Inland Revenue
Te Tari Taake

MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

Memorandum of Understanding

BETWEEN THE MINISTRY OF SOCIAL DEVELOPMENT

AND

THE INLAND REVENUE DEPARTMENT

FOR THE

SUPPLY OF INFORMATION FOR WORKING FOR FAMILIES
TAX CREDITS ADMINISTRATION

PURSUANT TO AN APPROVED INFORMATION SHARING AGREEMENT UNDER
PART 9A OF THE PRIVACY ACT 1993 AND
SECTION 81A OF THE TAX ADMINISTRATION ACT 1994

May 2018

This Memorandum of Understanding is made on the _____29 _H_____ day of May 2018.

Between   **The Chief Executive of the Ministry of Social Development** ("MSD")

And   **The Commissioner of Inland Revenue** ("Inland Revenue")

BACKGROUND

A.   This Memorandum supersedes the 2017 Agreement.

B.   Changes are required to the 2017 Agreement to reflect the introduction of the Best Start Tax Credit under the Families Package (Income Tax and Benefits) Act 2017 and to enable Inland Revenue to seek clarification of information provided by MSD. This Memorandum replaces the 2017 Agreement from the date that it is signed by both Parties. The AISA constitutes the sole authority for this information sharing arrangement. To avoid doubt, this Memorandum is not an information matching agreement under the Privacy Act 1993.

C.   New Zealand's social security system includes various entitlements to income assistance from the Government that are intended to ensure that every family receives a minimum level of income whether they are in paid employment or not.

D.   One of those entitlements is Working for Families Tax Credits, which are a reduction in the tax liability a low-income family would otherwise be required to pay on the income they earn during a tax year. Because income tax is deducted as the income is earned, a person who expects to be entitled to a Working for Families Tax Credit may apply for and be paid, a weekly or fortnightly instalment of the estimated value of the Working for Families Tax Credit, with the difference between the actual entitlement and the estimated entitlement being calculated at the end of the tax year.

E.   The overestimation of a Working for Families Tax Credit that is paid by advance instalments will leave the recipient with tax to pay at the end of the tax year. However, underestimation of such a Working for Families Tax Credit will mean that the recipient had less to live on per week during that tax year than they were entitled to have.

F.   To maximise the accuracy of the estimates, the administration of these Working for Families Tax Credits is shared between Inland Revenue and MSD. Inland Revenue delivers the Working for Families Tax Credits to eligible people who are working in paid employment, and MSD delivers the Working for Families Tax Credits to eligible people who are receiving a Benefit under the Social Security Act 1964.

G.   Where an eligible Beneficiary moves from a Benefit into the workforce, that person may experience a delay between the cessation of payment of the Working for Families Tax Credit from MSD and the commencement of the payment from Inland Revenue, because the existing processes require the person to make a new application to Inland Revenue before payment of the Working for Families Tax Credit will recommence.

H.   The Government considers that such a delay in the payment of the Working for Families Tax Credit inhibits a person from re-entering the workforce, which often involves new costs for the person and a delay until the first receipt of salary or wages.

I.   The Government considers that an information sharing arrangement between MSD and Inland Revenue will simplify the social security system by removing the need for an eligible person to make a new application to Inland Revenue when he or she moves from a Benefit to paid employment, and that such an arrangement will significantly assist in making sure that people get the assistance that they are entitled to, at the time when they need it most.

J.   It is the intention of both MSD and Inland Revenue to achieve that aim by sharing information under this Memorandum, in a manner that is consistent with the principles of the Privacy Act 1993.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Memorandum, including the Background, Schedules and Annex, unless the context otherwise requires:

"2017 Agreement" means the agreement between MSD and Inland Revenue dated August 2017 which continued the information sharing arrangement known as the "MSD/IR Family Tax Credit Administration Match", was previously known as the "MSD/IRD Family Assistance Administration Match", and was entered into pursuant to the AISA;

"Abating WFF Tax Credit" means a tax credit under section MD 1 of the ITA;

"Adverse Action" has the same meaning as in section 96C of the Privacy Act 1993;

"AISA" or "Approved Information Sharing Agreement" means the information sharing agreement between the Parties dated July 2017 that is made under section 81A of the TAA and Part 9A of the Privacy Act 1993, approved by the Order in Council, and which came into force on 31 August 2017.

