



# Student Allowances Amendment Regulations (No 3) 2005

Silvia Cartwright, Governor-General

## Order in Council

At Wellington this 29th day of August 2005

Present:

Her Excellency the Governor-General in Council

Pursuant to section 303 of the Education Act 1989, Her Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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**Schedule**  
**New Schedule 2 substituted in principal regulations**

## Regulations

### 1 Title

- (1) These regulations are the Student Allowances Amendment Regulations (No 3) 2005.
- (2) In these regulations, the Student Allowances Regulations 1998<sup>1</sup> are called “the principal regulations”.

<sup>1</sup> SR 1998/277

### 2 Commencement

These regulations come into force on 1 September 2005.

### 3 Application

The amendments to the principal regulations made by these regulations apply in relation to the assessment and payment of allowances to students for weeks starting on or after 1 January 2006 (whether the allowances were first payable to the students before, on, or after that date).

### 4 Interpretation

Regulation 2(1) of the principal regulations is amended by—

- (a) revoking the definition of **income limit**; and
- (b) omitting from paragraph (c)(ii) of the definition of **personal income** the expression “Accident Rehabilitation and Compensation and Insurance Act 1992”, and substituting the expression “Injury Prevention, Rehabilitation, and Compensation Act 2001”; and
- (c) revoking the definition of **standard tax**.

### 5 Assessment of parental income

- (1) Regulation 4(2)(a) of the principal regulations is amended by inserting, after the word “nominate”, the words “, as the student’s parents for the purposes of this subclause,”.
- (2) Regulation 4(2)(d) of the principal regulations is amended by omitting the expression “\$2,200”, and substituting the expression “\$7,000”.
- (3) Regulation 4(2) of the principal regulations is amended by inserting, after paragraph (d), the following paragraph:

“(da) if both the parents of the student live in separate households and the assessment is not made under paragraph (c), the combined parental income of the parents of the

student is considered to be reduced by \$3,400 (in addition to any reduction under paragraph (d)):".

**6 Eligibility for basic grant**

Regulation 7(2) of the principal regulations is amended by omitting the expression "27", and substituting the expression "28".

**7 Eligibility for independent circumstances grant**

Regulation 8(4) of the principal regulations is amended by omitting the expression "27", and substituting the expression "28".

**8 Eligibility for accommodation benefit**

- (1) Regulation 9(2)(b) of the principal regulations is amended by omitting the words "whose combined weekly income before tax is within or exceeds the range of income limits specified in Table 2 or Table 3 of Schedule 2 that are applicable to the circumstances of the student", and substituting the words "whose combined income before tax for the relevant week is more than the amount of combined income for the week specified in clause 2(1) of Schedule 2".
- (2) Regulation 9(5) of the principal regulations is amended by omitting the expression "27", and substituting the expression "28".

**9 Award of A-Bursary**

Regulation 10(4) of the principal regulations is amended by omitting the expression "regulation 27", and substituting the words "the student's personal income or combined income".

**10 Award of B-Bursary**

Regulation 11(4) of the principal regulations is amended by omitting the expression "regulation 27", and substituting the words "the student's personal income or combined income".

**11 Amount of allowances to be paid to students**

- (1) Regulation 18(1) of the principal regulations is amended by omitting the words "set out in Schedule 2", and substituting

the words “calculated under Schedule 2, unless that Schedule provides that the grant is not payable to the student”.

- (2) Regulation 18(2) of the principal regulations is amended by omitting the words “set out in”, and substituting the words “calculated under”.

**12 Amount of accommodation benefit and period for which benefit payable**

Regulation 24 of the principal regulations is amended by adding the following subclause:

- “(5) Despite subclause (1), an amount of accommodation benefit is not payable to a student for a week for which the value of the basic grant or independent circumstances grant payable to the student is reduced to nil because of the student’s personal income for the week.”

**13 Regulation 27 revoked**

The principal regulations are amended by revoking regulation 27.

**14 Calculation of personal income**

Regulation 43 of the principal regulations is amended by—

- (a) omitting the words “weekly personal or combined income of any person”, and substituting the words “personal income or combined income of a person for a week”; and
- (b) omitting the words “weekly amount”, and substituting the words “amount for the week”.

**15 Table in Schedule 1 amended**

The table in Schedule 1 of the principal regulations is amended by revoking the fifth, sixth, seventh, eighth, ninth, tenth, and eleventh items.

**16 New Schedule 2 substituted**

The principal regulations are amended by revoking Schedule 2, and substituting the Schedule 2 set out in the Schedule of these regulations.

Schedule r 16

**Schedule**

**New Schedule 2 substituted in principal regulations**

Schedule 2 r 18

**Schedule 2**

**Amounts of certain grants**

Part 1

Basic grant

Subpart 1—Married and partnered students

**1 Combined income not more than \$360 for week**

- (1) The table sets out the value of a basic grant payable for a week to a married or partnered student whose combined income for the week is not more than \$360.

Item	Circumstances	Value (\$)
1	The student's spouse or partner is not enrolled in more than half of a full-time course	341.77
2	The student's spouse or partner is enrolled in more than half of a full-time course but does not receive, and is not eligible for, a grant; and the student has one or more supported children	291.78
3	The student's spouse or partner is enrolled in more than half of a full-time course but does not receive, and is not eligible for, a grant; and the student is childless	199.53
4	The student's spouse or partner is enrolled in more than half of a full-time course and receives, or is eligible for, a grant	165.27

- (2) However, if the student's personal income exceeds \$180 for the week, the value of the basic grant for the week is reduced by an amount equalling the excess.

