK OF REPRESENTATION	SLP	RTRUA
			Caring for			From 12/11/13 To 21/09/16	
03	CANC		15/07/13	03/08/13	LEFT NZ.	SLP	RTRUA
			Caring for			From 15/07/13 To 03/08/13	
04	CANC		03/02/11	15/07/13	Migration	DPBCS1	RTRUA
05	CANC		11/05/05	19/06/06	CHILD LEFT CARE/NOT DEPENDENT	UCB1	LWOOD
06	DECL			04/11/97	OTHER	NONBEN	SCU
07	DECL			03/10/97	LUMP SUM PAID	NONBEN	SCU
Select record number to action							0
Action (BDR/IMH/DBT/DST/ECS)							

Example

For this case, enter the record number '2' and the action 'DBT.'

You are now in the debt inquiry screen and will see the following information about the client's debt:

- Date the debt was established.
- Type of debt.
- Overpayment period (if applicable).
- Status
 - 'Recovered' – debt paid.
 - 'Xfto Nocur' – transfer to TRACE.
 - 'Transfer' – transfer to other benefit.
- Debt amount.
- Debt balance.
- Last change date.

	Est.date	Type	Overpymt period	Status	NAP debt amt.	Debt bal.	Last Chg.Dt	Rec. Dst IS
1	24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	16.57	16.57	280519	014
	Srv: SLP LNZ 19/04/2019				Breach:Doubtful			
2	24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	78.20	78.20	280519	014
	Srv: SLP LNZ 19/04/2019				Breach:Doubtful Tax: Z0001061			
3	30/12/16	Ove		Xfto Nocur	975.52	975.52	280519	014
	Srv: SLP				Breach:Innocent			
4	20/10/16	Ove	21/09/16-16/10/16	Xfto Nocur	975.52	975.52	151116	014
	Srv: SLP				Breach:Innocent Tax: Z0062991			

Example

Look for a debt of \$975.52 that loaded in TRACE on the 15/11/16.

You can see that this debt was due to an overpayment that was created on the 20/10/16, for the period 21/09/16–16/10/16.

SRAUI screen

The Rate Audit screen gives you details of all actions carried out on a client record that affect the rate of payment.

You can change the date field to bring up actions that were taken around the date you are looking for.

You will see the following information:

- Action date – date the action was taken.
- Service – this is benefit type.
- Rates of any assistance the client received.
- Reason the action was taken.
- Date the action was taken from.

Enter 'R' in the next activity field, and the reason code, to see why the action was taken.

SWN					Date	011116				
Action	----- Rates -----									
date	Service	G/N	Parent	FTC	SPB/TAS	DA	AS	Misc	Sub	Other
				BSTC	WEP/CA					
20/10/16	SLP	262.64								
Suspend benefit/pension			044		Tax:	SBSR		21/09/16		
27/03/16	SLP	262.64	262.64							
General Benefit Adjustment					Tax: 11.1	SBNEWGAO		01/04/16		

Example

Look for a debt that was created on the 20/10/16.

In this example, the client received the Supported Living Payment (SLP) at the rate of \$262.64. The benefit was suspended from the 21/09/16 with reason code 044 (lack of representation). As the action was not taken until the 20/10/16, the client was overpaid.

We now need to find out why the benefit was suspended.



CMS

Service Delivery Case

Client Events

Look for any notes created around the time that the overpayment was created.

Client Events List

▼ Service Delivery	Review of Assistance	Suspension	20/10/2016 14:54	Completed	1	20/10/2016 14:56
Notes						
Note Type	Created Date	Description	Created By	Must View		
▼ Comments	20/10/2016 14:56	SLP suspended		No		
Note						
On 20/10/2016 14:56						
Client has not made contact to advise the person she has been caring for has passed away. passed away on 23/08/2016 we are able to continue payments for 28 days following the date of death - therefore payments have been suspended from 21/09/2016 and debt established for \$975.52 I have left a voice message on clients cell phone to please make contact with us						

Example

Look for a note dated around the 20/10/16 – this is when the benefit was suspended.

This debt was created because the client received payments after the person the client was caring for had passed away.



TRACE

DTAIL screen

NCD Open balance: \$745.29 PWO/SUSP/NAP balance:

SWN: Number of open debts: 3 Number of PWO/SUSP/NAP debts : District: Debt Management

Benefit Cancellation reason: LEFT NZ.

Client is not current on SWIFTT

Debt No.	Debt balance	Original Debt Amount	Rfr Stat	Ben Type	Err. Type	Start Date	Period Covered	Select Action
4	16.57	16.57		SLP	IB	280519	200419-210419	☐
3	78.20	78.20		SLP	IB	280519	200419-210419	☐
2	650.52	975.52		SLP	IB	280519		☐
1	0.00	975.52		SLP	IB	151116	210916-161016	☐
29/12/16 - 975.52 Returned to SWIFTT								
		0				0		☐

No more records to view

Example

Three debts make up the debt of \$745.29 (\$16.57, \$78.20, \$650.52), and were loaded in TRACE on the 28/05/19.

Let's examine the debt of \$975.52 that transferred from SWIFTT to TRACE on the 28/05/19.

SWIFTT

SPBTI screen

When debts return to SWIFTT from TRACE, they no longer show the following details:

- If there was an advance (shown as an overpayment).
- The period that the overpayment was for.
- Individual lines of debt (for older debts they can sometimes lump the balances together).

	Est.date	Type	Overpymt period	Status	NAP debt amt.	Debt bal.	Last Chg.Dt	Rec. Dst IS
1	24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	16.57	16.57	280519	014
	Srv: SLP LNZ 19/04/2019				Breach:Doubtful			
2	24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	78.20	78.20	280519	014
	Srv: SLP LNZ 19/04/2019				Breach:Doubtful Tax: Z0001061			
3	30/12/16	Ove		Xfto Nocur	975.52	975.52	280519	014
	Srv: SLP				Breach:Innocent			
4	20/10/16	Ove	21/09/16-16/10/16	Xfto Nocur	975.52	975.52	151116	014
	Srv: SLP				Breach:Innocent Tax: Z0062991			

In this example

We can see that the debt we need to find, is the debt that was created on the 20/10/16. This debt transferred to TRACE on 15/11/16 and then transferred back to SWIFTT (from TRACE) on the 29/12/16.

The debt loaded in SWIFTT 30/12/16. As no payments were made whilst the client was on benefit, the debt transferred to TRACE on the 28/05/19 with the same balance of \$975.52.

Est.date	Type	Overpymt period	Status	NAP debt amt.	Debt bal.	Last Chg.Dt	Rec. Dst IS
1 24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	16.57	16.57	280519	014
Srv: SLP LNZ 19/04/2019				Breach:Doubtful			
2 24/04/19	Ove	20/04/19-21/04/19	Xfto Nocur	78.20	78.20	280519	014
Srv: SLP LNZ 19/04/2019				Breach:Doubtful Tax: Z0001061			
3 30/12/16	Ove		Xfto Nocur	975.52	975.52	280519	014
Srv: SLP				Breach:Innocent			
4 20/10/16	Ove	21/09/16-16/10/16	Xfto Nocur	975.52	975.52	151116	014
Srv: SLP				Breach:Innocent Tax: Z0062991			

Example

The debts of \$16.57 and \$78.20 were created due to an overpayment, because the client left New Zealand on the 19/04/2019. The debts are for the period 20/04/19-21/04/19, and loaded in TRACE on the 28/05/19.