"Beneficiary" means any person who is or was in receipt of any Benefit;

"Beneficiaries" means more than one Beneficiary;

"Beneficiary Information", in relation to a Beneficiary, means information that identifies the Beneficiary, the Beneficiary's spouse (if any) and any dependent child of that Beneficiary (including their dates of birth and IRD Numbers), and any other information that may assist the Commissioner to:

(a) commence paying Family Tax Credits to a Qualifying Person who has ceased to be entitled to be paid an interim installment of a tax credit under section 80KN of the TAA:
(b) contact a person in order to invite the person to—
  (i) apply for a Working for Families Tax Credit; or
  (ii) provide additional information so that the Commissioner may calculate the Working for Families Tax Credit: or
(c) withdraw or replace a certificate of entitlement under section 80KH of the TAA;

"Benefit" has the meaning specified in the AISA;

"Best Start Tax Credit" or "BSTC" means a tax credit under section MG 1 of the ITA;

"Chief Executive" means the Chief Executive of MSD;

"Commencement Date" means the date on which this Memorandum comes into force in accordance with clause 13.1 of this Memorandum;

"Commissioner" means the Commissioner of Inland Revenue and has the same meaning as in section 3 of the TAA;

"Delegated Persons" means individual officers of Inland Revenue and any other persons who have been charged by the Commissioner to undertake any of the roles or responsibilities required under this Memorandum;

"Family Tax Credit" or "FTC" means the component of the Abating WFF Tax Credit calculated using the formula in section MD 3 of the ITA;

"Inland Revenue" means the Inland Revenue Department, including the Commissioner of Inland Revenue;

"IRD number" has the meaning specified in the AISA;

"ITA" means the Income Tax Act 2007;

"Match" refers to when Source Information supplied by MSD corresponds with information held by Inland Revenue about an individual and reveals an unconfirmed discrepancy, and "Matches", "Matching" and "Matched" have corresponding meanings;

"Memorandum" means this Memorandum of Understanding and includes the Background, Schedules, Annexes and any amendments;

"MSD" means the Ministry of Social Development;

"MSD Client number" means the MSD social welfare number;

"Order in Council" means the Order in Council that approved the AISA and is made under sections 96J to 96L of the Privacy Act 1993, dated July 2017, as amended from time to time.

"Parties" means MSD and Inland Revenue;

"Personal Information" means information about an identifiable individual as defined in section 2 of the Privacy Act 1993;

"Privacy Commissioner" means the Privacy Commissioner appointed under section 12 of the Privacy Act 1993;

"Qualifying Person" means a person who meets the requirements in section MC 2 of the ITA;

"Secure Transmission Method" means an online file transfer, USB Ironkey or other secure means of transmitting information which:
(a) in relation to the transfer of "Restricted" information (as defined in the current New Zealand Government Security Classification System), is consistent with the standards (including encryption measures) in the current New Zealand Information Security Manual (NZISM) or its equivalent; and
(b) in relation to the transfer of other information that is not restricted, the Parties will make reasonable efforts to ensure is consistent with those standards; and
(c) the Parties have agreed detailed operating protocols for in consultation with the Privacy Commissioner.

"Source Information" means Beneficiary Information provided by MSD to Inland Revenue;

"TAA" means the Tax Administration Act 1994;

"Technical Standards" means the detailed technical standards governing the operation of this Memorandum, as specified at Schedule II;

"Unique Identifier" has the same meaning as in section 2(1) of the Privacy Act 1993;

"Unsupported Child and Orphan's Benefit" refers to the unsupported child's benefit under section 29 of the Social Security Act 1964 and/or the orphans' benefits under section 28 of the Social Security Act 1964;

"USB Ironkey" means a USB Ironkey or other secure portable data storage device;

"Working Day" has the same meaning specified in the AISA.

"Working for Families Tax Credit" has the meaning specified in the AISA and, for the purpose of this Memorandum, includes a tax credit paid under sections 80KA - 80KW of the TAA.

1.2   In this Memorandum, unless the context otherwise requires, any reference to:

(a)   A clause is a reference to a clause of this Memorandum;
(b)   The singular includes the plural and vice versa;
(c)   Any legislation includes any modification or re-enactment of, legislation enacted in substitution for, or any regulation, order in council or other instrument from time to time issued or made under, that legislation.

(d)   Any headings and marginal notations in this Memorandum have been inserted for convenience only and are to be ignored in construing this Memorandum.

2.   PURPOSE

2.1   The purpose of this Memorandum is to amend and continue the information sharing arrangement which is more commonly called the "MSD/IRD Working for Families Tax Credits Administration Match", which enables MSD to provide Beneficiary Information to Inland Revenue to facilitate the timely commencement, cessation and correct calculation of entitlements to Working for Families Tax Credits. In addition, the Parties may use information shared under this Memorandum for the purposes specified in the AISA.

