



Student Loan Scheme Amendment Act 2003

Public Act 2003 No 7
Date of assent 26 March 2003
Commencement see section 2

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Student Loan Scheme Amendment Act 2003.

2 Commencement

This Act comes into force on the day on which it receives the Royal assent.

3 Student Loan Scheme Act 1992

Sections 4 to 11 amend the Student Loan Scheme Act 1992 (in those sections called “the principal Act”).

4 Interpretation

- (1) Section 2 of the principal Act is amended by inserting, after the definition of **non-resident repayment obligation**, the following definition:

“**PAYE intermediary** means a PAYE intermediary as defined in section OB 1 of the Income Tax Act 1994”.

- (2) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.

5 Employer to make repayment deductions

- (1) The heading to section 19 of the principal Act is amended by inserting, after the word “**Employer**”, the words “**or PAYE intermediary**”.
- (2) Section 19 of the principal Act is amended by repealing subsection (1), and substituting the following subsection:

“(1) If a borrower has given a notice under section 18 to an employer, each time the employer, or a person acting as a PAYE intermediary for the employer, pays an amount to the borrower by way of salary or wages for an income year, the employer or the person must make a deduction from that amount.”
- (3) Subsections (1) and (2) apply to obligations under the principal Act that arise on and after 1 April 2004.

6 Information to show repayment deductions made

- (1) Section 24(1) of the principal Act is amended by inserting, after the words “Every employer”, the words “or PAYE intermediary”.
- (2) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.

7 PAYE rules of Income Tax Act 1994 to apply to repayment deductions

- (1) Section 25(1) of the principal Act is amended by inserting, after the words “every employer”, the words “, PAYE intermediary,”.
- (2) Section 25(2) of the principal Act is amended by omitting the expression “NC 17,”.
- (3) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.
- (4) Subsection (2) applies for the 2002–03 and subsequent income years.

8 Payment of terminal repayment obligation

- (1) Section 30 of the principal Act is amended by repealing subsection (1), and substituting the following subsection:
“(1) A terminal repayment obligation for an income year that is not previously due and payable is due and payable on the borrower’s **terminal tax date**, as defined in section OB 1 of the Income Tax Act 1994, for the income year.”
- (2) Subsection (1) applies for the 2002–03 and subsequent income years.

9 Power of Commissioner in respect of small amounts

- (1) Section 51 of the principal Act is amended by inserting, after the words “an employer” in both cases where those words occur, the words “or a PAYE intermediary”.
- (2) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.

10 Challenge to assessment of repayment deduction

- (1) Section 67 of the principal Act is amended by inserting, after the words “Any employer”, the words “or PAYE intermediary”.
- (2) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.

11 Offences in respect of repayment deductions

- (1) Section 77(1)(d) and (e) of the principal Act is amended by inserting, after the words “an employer” in the second place they appear, the words “or a PAYE intermediary”.
 - (2) Subsection (1) applies to obligations under the principal Act that arise on and after 1 April 2004.
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Legislative history

19 March 2003	Divided from Taxation (Annual Rates, Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill (Bill 213–3C)
25 March 2003	Third reading
26 March 2003	Royal assent

This Act is administered in the Inland Revenue Department.