SRAUI screen

Action date	Service	G/N	Parent	FTC BSTC	Rates SPB/TAS WEP/CA	DA	AS	Misc Sub	Other
28/05/19	SLP	273.70							
Cancel benefit/pension			048		Tax:	SBFTZ		20/04/19	
24/04/19	SLP	273.70							
Suspend benefit/pension			048		Tax:	SBSR		20/04/19	

Example

Action was taken on the 24/04/19, and the benefit was suspended from the 20/04/19 with reason code 048 (left NZ). The benefit was cancelled for the same reason on the 28/05/2019.

WORD

Open the template for debt explanation letters in word.

You have requested more information regarding your outstanding debt of \$745.29. Listed below is a breakdown:

Date	Period/Reason	Amount
20/10/16	Overpayment of your Supported Living Payment for the period 21/9/16 to 16/10/16 as the person you were caring for passed away	\$650.52
24/4/19	Overpayment of your Supported Living Payment for the period 20/4/19 to 21/4/19 as you left New Zealand	\$94.77
Total		\$745.29

Module 4 - CHILD DISABILITY ALLOWANCE REVIEWS

Child Disability Allowance is a non-taxable allowance that is available to the principal caregiver of a dependent child who has a serious disability.

It is paid because of the extra care that may be needed by a child who has a physical, sensory, psychiatric or intellectual disability.

There is no income and asset test for Child Disability Allowance.

For more information, please refer to MAP:

<http://doogie.ssi.govt.nz/map/income-support/extra-help/child-disability-allowance/>

Changes and Reviews

A client is obliged to advise Work and Income of any changes in their circumstances that may affect their entitlement to Child Disability Allowance. Where there is no longer qualification for Child Disability Allowance, payment must stop from the beginning of the pay period following the date living arrangements changed.

Note: Child Disability Allowance is paid 2 weeks in arrears and is paid fortnightly on a Tuesday. The first day of the pay period would be the Wednesday after the Child Disability Allowance payday. ***If you are unsure of the date, suspend the CDA. The system automatically suspends from the first available date, being the beginning of the next pay period. You can then cancel from this date which will stop any debt from being created.***

If notification of the change in circumstances is not received in time you may have to establish a debt. Please check MAP in each circumstance.

Establishing and Recovery of C.D.A. Debts

When establishing a debt on CDA a warning message will appear

SYSTEM SWIFTT SYS Please enter your format [HCACN][][@] 3R2

ATTENTION]	Successful entry	#00175
ATTENTION]	Automatic HCA debt created	#01097
ATTENTION]	Debt created – is the debt recoverable in terms of Section 86(9A)?	#09873

The debt details will appear on DEBTI

DEBTI T029557070CT05] 0510] CARR SWIFTT

DEBT INQUIRY

SWN [] Actioned from [071005] Benefit [065]
Client : 3

File district : DINSD

Amount	From	To	Benefit	Status	Rec.	Actioned	Select
10.65	26/09/05	27/09/05	CDA	Recoverable		29/09/05	[]

F1 DEBTA F2 DBSTI F3 OFSTI F4 [] F5 [] F6 [] F7 FIRST F8 []

Next activity []

ATTENTION 10 No more records to view #00171

To amend the debt details on DEBTI you must add 'C' in Select []

This will take you to DEBTC.....

DEBTC T029560070CT05] 0510] CARR SWIFTT

DEBT CHANGE

Client :

Current debt details		New debt details	
Benefit	: CDA	Benefit	: [000]
Amount	: 10.65	Amount	: [0]
From	: 26/09/05	From	: [000000]
To	: 27/09/05	To	: [000000]
Debt recoverable s86(9A)?		Debt recoverable s86(9A) Y/N?	: []
Status	: Accident	Status	: [0]
Breach type	: Innocent	Breach type	: [0]
Interest rate		Interest rate	: [0]
Recommend. user: CARR, JOHN			
Approve/Decline []	Usercode []	Password []	
Issue any arrears resulting from this action? [N]			
Comment (REC 0/P FRM DPB(?) @ \$11P/WEEK)			
F1 []	F2 DEBTI	F3 DBSTI	F4 OFSTI
Next activity []		F5 []	F6 []
INPUT ERROR		F7 LSUM	F8 []
Enter new data or select Next Activity!		#00149	

If you are going to recover the debt from a current CDA you need to add 'Y' in Debt recoverable s86(9A)

1. If you are going to recover the debt from a main benefit (SPS, JS etc):
 - Debt recoverable s86(9A) = BLANK
 - Status = 17 (accidental debt)
 - Comment – e.g. “Rec O/P from SPS @ \$11p/week”
 - Manually add debt to SDBTA of main benefit add comment – “CDA debt – a/n to refund”
 - Complete Accidental Debt Form with all information attached
 - Approval obtained from SCM to write off debt as accidental
 - SWIFTT DEBTC screen to be cleared by Debt Authenticator
 - Note CMS of process
2. If you are going to recover the CDA Debt from the CDA benefit you need to go to DEBTR.....

DEBTR

DEBTRT029563070CT05] 0510] CARR SWIFTT

DEBT RECOVERY

Client : _____

SWN _____

Benefit [065]

Debt balance 10.65

	Method	Amount	Rate	Effective Pay date
Recovery 1	[LRG]	010.65]	[0]	[251005]
Recovery 2	[]	0]	[0]	[000000]

F1 [] F2 DEBTI F3 DBSTI F4 OFSTI F5 [] F6 [] F7 LSUM F8 []

Next activity []

CODES FOR DEBT RECOVERY IF RECOVERING FROM ARREARS/PFN PAYMENT**Benefit:**

- 065 Handicapped Child Allowance.
- 315 Capitalisation Debt.
- 460 Special Benefit.

Method:

- OFF Regular offset from regular payment.
- LAR Lump sum recovery from an arrears payment.
- LRG Lump sum recovery from a regular payment.

If you need to **recover** the debt from **arrears due**, you go to **RECOVERY 1**, enter method = **LAR**, amount = \$\$\$, Rate = **leave blank**, Effective pay date is the date the arrears are going to be paid to the account. Refer to **PHIST** for date.

If you are going to **recover** debt from **fortnightly payment**, you go to **RECOVERY 1**, enter method = **OFF**, amount = **leave blank**, Rate = \$\$\$, Effective pay date is already pre-filled.

If you **recover** a debt **in full** from a **regular payment** (fortnightly) you go to **RECOVERY 1**, enter method = **LRG**, amount = \$\$\$, Rate = **blank**, Effective pay date is already there.

PHIST

PHIST1029564070CT05 0510 CARR SWIFT

PAYMENT HISTORY INQUIRY

SWN [Clie...