2.2   The overall aims of this Memorandum are to simplify the social security system and to make sure that people get the assistance that they are entitled to at the time when they need it most, in order to support people moving into employment.

3.   THE INFORMATION SHARING ARRANGEMENT

3.1   The details of the information sharing arrangement are set out in the Technical Standards. Broadly, it involves the weekly provision of a list from MSD to Inland Revenue, which Inland Revenue will use as a basis for administering the Working for Families Tax Credits for people on that list. The list will show the details of people to whom MSD was paying a Working for Families Tax Credit, who have ceased or will shortly cease to be paid that Benefit by MSD and, as a result, MSD will have either granted, resumed, cancelled or suspended the persons benefit payments (including where a child in respect of whom an Unsupported Child's Benefit or Orphan's Benefit is or was payable has entered or left the person's care).

3.2   Inland Revenue will compare the Source Information with any information held by the Commissioner which relates to the Qualifying Person. If the results of that comparison indicate that the Commissioner may need to pay, or cease payment of a Working for Families Tax Credit to that person, Inland Revenue will start paying or cease paying the Working for Families Tax Credit and contact the person to confirm the entitlement.

3.3   This Memorandum is not intended to be used to enhance either MSD's or Inland Revenue's ability to identify Benefit fraud or revenue fraud, such matters being addressed by a limited and separate memorandum.

4.   SUPPLY OF SOURCE INFORMATION

4.1   MSD will from time to time provide Inland Revenue with a list of Qualifying Persons who have ceased or commenced to be entitled to a Working for Families Tax Credit since the preceding supply of Source Information.

4.2   The list of Qualifying Persons shall be provided in accordance with the Technical Standards, which may be varied from time to time. Should additional supplies of Source Information be required, such as a fax supply of information in relation to a person who has for some reason been omitted from a list, that supply must still be in accordance with the Technical Standards.

4.3   MSD will only provide such information as the Chief Executive considers necessary to enable the Commissioner to:

a)   commence paying Family Tax Credits to a Qualifying Person who has ceased to be entitled to be paid a Tax Credit under section 80KN of the TAA; or

b)   contact a person in order to invite the person to –
(i)   apply for a Working for Families Tax Credit; or
(ii)   provide additional information so that the Commissioner may calculate the Working for Families Tax Credit; or

c)   withdraw or replace a certificate of entitlement under section 80KH of the TAA;

4.4   In addition, Inland Revenue may contact MSD at any time in the manner specified in the Technical Standards if it has any queries in respect of any Source Information provided by MSD.

4.5   Notwithstanding anything in this Memorandum, in the event that the Chief Executive is in doubt about

whether the provision of any particular information to the Commissioner is necessary for any of the activities in clause 4.3 or clause 4.4, the Chief Executive may temporarily suspend the supply of that particular information, advise Inland Revenue of the reason for doubt, and request that Inland Revenue advise why that particular information is considered to be necessary.

4.6　Notwithstanding anything in this Memorandum, the Chief Executive retains the unfettered discretion to not supply any particular Beneficiary Information if, in the circumstances at the time as the Chief Executive believes them to be, he or she considers that the supply of that information is not, for any reason, necessary to enable the Commissioner to achieve the purposes of the AISA or this Memorandum.

5. INFORMATION SHARING CONDITIONS

5.1　The Information Sharing Conditions set out in Schedule I will apply and the Parties shall comply with those conditions.

6. TECHNICAL STANDARDS

6.1　Inland Revenue, in close co-operation with MSD, has established and shall maintain detailed technical standards to govern the operation of this Memorandum.

6.2　The detailed technical standards to govern the operation of this Memorandum are set out in Schedule II.

7. AUDIT PROVISIONS

7.1　The Parties agree to undertake joint reviews of the security and other procedures applicable to this Memorandum whenever either Party believes that such a review is necessary, or in any event no less than once every 12 months.

7.2　The Parties shall use their reasonable endeavours to make available the necessary resources, facilities and information to facilitate each joint review.

8. CONFIDENTIALITY OF INFORMATION

8.1　The Parties are responsible for complying with their obligations under the Privacy Act 1993, the Official Information Act 1982 and, where applicable, the TAA and the Social Security Act 1964.

8.2　Each Party may use their existing procedures to address any request for Personal Information from the individual concerned, and will consult if necessary to meet such a request.

8.3　In the event that either Party receives an Official Information Act 1982 request for information relating to the operation of or administrative arrangements for this Memorandum, including an enquiry from a member of the media, the Party receiving the request will consult with the other Party on the proposed response prior to making a decision on the request.

