

New Government Policies in Force from Today

A number of new Government social policies come into force today.

Paid Parental Leave

Labour MP Sue Moroney's proposed bill to extend paid parental leave to six months was defeated last month. Instead, paid parental leave increases by two weeks to 16 weeks today. The entitlement will also rise to 18 weeks from 1 April 2016.

HomeStart Scheme

The HomeStart scheme replaces the KiwiSaver first home deposit subsidy scheme. The new scheme doubles the support for buying a new home, a property bought off plans or land to build a new home on, and also increases the cap on the price of eligible houses, for example from \$485,000 to \$550,000 in Auckland and from \$425,000 to \$450,000 in Wellington and Christchurch. Those eligible, can receive a grant of up to \$6000 after three years in KiwiSaver, \$8000 after four years and \$10,000 after five years for the purchase of a newly built home, a property bought off plans or land to build a new home on. For those purchasing an existing/older home the amount of the grant remains the same as it was under the KiwiSaver first home deposit subsidy scheme.

Minimum Wage

Superannuation payments increase 2.07 per cent and the adult minimum wage increases from \$14.25 an hour to \$14.75 an hour, a 3.5% increase.

Parental Tax Credit

The parental tax credit for lower-income families increase from \$150 a week to \$220 a week, and the entitlement for the credit will increase from eight weeks to 10 weeks.

ACC Levies

ACC levies paid by employers and self-employed people fall from 95 cents per \$100 of liable earnings, to 90 cents.

A number of other policies, including all children under 13 years having free GP appointments and free prescriptions, are to come into effect in the coming months. We will keep you updated.

If you wish to discuss any of the above policy changes please contact us and we can direct you to the appropriate advisor.