Pay date	Amt due	FOP	Amt iss	Type	Paid	Bank reference	Return	Action
25/10/05	149.12	10.65	138.47	REG	CLNT			[]
11/10/05	149.12		149.12	REG	CLNT			[]
05/10/05	10.65		10.65	ARR	CLNT			[]
27/09/05	149.12		149.12	REG	CLNT			[]
13/09/05	149.12		149.12	REG	CLNT			[]
30/08/05	149.12		149.12	REG	CLNT			[]
16/08/05	149.12		149.12	REG	CLNT			[]
02/08/05	149.12		149.12	REG	CLNT			[]
19/07/05	149.12		149.12	REG	CLNT			[]
05/07/05	149.12		149.12	REG	CLNT			[]
21/06/05	149.12		149.12	REG	CLNT			[]
07/06/05	149.12		149.12	REG	CLNT			[]
24/05/05	149.12		149.12	REG	CLNT			[]
10/05/05	149.12		149.12	REG	CLNT			[]
26/04/05	149.12		149.12	REG	CLNT			[]

F1 F2 RTDTL F3 EHIST F4 CHIST F5 F6 F7 NEXT F8 BACK

Next activity [] [e]

ATTENTION 15 More records to view #00170

The **PHIST** screen above showing the **OFFSET** of \$10.65 that has been put in place in the **FOP** field.

Once recovered from the pay period 25/10/05 the **Debt Status** in the **DEBTI** screen will show as **"Recovered"** the following month.

TRANSFERRING DEBT TO TRACE

If the debt is to be transferred to TRACE to recover then it is necessary for the DEBT to be manually added to TRACE by the Collection Unit as the Family Assistance Programme in SWIFTT does not automatically transfer the debt across.

Action:

1. Instructions to add the debt to TRACE must be completed as per form attached and then forwarded to the Collections Unit.
2. Having completed the form and forwarded to the Collection Unit, go to DEBT screen.
 - Add 'C' in select []
 - Debt recoverable s86(9A) = 7 (transfer to NCD)
 - Comments = Transfer to NCD
 - Note CMS of actions.

HOW DOES EACH SERVICE CENTRE DETERMINE WHAT CDA DEBTS ARE ESTABLISHED EACH MONTH?

A monthly report is available from **REPORTS ON LINE** the first of each month. The report is called:

Family Assistance Debtors by Client Report (FBFMSDEBTM)

This report identifies customers who have a Child Disability Allowance debt. These need to be investigated. These debts do not auto load to TRACE but need to be manually added by the Collections Unit.

If you are unsure of the required actions you should contact Helpline.

CHILD DISABILITY ALLOWANCE – DEBT ESTABLISHMENT FORM

SERVICE CENTRE STAFF TO COMPLETE

DEBTORS DETAILS:

Client number:

Surname:

First name/s:

Date of Birth:

Last Known Address:

Phone number:

Bank Account number:

CHILD DISABILITY DEBT to be recovered: \$

Period of overpayment: From To

Documentation Attached: Yes/No

Copy of letter to debtor/s attached: Yes/No

Overpayment caused by:

Prepared by:

Date:

WESTERN COLLECTION UNIT STAFF TO COMPLETE

Required documents received: Yes/No

Debt loaded on TRACE: Yes/No

Signed: _____

Date: _____

Recommendation for Accidental Debt Change

Client No: Surname: Client No:

Firstname(s):

Accidental Debt Amount: \$

Recommendation:

How was this debt created in SWIFTT?

This debt cannot be corrected on SWIFTT by reversing the process (for example INCMC or SASC) or by backdated review.

☐ SWIFTT printout of debt inquiry screen (SDBTI or DEBTI) attached.

Recommend that accidental debt \$ be deleted from SWIFTT.

SWIFTT Process	
For debts on SBDTC	Debt status 5 – Written Off Write-off reason 3 – Bad Debt Add Comment – Accidental debt correction
For debts on DEBTC	Debt status 5 – Fully written off Add Comment – Accidental debt correction

Prepared by:

Approved by:

Signature: _____

Signature: _____

Name: _____

Name: _____

Case Manager

Authorisor

Date: _____

Date: _____

T Crown debt write-off

All decisions regarding write-off or recovery of Crown assets must be within the rules and limits set by the relevant delegation instrument from the Minister of Finance and the Minister for Social Development and Employment to the Chief Executive.

All Crown debts written off must be notified to the relevant Ministers.

A debt write-off should only occur when there is certainty that the debt will not be recovered.

Specific levels are as follows:

Role	Delegation
Service Delivery Service Managers	<\$2,500
Regional Directors and Central Processing Unit Managers	<\$10,000
National Manager Debt	<\$10,000
General Manager Integrity and Debt	<\$25,000
Service Delivery General Managers	<\$25,000
Regional Commissioners for Social Development	<\$25,000
Service Delivery GGMs	<\$50,000
CFO jointly with the DCE Service Delivery	<\$200,000
Chief Executive	>\$200,000

No Asset Procedure (NAP)

Frequently Asked Questions

1. If a client advises they have a NAP in place do I remove their debt offset?

No, this process is managed by Integrity Services.

A client who has been granted a NAP should have listed Work and Income as a creditor in which case the Insolvency and Trustee Service will advise Integrity Services directly.

2. If a client advises they have a NAP in place and their debts are still being offset what should I do?

Ask the client to provide you with verification from the Official Assignee or Insolvency and Trustee Service. Once they provide this verification please send a copy to:

Insolvency Team

National Programmes Centre

PO Box 31540

Lower Hutt 5040

3. Does the NAP impact on a client's entitlement to an Advance, Recoverable Assistance Payment (RAP) or Special Needs Grant (SNG)?

No. Applications for third tier assistance are processed the same as those from any other client, regardless of whether they have applied for or are in the NAP.

A person who qualifies for NAP does so because their level of debt is such that they have no means of repaying it in the foreseeable future. It may well be necessary for them (particularly if they have a family) to seek additional assistance from the Ministry on hardship grounds whilst in a NAP. Being in NAP does not disqualify a client from receiving assistance to meet an immediate need for an essential item.

4. If a client is already in a NAP and is granted an Advance, Recoverable Assistance Payment (RAP) or Recoverable SNG do they need to repay this money?

Yes, if a client receives an Advance, RAP or recoverable SNG after they have entered NAP they will be required to repay the money. Add the debt offset as normal.

Only debt established prior to the NAP being granted is included in the NAP and is discharged on the completion of the NAP.

5. How does a NAP effect a client's entitlement to Temporary Additional Support (TAS) or Special Benefit?

The client's entitlement to TAS or Special Benefit will need to be reviewed. Once a client enters NAP they are not required to make repayments towards debts that are a part of the NAP, for example loans or hire purchase agreements to purchase a car or household items. If one of the costs included in the calculation of TAS/Special Benefit is subject to the NAP, it may not be an essential cost for TAS or Special Benefit purposes.

Once the client is discharged from NAP their entitlement to TAS might need to be reviewed once more, especially if NAP is terminated before the end of the 12 months and the person once again becomes liable for the debts that they incurred before entering NAP.

Source: Contact Centre Guideline - HIYA

Debt

Here you'll find standard information on Debt types, arranging repayments, cancelling benefits with debts, etc.

What is debt?

Debt is any money owed to us by a client (both current and non-current).

The 2 most common types of client debt are:

- Recoverable assistance or benefit advances, e.g., whiteware, school uniforms, rent arrears, etc
- Overpayment debt – when we paid the client too much. This can happen if they didn't tell us about:
 - their correct income before we paid them
 - their income had changed
 - a change in circumstances, e.g., starting work, a new relationship, going overseas, etc.

Who manages debt?

Who manages the debt depends on the client's situation.

- Current clients are managed by Work and Income
- Non-current clients are managed by Client Support - Debt Management

Increase or decrease - debt offsets

If a client wants to reduce their debt offset, you can do this over the phone. No appointment is needed.