8.4　The Parties note that section 81 of the TAA imposes secrecy obligations on every officer of Inland Revenue, which may limit the ability of Inland Revenue to respond to a request for information or the provision of certain information to MSD.

8.5　Subject to clause 8.4, any officer of MSD or officer of Inland Revenue may supply to the Privacy Commissioner any information or answer any reasonable question put to that person by the Privacy Commissioner or produce to the Privacy Commissioner any document or thing relating to this Memorandum, if the Privacy Commissioner reasonably requires that officer to do so under the Privacy Commissioner's powers under the Privacy Act 1993.

9. AUTHORISED SUPPLIERS AND RECEIVERS OF INFORMATION

9.1　MSD shall ensure that only those employees, contractors or agents of MSD who are authorised by the Chief Executive to do so supply Source Information to Inland Revenue.

9.2　Inland Revenue shall ensure that only Delegated Persons receive the Source Information supplied by MSD to Inland Revenue.

10. FEE

10.1 The Parties have agreed that no fee will be payable to cover the costs of MSD supplying Source Information pursuant to this Memorandum.

11. DISPUTE RESOLUTION

11.1 Should any dispute or difference relating to the interpretation or application of this Memorandum arise, the Parties will in good faith meet and negotiate with a view to resolving the dispute or difference as quickly as possible.

11.2 Notwithstanding the existence of a dispute, the Parties shall continue to fully comply with their obligations under this Memorandum.

12. AMENDMENTS

12.1 Subject to clause 15.4, any variations to this Memorandum shall be in writing, and be executed by the Commissioner and the Chief Executive (or any other person approved for this purpose by the Commissioner or the Chief Executive, as the case may be).

12.2 Both Parties will use all reasonable endeavours to share information in accordance with this Memorandum. A Party proposing a variation to this Memorandum shall give reasonable notice to the other Party of the proposed variation, and the reason for it.

12.3 Should the Parties be unable to agree on variations to this Memorandum the matter shall be dealt with in accordance with the Dispute Resolution clause of this Memorandum.

13. COMMENCEMENT

13.1 This Memorandum supersedes the 2017 Agreement with effect from the date that it is signed by both Parties.

14. TERMINATION

14.1 This Memorandum is to continue in force until:

a) it is superseded by a new memorandum; or
b) such other termination date agreed to in writing by both Parties.

14.2 The obligations in this Memorandum which concern confidential information shall remain in force notwithstanding the termination of this Memorandum.

14.3 If extraordinary circumstances arise (including but not limited to war, fire, flood, storm, or restraint of government) which prevent either Party from performing its obligations under this Memorandum, the performance of that Party's obligations shall be suspended for as long as those extraordinary circumstances prevail.

15. NOTICES

15.1 All notices and other communications between the Parties under this Memorandum shall be sent alternatively:

a) by mail with postage prepaid to the address described in clause 15.4;
b) by hand delivery to such place designated by phone by the recipient Party's contact person referred to in clause 15.4;
c) by email to a designated secure email address;
d) by facsimile to such number nominated by the recipient Party's contact person referred to in clause 15.4; or
e) to such other address or person as that Party may specify by notice in writing to the other.

15.2 All such notices or communications shall be deemed to have been duly given or made:

a) 4 days after being deposited in the mail by the sender with all postage prepaid; or
b) on delivery when delivered by hand by or on behalf of the sender; or
c) in the case of email, at the time the email enters the recipient's information system as evidenced by a delivery receipt requested by the sender and it is not returned undelivered or as an error.
d) if sent by facsimile when the sender receives a completed transmission report unless a verifiable query as to material illegibility is promptly raised; or

15.3   Delivery by hand or transmission by facsimile prior to 5.00 p.m. on a Working Day shall be deemed effected on the date of delivery or transmission, and delivery or transmission after 5.00 p.m. shall be deemed effected on the next Working Day.

15.4   Each Party's contact person, and the contact addresses to be used, in relation to this Memorandum as at the Commencement Date are:

Ministry of Social Development
PO Box 1556
Wellington 6140
The Aurora Centre
56 The Terrace
WELLINGTON

Fax: (04) 918 0102
Ph: Section 9(2)(a)
Email: Section 9(2)(a) @msd.govt.nz

Inland Revenue Department
PO Box 2198
Wellington 6140
Level 4, Asteron Centre
55 Featherstone Street
WELLINGTON

Fax: (04) 803 1765
Ph: Section 9(2)(a)
Email: Section 9(2)(a) @ird.govt.nz

A Party may change its contact person, or their contact addresses, at any time by giving the other party's contact person notice of the change.