**2 Combined income between \$360 and \$750 for week**

- (1) The table sets out the value of a basic grant payable for a week to a married or partnered student whose combined income for the week is more than \$360.

Item	Circumstances	Value (\$)
1	The student is not living with his or her spouse or partner	106.74
2	The student is living with his or her spouse or partner	71.66

- (2) However, if the student's personal income exceeds \$180 for the week, the value of the basic grant for the week is reduced by an amount equalling the excess.

**Schedule 2**—continuedPart 1—*continued*

- (3) Despite subclause (1), the basic grant is not payable for the week if the student’s combined income for the week is \$750 or more.

## Subpart 2—Single students

**3 Basic grant for week for single students**

- (1) The table sets out the value of a basic grant payable for a week to a single student.

<b>Item</b>	<b>Circumstances</b>	<b>Value (\$)</b>
1	The student has one or more supported children	291.78
2	The student is 25 or older, childless, and not living in a parental home	199.53
3	The student is 25 or older, childless, and living in a parental home	158.66
4	The student is under 25, childless, and not living in a parental home	165.27
5	The student is under 25, childless, and living in a parental home	132.21

- (2) However, if the student’s personal income exceeds \$180 for the week, the value of the basic grant for the week is reduced by an amount equalling the excess.
- (3) Despite subclause (1), if the student is childless and under 25, and the weekly parental income of the student’s parents or parent exceeds \$665.50 for the week, the value of the basic grant for the week is reduced to the value calculated as follows:
- (a) subtract from the value set out in subclause (1) the amount that would be a tax deduction under the Income Tax Act 2004 from the grant assuming that—
    - (i) tax code “M” stated in section NC 8 of that Act applied to the student; and
    - (ii) the appendix in Schedule 19 of that Act specified that the tax using that code for an amount of earnings were 15% of the earnings; and
    - (iii) section NC 6(1D) of that Act did not affect the amount of the tax deduction:
  - (b) reduce the result of paragraph (a) by 25% of the excess of the weekly parental income over \$665.50:

**Schedule 2**—continued**Part 1**—*continued*

- (c) increase the result of paragraph (b) (if it is more than nil) to the value (the **post-reduction grossed-up value**) that would leave an amount equal to the result of paragraph (b) if a tax deduction were made from the post-reduction grossed-up value under the Income Tax Act 2004 on the assumptions stated in paragraph (a).
- (4) If both subclauses (2) and (3) apply, the reduction under subclause (2) occurs after the reduction under subclause (3).

**Part 2****Independent circumstances grant****4 Independent circumstances grant for week**

- (1) The value of an independent circumstances grant payable for a week to a student is \$165.27.
- (2) However, if the student's personal income exceeds \$180 for the week, the value of the independent circumstances grant for the week is reduced by an amount equalling the excess.

**Part 3****Bursaries****5 A-Bursary for year**

The amount of an A-Bursary is \$200 a year.

**6 B-Bursary for year**

The amount of a B-Bursary is \$100 a year.

Diane Morcom,  
Clerk of the Executive Council.

**Explanatory note**

*This note is not part of the regulations, but is intended to indicate their general effect.*

These regulations come into force on 1 September 2005 (*see regulation 2*). They amend the Student Allowances Regulations 1998.

The amendments apply to assessment and payment of allowances for weeks starting on and after 1 January 2006, whether the allowances were first payable before, on, or after that date (*see regulation 3*).

*Regulation 5(2)* increases (from \$2,200 to \$7,000) the amount of a student's parental income that is disregarded on account of other dependent students the parents support.

*Regulation 5(3)* inserts a new provision for \$3,400 of parental income to be disregarded if the student's parents live in separate households (except where the income of only 1 of the parents is assessed, at the student's request).

The amendments also reduce the value of a student's basic grant and independent circumstances grant for a week if the student's personal income for the week exceeds \$180. The reduction equals the excess. The reduction replaces the income limit based on the student's personal income (*see regulation 16 and Parts 1 and 2 of new Schedule 2 set out in the Schedule*). *Regulations 4(a) and 6 to 14* make consequential amendments.

The amendments also increase the amount of the combined income of a married or partnered student and his or her spouse or partner for a week needed for a basic grant to the student to be paid at a lower rate or stopped for the week. A basic grant will be paid at a lower rate for a week if the combined income for the week is more than \$360, and stopped if that income is \$750 or more (*see regulations 11 and 16 and subpart 1 of Part 1 of new Schedule 2 set out in the Schedule*).

There are 4 other, minor, amendments.

The first fixes a wrong reference to an Act (*see regulation 4(b)*).

The second clarifies that, for a basic grant to a childless student under 25, the student's weekly parental income reduces the amount of the grant that would remain after a tax deduction based on tax code M, with the reduced value converted to a gross value that is subject to reduction for the student's personal income and to actual tax deduction (*see regulation 4(c) and clause 3(3) and (4) of new Schedule 2 set out in the Schedule*).

The third minor amendment clarifies that for the purposes of assessing parental income of a student with more than 2 parents, the 2 parents who are relevant are those nominated by the student (*see regulation 5(1)*).



The fourth minor amendment revokes items of the table in Schedule 1 of the principal regulations that are redundant given that parental income less than \$665.50 a week, or \$34,606 a year, does not affect the value of allowance payable (*see regulation 15*).

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
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These regulations are administered in the Ministry of Social Development.

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