If a client wants to pay more than \$40.00 a week, [make an appointment](#) as we need this in writing, scanned and linked to the client event note.

For information around recovery rates, see [Maximum debt recovery rate - Map](#)

Repayments already over \$40.00 a week?

What should you do if a client already has debt and advance repayments over \$40.00 a week and they're asking for more help?

If there is nothing noted on their file from the office about this, discuss their [immediate need](#) and make a decision to assist or not.

Complete the appropriate action, [make an appointment](#) to discuss their ongoing repayments with a cm.

Reviewing Student Loan entitlement

This page is about what process to follow when we identify that a student was not entitled to some or all of their Student Loan. This includes possible fraudulent Student Loan debt, converting a Student Loan to Ministry of Social Development debt, writing off a Student Loan debt, processing bankruptcy and post-death Student Loan debts.

Checking Student Loan entitlement

There are different situations where a Student Loan may be converted to Ministry of Social Development debt.

Check the student's study details and circumstances when assessing if a student:

- received Student Loan but didn't qualify for it
- can be considered for a debt write-off.

For more information on how to assess a student's entitlement and reviewing Student Loan entitlement, see:

[Reviewing entitlement to a Student Loan \(Map\)](#)

Possible fraudulent Student Loan debt

If you think a Student Loan debt is fraudulent log an escalation in SAL under Loan investigation/Query. Staff will assess the student's situation before determining if it should be referred to Report Writing team.

Step	Process
1.	In the SAL notes template field, choose your note template category. For example, Loan status.
2.	In the Select Source Category field, enter your note about the possible fraudulent Student Loan, leaving enough information for staff to understand what has happened and what needs to be completed.
3.	In the Esc Category field, scroll to the bottom and select Loan Investigation/Query.

Converting a Student Loan to Ministry of Social Development debt

We may review a student's eligibility or entitlement to a Student Loan to check if the student was, or is, entitled to receive payment.

StudyLink Knowledge – Reviewing Student Loan entitlement

All the Student Loan components (compulsory course fees, living costs and course-related costs) can be considered separately when we review if it should be converted to Ministry of Social Development debt.

A student must meet the general Student Loan eligibility and entitlement criteria as well as the criteria for each component individually. The student's entitlement to each component will affect which components may get converted to Ministry of Social Development debt.

After a review, if we find out the student was not entitled to all or part of the Student Loan, we may:

- suspend the student's access to a Student Loan
- convert all or part of a Student Loan into a Ministry of Social Development debt
- consider debt write-off.

If a student received payments they were not entitled to due to fraud or Ministry error, we may convert their Student Loan into Ministry of Social Development debt. This might happen because:

- the student never met the eligibility criteria
- the student cancelled their loan and the process was not completed correctly or on time
- we determine the Student Loan was taken out with fraudulent information.

Any Student Loan that gets converted into Ministry of Social Development debt created won't be held by Inland Revenue. As Ministry debt, we can consider it for write-off if it was created due to an error on our part.

If we don't write off a debt, we'll arrange for a debt recovery so the money can be paid back.

Guidelines for staff to consider

Staff will need to:

- check why the loan has been declined or why the student is not entitled to the components of the Student Loan
- check what period of study has been declined
- check if there were reasons beyond the student's control
- check SAL notes to ensure all correct actions have been taken, for example:
 - has the student changed their passing more than half declaration and this was not updated in SAL
 - has the student made previous contact about becoming bankrupt or being incarcerated which was not actioned appropriately
- confirm with the education provider the student has reduced to part-time and confirm the correct date. The student should also confirm this.

For more information on how to assess a student's situation see:

[Converting all or part of a Loan into an MSD debt \(Map\)](#)

Escalate to the Report Writing team

The Report Writing team investigates whether a Student Loan should be converted to Ministry of Social Development debt and whether the debt should be written off. If you have a query, either:

- talk to the Report Writing team
- Email **Out of scope** In your email include the students name, client number and all the important information about the student's situation

[Back to top](#)

Other charges that could become Ministry of Social Development debt

Interest

If we decide that all or part of a Student Loan should be converted to a Ministry of Social Development debt, we won't include any charged interest in the Ministry of Social Development debt.

Charging Student Loan interests with Inland Revenue

From April 2012, we stopped charging interest on Student Loan as part of the change to near real-time transfers to Inland Revenue.

For any Student Loan created before April 2012, Inland Revenue will:

- return the Student Loan
- automatically reverse any interest charged at the time the Student Loan was converted to a Ministry of Social Development debt.

Before returning the Student Loan to us, Inland Revenue will reverse:

- any charged interest before returning the Student Loan to us
- any administration fees they have charged.

Establishment fee

The establishment fee for Student Loan accounts created for study starting on or after 1 January 2011 is \$60. Before then, we used to charge an administration fee of \$50.

- If the entire Student Loan is converted to a Ministry of Social Development debt, the establishment fee will generally be included in the Ministry of Social Development debt.
- If only a portion of the Student Loan is converted to a Ministry of Social Development debt, the establishment fee won't be included in the Ministry of Social Development debt. It'll remain as part of the Student Loan instead. This is because the loan account is still active for the portions of the loan that the student received correctly.

Student Loan paid incorrectly because of Ministry of Social Development's mistake

If we find out it was our mistake that the Student Loan was paid incorrectly, we can consider the establishment fee for debt write-off.

Do this after the Student Loan has been converted to a Ministry of Social Development debt. You can't write off the establishment fee in SAL – this will create an exception at Inland Revenue due to the Student Loan balances not matching.

The debt would be recoverable, as we can't expect the student to repay it in full. However, we'd write off the establishment fee because this was our mistake (this would need a debt write-off report).

Student Loan debt write-off

For any queries about Student Loan debt write-off, talk to the Report Writing team or log a workflow under the category RWT help. They'll assess each scenario on a case-by-case basis to decide if any Student Loan debt should be created and converted to Ministry of Social Development debt or written off.

Notification of debt

If we decide that we should convert a Student Loan to a Ministry of Social Development debt, we have to tell student before we take any actions. This gives the student a chance to give us any new or additional information or evidence that might lead us to a different decision.

Note: This is not a 'dispute period'. We're just telling the student we are considering establishing a Ministry of Social Development debt and checking we have enough information and evidence before we make a decision.

We tell the student by sending them a letter. The letter needs to include specific details about the student's individual circumstances, including:

- dates of the period of non-entitlement
- reasons for the period of non-entitlement
- debt amounts.

Notification period

We give the student 14 calendar days to contact us about the debt before we convert it to a Ministry of Social Development debt. After 14 days, we will either change or confirm our decision depending on whether the student has given us more information or evidence.

Once we get sign-off:

- the Student Loan is recalled from Inland Revenue and converted to a Ministry of Social Development debt.
- we'll send the final Student Loan to MSD Debt Establishment letter.

Processing a Student Loan debt

The Finance team processes the Student Loan debt actions for bankruptcy or death. The Report Writing team will process the Student Loan debt for all other reasons.

The Report Writing Team are responsible for decisions regarding converting a Student Loan to Ministry of Social Development debt and write-off for all other reasons, however the Finance team complete the actions.

Bankruptcy process

Bankruptcy only affects Student Loan entitlement. A bankrupt student may still be eligible to receive a Student Allowance.