16.   ASSIGNMENT/SUBCONTRACTING

16.1   Neither Party shall assign, transfer, subcontract or otherwise dispose of any benefits, rights, liabilities or obligations under this Memorandum or any part of this Memorandum without the prior authority of the other Party.

16.2   Where a contractor, including a person contracted to provide services to the Party in the same or substantially similar manner to the employees of that Party is engaged, it is a condition of providing the authority referred to in clause 16.1 that the contractor be obliged by a suitable term in the relevant contract for services to observe no lesser care, conduct, and confidentiality in relation to the information to which this Memorandum relates as an employee of that Party would be obliged to observe.

17.   REPORTING

17.1   Both Parties will monitor the sharing of Information under this Memorandum and may report independently within their respective organisations on the sharing of Information under this Memorandum.

17.2   As Lead Agency under the AISA, IR may be required by the Privacy Commissioner to report on the sharing of Information under this Memorandum, including for the broader purposes authorised under the AISA.

17.3   To assist with IR's reporting under clause 17.2, MSD will provide IR with relevant information regarding the sharing of Information under this Memorandum.

EXECUTED by the Parties.

Signed for **Inland Revenue** by:

Signature:

Name: **JOANNA CLIFFORD**
Position: **PROCESS INTEGRITY MANAGER, PROCESS INTEGRITY**

Date: 29/5/18 .

Signed for the **Ministry of Social Development** by:

Signature:

Name: **RUTH BOUND**
Position: **DEPUTY CHIEF EXECUTIVE, SERVICE DELIVERY**
On behalf of the MINISTRY OF SOCIAL DEVELOPMENT

I have a delegation under section 41 of the State Sector Act 1988 to sign for the Ministry.

Date: 23/5/18

Information Sharing Conditions

1. NOTICE TO AFFECTED PERSONS

1.1 Both Parties shall take all reasonable steps to ensure that Beneficiaries or former Beneficiaries who will be affected by this Memorandum are notified of the Memorandum.

1.2 The anticipated steps will consist of:

a) public notification,
b) posting and maintaining accurate information about the Memorandum on each Party's respective website, and
c) including information about the Memorandum in relevant pamphlets that relate to the entitlement and/or administration of Working for Families Tax Credits.

1.3 Where public notification is to be given by way of specific paid advertisements in any advertising media, the logos and names of both Parties should be equally displayed in the advertisement. Inland Revenue and MSD are jointly responsible for meeting all the costs of any such advertising, which may not proceed without the written agreement of both Parties as to content and cost.

1.4 Each Party shall bear their own costs in respect of clause 1.2(a), (b) and (c) of this Schedule.

1.5 Inland Revenue shall only take Adverse Action against any person on the basis of a discrepancy produced by this Memorandum if the requirements of section 96Q of the Privacy Act 1993 have been met. In practical terms this will mean that where as a result of the discrepancy the Commissioner decides to:

a) commence paying Working for Families Tax Credits, other than a Family Tax Credit, to a person who has ceased to be entitled to a Family Tax Credit, while the Parties do not consider that to be an Adverse Action, Inland Revenue shall send to that person a written notice containing the details specified in clause 7.1 of Schedule II within 72 hours of that decision;

b) immediately withdraw or replace a certificate of entitlement, which will in practice suspend or reduce the payment to a person of all or part of an interim instalment of a Working for Families Tax Credit, Inland Revenue shall send to that person a written notice containing the details specified in clause 7.2 of Schedule II within 72 hours of that decision; or

c) contact a person in order to invite that person to apply for a Working for Families Tax Credit or to provide additional information, no notice will be sent as that contact is not an Adverse Action and the contact, which may be by phone or in writing as the Commissioner sees fit, will inform the relevant person of the situation.

1.6 Nothing in clause 1.5 shall prevent Inland Revenue from taking Adverse Action against a person without giving notice if compliance with the requirements of clause 1.5 would prejudice any investigation into the commission of an offence or the possible commission of an offence.

2. USE OF UNIQUE IDENTIFIERS

2.1 IRD numbers, a Unique Identifier belonging to Inland Revenue, will be used as part of the matching

algorithm for this Memorandum, and where held by MSD will be transferred to Inland Revenue as part of the Source Information.

2.2   MSD Client numbers, created and assigned by MSD will be supplied by MSD to Inland Revenue and used as part of the Matching algorithm for this Memorandum. Inland Revenue will store this number on the Inland Revenue database on the identified individuals file for future use by this Memorandum.