When we confirm that a student is bankrupt:

- their Student Loan accounts are closed and transferred to Inland Revenue
- either Inland Revenue or the New Zealand Insolvency and Trustee Service confirms that the student is actually bankrupt.

Suspended Student Loan accounts should remain suspended until you receive confirmation. You can check the Insolvency database to confirm bankruptcy.

For more information, check the New Zealand Insolvency and Trustee Service:

www.insolvency.govt.nz

Make sure the non-entitlement reason date is the date of bankruptcy. This is because:

- only 'pre-bankruptcy' balance is transferred to Inland Revenue for collection.
- all 'post-bankruptcy' drawings are transferred to Client Support – Debt Management as a recoverable debt (see post-adjudication debts).

StudyLink Knowledge – Reviewing Student Loan entitlement

The Finance team process bankruptcy updates. Notifications of bankruptcy can come from either:

- Inland Revenue (they are received electronically through SAL on the Cease Enrolment screen).
- the student.

If a student calls to tell us they are bankrupt or no longer bankrupt, follow this process.

Step	Process
1.	Check notes in SAL and CMS to see if the Finance team already knows about it.
2.	If you can't see any notes, leave a note in SAL and select the escalation category 'Bankrupt' for the Finance team to action. They have access to the Insolvency database to check the outcome and complete actions on the IRD number.
3.	You can check the Insolvency database to confirm bankruptcy.

Bankrupt with a Student Loan

Bankrupt student with a Student Loan

Note: The Finance team follows this process to stop a Student Loan payment.

Step	Process
1.	Check the student's bankruptcy date on the Insolvency website: www.insolvency.govt.nz .
2.	Check if the student has made any repayments after the date of bankruptcy. • In SAL, press F12 and type NS. • Go to the applications tab. • In the Loan Apps section, double click on the blue Acc field to open the Loan Account Details screen. • Click on the Receipt Allocations tab.
3.	On the Customer Details (3) screen: • Update these fields: • Other Non Entitlement Reasons field: Customer is undischarged bankrupt. • Start Date: the bankruptcy date. • Save.
4.	In SAL, assess Student Loan to Declined.

StudyLink Knowledge – Reviewing Student Loan entitlement

5.	In the Details screen, close the loan account using the bankruptcy reason. • In SAL, press F12 and type NS. • Click on the Applications tab. • In the Loan Apps section, double click on the blue Acc field to open the Loan Account Details screen. • Click on the Closure tab. • In the Description field dropdown, select 'Student Becomes Bankrupt'. • Click 'OK'. • Save.
6.	Ask another Finance team member to check the bankruptcy details and process the second closure in the Closure tab in SAL. Click on the 'Confirm Close' tick box.
7.	If there's a post-adjudication debt: • print off the report in the Closure tab in SAL • click on 'Transfer Report' • follow the post-adjudication debt process.
8.	If you receive an IRD number, don't update it until the next day (this is because payments need to transfer to Inland Revenue under the bankruptcy number).
9.	Add student's details to in Objective (only Finance team members have access to this).
10.	Check if the Student Loan: • has already crenned after the bankruptcy date • falls within the bankruptcy. Note: Crenned means the Student Loan application is closed and greyed out in SAL. If it does: • in the Loan Account Details screen, remove cren • in the Student Loan Application screen, remove closure reason and date. You can now close the Student Loan account with the reason: STUDENT BECOMES BANKRUPT.
11.	If Inland Revenue has received Cease Enrolment: • in the Cease Enrolments screen, click on 'Cease Enrolment' • save to grey out the option.

Bankrupt with no Student Loan

Bankrupt student with no Student Loan

Note: The Finance team follows this process to prevent SAL from accepting new Student Loan applications.

Step	Process
1.	In SAL, in the Cease Enrolments screen, select 'Bankrupt' from the menu.
2.	If a student is bankrupt they will show 'undischarged bankrupt'. Leave a note to confirm bankruptcy.
3.	On the Customer Details (3) screen: - Update these fields: - Other Non Entitlement Reasons field: Customer is undischarged bankrupt. - Start Date: the bankruptcy date. - Save.
4.	Add the student's details to Bankruptcy spreadsheet in Objective (only Finance team members have access to this).

Post-death Student Loan debt

The Finance team process post-death Student Loan debts.

Any payments sent out after the student has passed away become a post-death debt and need to be written off. The Finance team keeps a file of these.

Student Loans paid after death will become a post-death debt within the loan account in SAL only. Therefore, the Finance team must complete a 'Debt Write-Off' form. This form must be completed, even if it's not sent on.

The Finance team takes these actions to write off a post-death debt.

Step	Process
1.	Complete the Deceased – Loan DWO form using the template 9.9.
2.	Provide the following to the designated service manager for them to sign off: - a copy of the evidence of death - a copy of the Post Death Transfer Balances (find the form in SAL: Loan Account Details screen > Closure tab > Transfer report).
3.	Ask the delegated service manager to sign the Debt Write Off form using the template 3.1.11.
4.	Leave note a using the template U-L-D13.

Evidence of death

We will accept any of the following as evidence of death:

- death certificate
- letter from funeral director
- report or certificate from medical examiner
- authorisation for release from a coroner
- cease notification from Inland Revenue.

We don't need to verify this evidence, but we must confirm the date of death.

We'll need to see evidence of death when:

- the current Student Loan has a balance and current payments
- the current Student Allowance has payments near or after the date of death.

Debt repayment orders

Client Support – Debt Management action debt repayment orders.

For more information on students who are currently under a debt repayment order, see:

[Debt Repayment Orders \(Map\)](#)

Post-adjudication debt

A post-adjudication debt is a payment that's released from the Student Loan account after the date of bankruptcy.

This is how a post-adjudication debt is created:

1. When the Finance team processes bankrupt Student Loan accounts, they close and transfer them to Inland Revenue.
2. They transfer the 'pre-bankruptcy' balance to Inland Revenue for collection.
3. They transfer all 'post-bankruptcy' drawings to the Client Support – Debt Management as a recoverable debt.

The Manual Transfer Report will show:

- the amount transferred to Inland Revenue
- a Post Adjudication Bankrupt Balances line.
 - The details of the Post Adjudication amount will be on a separate report page which opens over the top of the Manual Transfer Report.

StudyLink Knowledge – Reviewing Student Loan entitlement

- The Post Adjudication Bankrupt Balances Transfer report breaks down the total post-adjudication debt into the separate principal components.

The Finance team can run this report in SAL.

Passing client to Client Service Integrity

If we find out a student was receiving payments after the date of bankruptcy and hasn't told us they were bankrupt, we leave a note in SAL and select the escalation category 'bankrupt' to escalate to the Finance team so they can refer the student to Client Service Integrity.

The Finance team takes these actions to refer a student to Client Service Integrity.

Step	Process
1.	Discuss the case with Client Service Integrity to confirm that they want the case. • If they want the case, go to step 2. • If they don't want the case, go so step 5.
2.	Fill in an Allegation form.
3.	Suspend the loan under NOTIFIED OF STUDENT BANKRUPTCY.
4.	Client Service Integrity will: • complete their actions • tell the Finance team when they need them to close the Student Loan account (this is usually 2 or more weeks). This is the end of the process.
5.	Send or email a copy of the Manual Transfer Report to Client Service Integrity. They'll make sure the post-adjudication debt gets loaded to Client Support – Debt Management.

Sending the post-adjudication debt to Client Support – Debt Management

Usually, we only transfer loans with small amounts of post-adjudication debt to Client Support – Debt Management. We refer loans with bigger amounts to Client Service Integrity.

Current loans with no fee refunds after the date of bankruptcy

Follow these steps to transfer a loan with no fee refunds after the date of bankruptcy to Client Service Integrity.

Step	Action
------	--------

StudyLink Knowledge – Reviewing Student Loan entitlement

1.	Close the loan following the normal bankrupt process. SAL will calculate the post-adjudication debt to be transferred to Client Service Integrity.
2.	Send a letter to the student using the template 9.7. Include a Ways to pay form.
3.	Email Out of scope and ask them to load the debt with a scanned copy of: • Post Adjudication Manual Transfer Report • debt letter to the student • bankruptcy print out of the Insolvency database • Post Adjudication Debt Memo (template 9.11).

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Debt for Student Allowance

When students get paid Student Allowance they aren't entitled to, it can lead to Student Allowance debt. This page is about about overpayments, how to process valid and invalid debts in SAL and how students can pay back debts.

How students can get into Student Allowance debt

A student can get into Student Allowance debt if we overpay them within the study period.

A debt is established when both of these happen:

- we've already paid a Student Allowance to a student for a period at one rate
- a change in the system reduces the student's rate for the past period.

When this happens, the student may be entitled to a lower rate of Student Allowance.

Note: Students need to tell us right away if their circumstances change to avoid a Student Allowance overpayments and debts.

For more information on how students get into debt, where to view debt and what to do if a student calls about their debt, see:

[StudyLink Debt \(StudyLink Knowledgebase\)](#)

Income increase

Personal or partner income increases

Personal and partner income affects how much Student Allowance a student can get.

If a student's or their partner's income increases, the student might not be able to get the same amount of Student Allowance anymore.

If the student doesn't tell us about an income change, we'll keep paying them their original Student Allowance rate. This will create an overpayment which could turn into a debt.

Note: If a student's parents' income increases, the student doesn't need to tell us. Their Student Allowance payments will not change. We accept the parents' income as an annual amount for the whole study period.

Living situation changes

Living situation changes

Living changes that may reduce how much Student Allowance the student can get include:

StudyLink Knowledge – Debt for Student Allowance

- a dependent child leaves their care
- they separate from their partner
- they move in with their partner
- they move from living away from home to living at home with their parents

If a student's living situation changes and they don't tell us, we could over pay their Student Allowance and the student may get into debt as a result.

A student should tell us as soon as possible if their living situation changes to avoid getting into debt.

Living at home with parents while getting 'living away from home' rate

The 'living away from home' rate is higher than the 'living at home with parents' rate.

If a student is living at home with their parents but getting the 'living away from home' rate, they'll get into debt, and will have to pay it back.

Getting Accommodation Benefit

Getting Student Allowance and Accommodation Benefit

Some students who get Student Allowance can also get Accommodation Benefit.

If the student gets Accommodation Benefit when they aren't entitled to it, they could go into debt.

If a student changes address and is receiving Accommodation Benefit

The student's rate for Accommodation Benefit may also change if they either:

- move into a different territorial authority (City Council or District Council)
- move into a different hostel.

If a student who gets Accommodation Benefit moves to a new address, they need to tell us by the end of the week they moved. If they wait longer to tell us about the change, they could get into debt.

The debt will start from the day their address changed and made them ineligible for their previous Accommodation Benefit rate. They'll need to pay back the amount we overpaid.

Note: Moving to a different territorial authority doesn't create a Student Allowance debt in SAL. SAL will create a debt for the Accommodation Benefit overpayment.

Getting Accommodation Benefit while living in social housing

If a student and their partner receive Accommodation Benefit while living in social housing, and their names are on the tenancy agreement, this will create debt. The debt will be the full amount of Accommodation Benefit they got while they were also getting Student Allowance.

Study changes

Withdrawing from study or going part time

If the student withdraws from study or changes to part-time study, the following will happen:

- SAL will reassess their Student Allowance from 'Approved' to 'Declined'
- they'll have to pay back any payments they got after they withdrew from study.

When a student withdraws from study, their education provider may send us an updated Verification of Study to let us know.

Students need to tell us right away if their circumstances change to avoid a Student Allowance overpayments and debts.

Authpay process

Debts created in the Authpay process

Authpay is an authorisation process we sometimes use to check Student Allowance application assessments. We use it to make sure our payments are working properly.

The process can create a debt and generate a DEBT change event.

For more information on the Authpay process, see:

[Using Authpay to authorise Student Allowance \(StudyLink Knowledgebase\)](#)

Debt moved from Work and Income to StudyLink

A student's Work and Income debt may move to StudyLink when they start getting Student Allowance.

To find out whether the student has a Work and Income debt being recovered from their Student Allowance payments, go to the **Customer Details (3)** screen and look at the information under Debts. Work and Income debt will appear as Income Support.

If the student wants to know why they have a Work and Income debt, you'll need to check the Client Event Notes in CMS.

How SAL creates debts

SAL automatically creates debts if it finds we have overpaid a student.

Updating any of the following details in SAL may change the rate or period a student is entitled to Student Allowance and cause an overpayment.

- Address
- Marital status
- Children
- Income
- Partner details
- New VoS details
- Non-entitlement reasons
- Previous study (For example, the passing more than half information)

If entering this information creates an overpayment and you have reassessed and authorised the file:

1. SAL will automatically calculate how much we've overpaid the student.
2. A debt change event will raise in the file and the debt amount will appear in the **Customer Details (3)**.

Note: Never manually enter a Student Allowance debt into SAL. SAL will automatically find the overpayment and establish a debt.

Student Allowance debt change events

Change event	When it will raise in SAL
DEBT	After a Student Allowance reassessment is authorised and SAL creates a debt.
WEBDEBT	The student made changes in their MyStudyLink account which resulted in a debt.

Processing the DEBT change event

Note: You need special training in Student Allowance debt to action this change event.

Multiple payment authorisations can be completed on a Student Allowance on the same day. This means:

- arrears payments made incorrectly can be corrected before any money is released to the student
- debts established incorrectly will be able to be corrected the same day
- unposted payments will be able to be re-issued to a student the same day they are returned to us by the bank.

When a debt is created at the first assessment this will automatically transfer to the Customer Details (3) screen.

At this stage you should ensure that:

- The debt arrangements are set
- The change event is cleared in the assessment screen
- Notes are written explaining how and why the debt was created (Generic Note: Benefit/Debt – Debt Creation – New Debt Created)
- Debt letters are written and passed on for checking
- If we are notified of a change on the same day and Student Allowance is declined or reduced for a second period, an AUTHPAY is completed, and a new debt is created.

You will then get the following message 'SAL – 05306: Payment arrangement has already been set for STUDENT ALLOWANCES DEBT RECOVERY \$25 from the previous pay adjustment. This will be deleted. Continue with the payment authorisation?'

This message tells you that the last AUTHPAY resulted in a debt and payment arrangements have been established.

- If 'NO' is selected the AUTHPAY will not be completed.
- If 'YES' is selected the AUTHPAY will complete and the payment arrangements will be removed.

Once the AUTHPAY is completed, SAL will update with the following information:

The first debt will still show in the assessment screen

A second change event will be raised for the new debt amount.