2.3   It is considered that the use of these Unique Identifiers are essential to the success of this Memorandum, as it is expected to significantly increase the number of automated Matches, which will in turn enable the Commissioner to act quickly. Timing is vital to achieving the full value of this Memorandum, as the intent of this Memorandum is in part to pay eligible former Beneficiaries the Working for Families Tax Credit when they need it most, ideally in the pay period immediately after the payment from MSD ceases, so that continuity of payment is maintained.

2.4   In the event that Inland Revenue needs to query the accuracy of a discrepancy or investigate a possible processing error with MSD, the IRD number and the MSD Client number may also be used to assist in correctly identifying the individual concerned.

3.   TECHNICAL STANDARDS

3.1   The supply and use of any information to which this Schedule applies shall be governed by the Technical Standards and the other conditions of this Memorandum.

4.   SAFEGUARDS FOR PERSONS AFFECTED BY RESULTS OF MEMORANDUM

4.1   The procedures that shall be followed to confirm the validity of any Match revealed by this Memorandum are set out in clause 4 to 6 of Schedule II in the Technical Standards.

5.   DESTRUCTION OF INFORMATION

5.1   The Parties acknowledge that each Party has obligations to retain public records under the Public Records Act 2005, being public records as defined by that Act.

5.2   Where Source Information disclosed under this Memorandum does not reveal a discrepancy, MSD shall destroy that Personal Information as soon as practicable.

5.3   Where Source Information disclosed under this Memorandum reveals a discrepancy, MSD shall destroy that Source Information as soon as practicable after the discovery of the discrepancy unless MSD has made a decision to take Adverse Action against any individual and the Source Information is required for the purposes of taking that Adverse Action.

Schedule II

Technical Standards

Part A – Integrity of the Information

1. Relevance

1.1 MSD may supply Inland Revenue only with Source Information that is Beneficiary Information and which the Chief Executive also considers is necessary to enable the Commissioner to do those things listed in the definition of Beneficiary Information. Information that is not both Beneficiary Information and necessary is "irrelevant" for the purposes of this Memorandum, and is not to be supplied pursuant to this Memorandum.

1.2 The Source Information supplied to Inland Revenue shall, in relation to each Beneficiary, only include information specified at Annex B under the column "item description".

1.3 The Source Information supplied shall be in the format provided for by clause 15.1 of this Schedule.

1.4 In particular circumstances, as specified in Annex C, certain Source Information will not be required, in which event the unnecessary fields of Source Information are not to be supplied.

1.5 Source Information provided under this Memorandum shall be derived from MSD's computer systems, which record information given by Beneficiaries.

2. Timeliness

2.1 Inland Revenue will commence using the Source Information within 2 Working Days of receiving it.

2.2 If extraordinary circumstances arise (including but not limited to war, fire, flood, storm, or restraint of government) which prevent either Party from performing its obligations under this Memorandum, the performance of that Party's obligations shall be suspended for so long as those extraordinary circumstances prevail.

3. Completeness

3.1 MSD shall take all reasonable steps to ensure that the Source Information as specified in clause 1.2 of this Schedule is complete and correct.

3.2 MSD conducts checks of the information contained in its database.

3.3 These checks will assist in ensuring the quality of the Source Information that is passed by MSD to Inland Revenue.

3.4 The Parties agree to establish a process to allow Inland Revenue to contact MSD in order to clarify any Source Information provided by MSD.

Part B – Supply Techniques

4. Matching Algorithm

4.1 The Matching algorithm for this Memorandum determines when Source Information transferred from MSD to Inland Revenue about a particular person "Matches" the information held by Inland Revenue.

4.2 If the Source Information "Matches", then the two records are accepted as relating to the same person, following which Inland Revenue's information will be updated using the Source Information provided by MSD, which will then result in further action (i.e. "a discrepancy").

4.3 The Matching algorithm for this Match is set out in the table below, where a tick (✓) indicates an identical Match between the Source Information provided by MSD and the information held in Inland Revenue's Records, a (-) indicated under SWN number indicates MSD Client number not supplied by MSD and a cross (✗) indicates a difference between the information:

Section 6(c)

4.4 In the event that there is no "Match", Inland Revenue will investigate why the Source Information has not Matched, which may include contacting MSD to attempt to identify the reason why no Match has occurred in relation to that record or contacting the individual (based on the Source Information details) to attempt to confirm the reason that no Match has occurred.

5. Unique Identifiers

5.1 A Unique Identifier belonging to Inland Revenue, the IRD number, will be used as part of the Matching algorithm, and where held by MSD will be transferred as part of the file provided to Inland Revenue. It is considered that the use of this Unique Identifier is essential to the success of this Memorandum.

5.2 MSD Client numbers, created and assigned by MSD will be supplied by MSD to Inland Revenue and used as part of the Matching algorithm for this Memorandum. Inland Revenue will store this number on the Inland Revenue database on the identified individuals file for future use under this Memorandum.

5.3 In the event that Inland Revenue needs to query the accuracy of a discrepancy or investigate a possible processing error with MSD, the IRD number and the MSD Client number will be used to assist in correctly identifying the individual concerned.

6. Supply Purposes

6.1 This Memorandum involves the provision of Source Information to assist Inland Revenue to commence and where appropriate recalculate entitlements to Working for Families Tax Credits in a timely and efficient manner.

7. Notices to affected persons

7.1 Where a notice to an affected person is to be sent in accordance with clause 1.5(a) of Schedule I, the notice shall include the following details:

a) details of the discrepancy;
b) a specific description of what action has been taken, including stating the:

   i. weekly/fortnightly dollar amount the Commissioner has commenced paying,
   ii. bank account to which that amount has or will be paid,
   iii. action, if any, that the payee must take to continue to receive the payment, and
   iv. action for the payee to take if the payee considers that the payment should not have been made or is being made incorrectly;

c) a concise description of this Memorandum; and·
d) appropriate contact details for Inland Revenue for further enquiries.

7.2 Where a notice to an affected person is to be sent in accordance with clause 1.5(b) of Schedule I, and the Adverse Action has not yet been taken, the notice shall include the following:

a) details of the discrepancy;
b) a specific description of the Adverse Action that the Party proposes to take;
c) a statement that the person has not less than five working days from the receipt of the notice to show why the Adverse Action should not be taken;
d) a concise description of this Memorandum;
e) a reference to the internet address where more detailed information may be obtained; and
f) appropriate contact details for Inland Revenue for further enquiries.

7.3 Where a notice to an affected person is to be sent in accordance with clause 1.5(b) of Schedule I, and an Adverse Action has already been taken pursuant to clause 6(c) of the AISA, the notice shall include the following:

a) details of the discrepancy;
b) a description of what Adverse Action has already been taken;
c) a statement inviting that person to contact Inland Revenue to show why that action should not have been taken;
d) a description of any further Adverse Action(s) that the Commissioner proposes to take;
e) a statement that the person has five working days from the receipt of the notice to show cause why the further Adverse Action(s) referred to in (d) should not be taken;
f) a concise description of this Memorandum;
g) a reference to the internet address where more detailed information may be obtained; and
h) appropriate contact details for Inland Revenue for further enquiries.

Part C - Security

8. Access to Source Information

8.1 Inland Revenue shall receive Source Information only from an officer, employee, contractor or agent of MSD who is authorised by the Chief Executive to supply the Source Information.

8.2   Inland Revenue shall ensure that access to the Source Information is restricted to those officers of the Department who have proper reason to access that Source Information.

9.   Timing

9.1   Source Information shall be supplied by MSD to Inland Revenue at periodic intervals normally on a Tuesday.

9.2   The specific timing of the supply is to be monitored by both Parties and adjusted based on the operational requirements of this Memorandum, with a view to maximising the effectiveness and efficiency of the Memorandum while observing the limitations set out in this Memorandum and the Privacy Act 1993.

10.   Transfer of Source Information

10.1   The Parties may transfer the Source Information between each other by means of a Secure Transmission Method.

11.   Delegated Persons

11.1   Each Party shall appoint a Delegated Person to oversee the operation of this Memorandum and shall ensure that such person is familiar with the requirements of these Technical Standards, this Memorandum and the Privacy Act 1993. Any query or difficulty arising in connection with this Memorandum shall at first instance be referred to the appropriate Delegated Person for clarification or resolution.

12.   Disasters

12.1   In the event of any disaster the Parties shall co-operate to take such reasonable steps as may be necessary to ensure the security of the Source Information.

13.   Technical Faults

13.1   If any technical fault arises which prevents either Party from sharing information within the agreed timeframes, the Party which is prevented from completing the relevant step shall immediately notify the other Party of:

a)   The nature of that fault;
b)   The action being taken to remedy that fault; and
c)   The resolution of that fault.

13.2   Both Parties shall use their best endeavours to ensure that the fault is remedied in such a manner as to permit information sharing to resume in a timely manner, noting that all procedures designed to protect the information from loss, misuse, or improper access must still be strictly observed.

14.   Corrupted USB Ironkey or Source Information

14.1   Either Party shall immediately notify the other Party if any:

a)   USB Ironkey or on-line transfer data batch is found to be corrupted or otherwise unusable;
b)   Source Information on the USB Ironkey or in the batch is found to be corrupted or otherwise unusable; or

c)   Source Information appears to not comply with the requirements of this Memorandum.