Note: All debts created on a single application on the same day are added together. The last debt change event created will show the total amount of debt created that day. Each application that has an overpayment created will establish a separate line of Student Allowance debt.

Deciding the debt outcome

Note: You need special training in Student Allowance debt to complete these actions.

When SAL creates the Student Allowance debt:

- the Arrangement field will always default to Pending
- The Deduction/Week field will show as 0.

After SAL creates the debt, consider the following to determine the debt outcome:

- what caused the overpayment
- if the overpayment is valid
- if the Ministry of Social Development caused the overpayment
- if the student is eligible for us to write off their debt
- how the student will pay us back. This might be through either repayments or deductions.

What caused the overpayment

Understanding what caused the overpayment can help you decide on the debt outcome.

Follow the steps to determine what caused the Student Allowance overpayment.

Step 1. Create a mini report

A mini report will show you:

- the date SAL created the debt
- what periods the debt is for
- a breakdown of payment periods and amounts
- if there are any overpayments and underpayments
- if the debt is for Student Allowance, Accommodation Benefit or Income Support.

Follow these steps to create a mini report.

Step	Process
1.	In SAL, on the Record Contacts screen, go to the Mini Reports tab.
2.	Select 'Debt Establishment'.
3.	Click 'Go'.

This table shows what you might find on a mini report based on the Student Allowance Assessment screen for the periods your mini report shows an overpayment was established.

Student Allowance status	What it tells you
The Student Allowance status changes from approved to declined. The mini report will show that the debt that has been created is for the full rate of Student Allowance and Accommodation Benefit.	The decline reason is listed in the Outcome Description field on the Student Allowance Assessment screen which may assist you in determining why the debt has been established.
The Student Allowance status remains approved and: • the name of the rate in the Outcome Description field changed • the Student Allowance gross and net rate reduced. The mini report will show the debt is for a partial amount of the Student Allowance and possibly the Accommodation Benefit.	The debt was created due to a change in student's basic living circumstances, such as: • their child left their care • the student separated from their partner • the student moved in with their parents or partner. The Outcome Description on the Student Allowance Assessment screen will give you more information.
The Student Allowance status remains approved and:	SAL created the debt because one of the following changed: • the student's income

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- the name of the rate in the Outcome Description field is the same as the previous reassessment - the Student Allowance gross and net rate reduced. The mini report will show the debt is for a partial amount of the Student Allowance only.	- the parents' income (normally due to issues with the start and end dates of income information) - the partner's income - an other dependent student has been end dated.
The Student Allowance stays approved and: - the name of the rate in the Outcome Description field is the same as the previous reassessment - the Accommodation Benefit reduced to \$0.00. The mini report will show the debt is for the full rate of Accommodation Benefit only.	SAL created the debt because the student was either: - living in a social housing property for a past period - living in a parental home for a past period.
The Student Allowance is stays approved and: - the name of the rate in the Outcome Description field is the same as the previous reassessment - the Accommodation Benefit reduced to a lower rate. The mini report will show that the debt is for a partial rate of Accommodation Benefit only.	SAL created the debt because the student's hostel information or campus information changed.

Step 2. Check the student's file for changes

Check the student's SAL file to see if you can identify what changed.

Look in the SAL notes for actions taken that may include a change in circumstances. It may be clear from the notes what actions were taken to cause the overpayment.

You can also check the following information in SAL for changes:

- income (personal and partner)
- address details
- marital status.

Changes made by the student on their MyStudyLink account

To see what changes a student has made on their MyStudyLink account, go to the Client Activity screen.

Step 3. Look for changes on the Student Allowance Assessment screen

Changes on the Student Allowance assessment screen may show why there was an overpayment.

Follow the steps to review the Student Allowance Assessment screen for changes.

Step	Process
1.	Go to Student Allowance Assessment screen.
2.	All the assessments that have been actioned will appear in the top half of the screen. Find the previous line where the Authorize Ltr/Pymnt? Field is set to Yes. Click on the assessment line to get more information. - Information about the assessment will appear on the screen under Outcomes. This will include: - the status of the Student Allowance assessment for that period - any letters we sent the student about the assessment.
3.	Compare this to their current assessment and note any changes to their Student Allowance status, outcome description, rate of Student Allowance or Accommodation Benefit.

Processing debts

Note: You need special training in Student Allowance debt to complete these actions.

Use the table to decide on a debt outcome and figure out what to do next.

Debt outcome	Explanation	Process
Invalid debt	The debt was created accidentally during processing.	- If the debt has been created today, we can update the file and SAL will automatically recover the debt. - If the debt was established on a previous day, follow the invalid debt process below.
Valid debt the student needs to pay back	- The student received money they weren't entitled to. - The debt wasn't the Ministry's mistake.	We need to establish these debts in SAL and set up payments to recover the debt from the student.

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Valid debt that could be considered a write off	- The student received money they weren't entitled to. - The debt was the Ministry's mistake.	If the Ministry of Social Development is at fault for a valid debt, it could be a debt write off.
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Valid debt to pay back**Valid debt the student needs to pay back**

Follow the steps to process a valid debt the student needs to pay back.

Step	Process
1.	Go to the Customer Details (3) screen.
2.	Set the Debt Arrangement field to Yes if the Student Allowance status is: - Incomplete - Pre-approved - Approved for a future period - Approved and being paid. Set the Debt Arrangement to No If the Student Allowance status is: Declined and no future applications.
3.	Enter the weekly debt recovery amount (how much the student will pay back). The default amount is \$25.00 a week. SAL will automatically enter the debt recovery to start in 2 weeks' time. This gives the student time to negotiate the repayment if they want to. Note: The total deduction can't be more than 40% of the Student Allowance net rate (excluding Accommodation Benefit).
4.	Send a letter using the template 3.2.2, using the scenario from the template 3.2.5. Note: If the debt is a WEBDEBT, send a letter using the template 3.2.11, using the scenario from the template 3.2.5.
5.	In SAL, leave a note using the template B-DEBT-DB1. Note: If the debt is a WEBDEBT, use the template B-DEBT-WDT.

Invalid debt**Invalid debt**

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Step	Process
1.	If we incorrectly updated SAL and caused an overpayment, fix the error in the student's file.
2.	In the Customer Details (3) screen, change the start date of debt deductions for any other current debts (excluding the invalid debt) to a future date.
3.	On the invalid debt: • set the Arrangement field to Yes • change the deduction start date to today's date • enter \$25.00 debt deductions on the invalid debt.
4.	In the Student Allowance Assessment screen, reassess the application, but don't complete it.
5.	In the Max Loan Crossover field, enter 0. Complete the assessment.
6.	Ask your buddy to authorise the allowance. After their authorisation, if the payment is more than \$3,000, a PAYLIMAUTH change event will appear on the application. If this happens, clear the change event. For more information on processing a PAYLIMAUTH change event, see: Working with the PAYLIMAUTH change event (StudyLink Knowledgebase)
7.	In the Customer Details (3) screen, check the debt still exists. If debt and assessment were both actioned on the same day, it may have disappeared. If it has disappeared, change the debt deduction start dates on any other debts back to today's date.
8.	From the Student Allowance Assessment screen, open the Review Deductions screen. • Update the Debt Deduction Amount field next to any BENRECOV and SACURRDEBT rows to 0 • Save. Note: You can only update and save one row of debt deductions at a time. If you need to update more than one, save after making each update. You don't need to enter anything in the BANK line – SAL will adjust this amount when you save the updates.
9.	In the Debt line: • enter the invalid debt amount • save.

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10.	In the Customer Details (3) screen, change the debt deduction start dates on any other debts back to today's date.
11.	If a student has Student Loan deductions: - in the debt mini report, go to the Other Adjustments section - check whether the student has Student Loan deductions, including: - Student Loan compulsory extra deductions (SLCIR) - SLBOR deductions – voluntary extra deductions that the student chooses to pay off their Student Loan. If the student has these Student Loan deductions, the arrears (amount of debt you create) to recover the Student Allowance debt may not match their actual debt balance. This is because: - the Student Allowance debt includes the deductions we made from the original payments on the student's behalf - the arrears will have additional deductions made for the same recovery. Students in this situation will be left with an outstanding debt balance, which they will need to repay. The student will need to discuss this double payment with Inland Revenue.
12.	Send a letter using the template 3.2.2. If the student has an outstanding debt balance from double payments (described in step 11), add Debt Scenario paragraph 2.0 Tax Code to the letter. You may need to change the wording to fit the student's situation.

Invalid debts during study breaks

SAL sometimes creates invalid debts for study breaks. This system issue occurs where a student reaches their 200-week limit within the continuation period or in the first week of their second study period.

If SAL creates an invalid debt for a continuation period, SSC Support completes a specialised process to correct the information in the system.

If you find an invalid continuation period debt, follow the steps below.

Step	Process
1.	In SLKbase, log a workflow with the student's details to the category 'SSC Support – SAL Action'.
2.	Confirm both:

- SAL removed the continuation period
- the student is eligible for the payments.

Someone in SCC Support will assign themselves the workflow and action the debt.

Repay debts through Student Allowance deductions

If a student is getting an approved Student Allowance, we can take payments from their Student Allowance each week until they've paid the debt in full.

To find out more about deducting debt repayments from Student Allowance and other benefit payments, see:

[Debt recovery \(Map\)](#)

When to start deductions

We start recovering a debt 14 days from the date we create it. This gives the student time to contact us and ask for a lower deduction amount if they need one.

After 14 days, if the student hasn't asked for a lower rate, SAL starts deductions from their Student Allowance based on the deduction amount we entered previously.

Other ways to repay debt

Students who aren't getting Student Allowance can pick another way to pay depending on where they live.

Note: Students getting Student Allowance can choose another way to pay if they don't want us to take debt repayments from their Student Allowance.

Automatic payments

When a student wants to make automatic payments, you need to:

1. In SAL, leave a note and select the escalation category 'Debt Queries'.
2. Ask them to fill in a debt repayment authority form, which can be found on the StudyLink website.

Download the [Authority Form for Debt Repayments \(StudyLink website\)](#).

Student currently lives in New Zealand or Australia

Students living in New Zealand or Australia can repay all or part of their debt:

- online by credit or debit card
- by internet or phone banking
- by setting up automatic payments with their bank
- through deductions from wages (New Zealand residents only).

For more information, see:

[Pay debt in New Zealand \(StudyLink website\)](#)

Student currently lives overseas

Students living overseas can repay their debt in any of the following ways:

- online by credit or direct debit card
- through an online money transfer
- through someone in New Zealand making payments on their behalf.

For more information, see:

[Pay debt from overseas \(StudyLink website\)](#)

How much debt to recover

For new debts, we usually recover \$25 a week. If this is too much for the student to pay, we can recover less.

The 40% rule

Debt deductions from Student Allowance can't be more than 40% of the net (after tax) rate.

For example, if a student gets \$50 net Student Allowance per week, we can't set up weekly repayments of \$25 per week because this would be over 40% of their net Student Allowance rate. Instead, we would set up weekly repayments of \$20 per week, which is 40% of \$50.

Note: Students with low Student Allowance may want to stop their payments until their situation changes and they're entitled to a higher rate. This is because every time they receive a Student Allowance payment, it takes a week away from their lifetime limit.

If the student wants to stop their Student Allowance, advise them on other ways they can repay their debt.

When the student has other Student Allowance deductions

The only payments we can legally deduct from Student Allowances are:

- Child Support deductions made under the Child Support Act 1991
- Inland Revenue (IR) deduction notices (for unpaid tax arrears)
- All Ministry of Social Development debt repayments.

We deduct payments in the following order of priority:

1. All Child Support payments
2. Student Allowance debt repayments.
3. Student Loan debt repayments.

If the student has multiple deductions, the total of all deductions shouldn't be more than 40% of the student's weekly Student Allowance payment.

For more information on deductions from a Student Allowance, see:

[Deductions from Student Allowances - Map \(ssi.govt.nz\)](https://www.ssi.govt.nz/ssi/allowance/deductions)

Child Support deductions

Support deductions have priority over any other deductions. If the client is making weekly child support payments, we adjust the other payments so they aren't paying more than 40% of their net weekly Student Allowance payment.

How SAL auto-recovers debts

Sometimes we create a Student Allowance debt and an arrears payment (back payment) in the same Student Allowance assessment.

When this happens, SAL can automatically recover the back payment and use it to pay back some or all the Student Allowance debt.

If this happens, this could leave the student with no payment that week, which could cause them hardship. If this happens, you will need to change the amount we're recovering. To do this, follow the steps in the next section.

How to stop SAL from deducting a whole Student Allowance payment

Follow these steps to stop SAL from automatically deducting the whole Student Allowance payment.

Step	Process
1.	In the Student Allowance Assessment screen, remove the details you entered that created the debt.
2.	Reassess the Student Allowance so that SAL will release the payment to the student.
3.	Write yourself a note about the change. Include the student's name and client number.

4.	Set a reminder in your calendar to update the student's SAL record on the next working day.
5.	On the next working day: • reopen the file and re-enter the details that you removed • reassess Student Allowance • create the correct debt.

Recovering SWIFTT debt from Student Allowance

If a student has SWIFTT debt, it's entered into SAL as an Income Support debt.

To see the process of adding SWIFTT debt to SAL, see the 'Updating a debt in SAL' section on the following page.

[UCVCHKDEBT change event \(StudyLink Knowledgebase\)](#)

Renegotiating debt deductions

If the student is finding their repayments too hard, they can contact us and ask to lower their repayments at any time.

When re-negotiating a student's payments, consider:

- the student's current circumstances
- their ability to meet their needs and the needs of their dependants.

We want students to pay off their debt as fast as they can, but we also don't want to put them into hardship. The minimum they need to pay back is \$1 per week.

Note: Students can contact us about renegotiations on the phone or via email. We no longer request a Hardship Assessment form.

Follow this process if a student contacts us asking to renegotiate their debt payments.

Step	Process
1.	Go to the Customer Details (3) screen: • In the Deduction/Week field, change the debt deduction amount. • Save.
2.	Reassess the application.

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3.	Ask a buddy to authorise the updated assessment. When they've authorised the assessment, SAL will send the student an automated letter telling them about the new weekly payment amount.
4.	In SAL, leave the appropriate note from the template B-DEBT. Include information about the debt renegotiation, the new amount and which actions you took.

Offering other support

As well as reducing the student's deductions, you could also discuss other forms of support they could get. These include:

- Special Needs Grants (for example, food grants)
- Recoverable Assistance Payments
- Temporary Additional Support