14.2   On receiving any notice under clause 14.1 from Inland Revenue, MSD shall, as soon as practicable and subject to the procedures in this schedule, provide to Inland Revenue:

a)   in the circumstances set out in clause 14.1 (a), provide a replacement USB Ironkey, or a replacement on-line transfer data batch, that is not corrupt or unusable and which includes the same Source Information as the original USB Ironkey or batch;
b)   in the circumstances set out in clause 14.1 (b), Source Information that is not corrupt or unusable; or
c)   in the circumstances set out in clause 14.1 (c), Source Information that does comply with the requirements of this Memorandum.

Inland Revenue shall return the corrupt or unusable USB Ironkey to MSD.

15.   Format of Source Information

15.1   Source Information supplied for the purposes of this Memorandum shall be supplied using a Secure Transmission Method and in the format agreed by the Parties.

16.   Identification of USB Ironkey or data batch file

16.1   Each copy of a USB Ironkey supplied by MSD to Inland Revenue shall be clearly labelled.

16.2   Each copy of a data batch file supplied by MSD to Inland Revenue shall be identified by a unique serial number so that no two files shall have the same serial number. The serial number shall be included in the batch file-name.

17.   Back-up USB Ironkey or data batch file

17.1   MSD and Inland Revenue may back up any USB Ironkeys or data batch files as a safety precaution in the event of any technical or other problems.

17.2   The information on back-up USB Ironkeys or in back-up data batch files shall be erased or over-written after a period of 16 weeks.

17.3   This clause (clause 17 of Schedule II) is subject to any applicable requirements to retain copies of public documents in accordance with each Party's legal obligations in respect of the retention of copies of public records.

18.   Confidentiality of Source Information

18.1   The Parties are individually responsible for complying with their obligations under the Privacy Act 1993, the TAA, the Official Information Act 1982 and the Social Security Act 1964.

19.   Time Limits

19.1   Annexed to this Report (at Annex A) are details of the limits set on the number of times that Source Information will be supplied pursuant to this Memorandum excluding test runs.

Limits

The Parties to this Memorandum have established limits on the number of times that exercises are carried out pursuant to this Memorandum in each year of the Memorandum's operation.

These limits may be varied from time to time by the Parties, by agreement in writing.

The Limits

The Parties agree that the maximum number of times that Source Information will be provided pursuant to this Memorandum will be once per week each year of this Memorandum's operation, excluding any test runs.

This maximum relates to the number of times data files may be supplied, whether by USB Ironkey or on-line data batch file. In addition, MSD may supply any number of individual records to Inland Revenue where that is necessary. The number of such individual records supplied manually in any year is to be recorded by Inland Revenue and reported in accordance with clause 17 of the main body of this Memorandum, if required by the Privacy Commissioner. The limits do not apply to the resolution of queries under clause 4.4 of the Memorandum.

Volumes

The Parties agree that no realistic volume limit can be specified for this Memorandum, as the number of records supplied will be primarily determined by the number of people who have ceased or start to receive a Benefit from MSD. A small number of records are also expected to be re-submitted as a consequence of the error resolution process.

Annex B   Description of the data fields to be used under this Memorandum

This is the updated list of information that IRD are going to receive from the MSD information transfer. Not all the information will be provided in each transfer. The field is required to be left blank if information is not available.

No.	Data item	Field Attribute	Description	Tag in the XML file sent from MSD to IR
1.	Action code	Alpha	An indicator to denote the change in circumstances that affect the FTC or BSTC • Values are: "S" - suspend, "C" – cancel, "R" – resume, "G" – grant, "I" – include, "E" – exclude, • "S", "C", "R" and "G" are for main Benefits and OB/UCB. • "I", "E" are for OB/UCB only.	ActionCode
2.	IR frequency of FTC/BSTC payment	Alpha	The payment frequency which IR will use for paying FTC/BSTC to the client. It will be captured for Benefit suspension/cancellation (in SBSR, SBSRC, SBFTZ, SBZC and batch actions). • Valid values are: "Weekly" "Fortnightly" "Annually" *Note: IR will automatically default to Annually if blank.* • Only required with a Suspend or Cancel transaction. • Not set for OB/UCB as it doesn't apply to OB/UCB	PaymentFrequency

| 3. | FTC/BSTCto be paid by indicator | Alpha | This indicates whether FTC/BSTC will be paid by MSD or IR.

• Valid values are:
"MSD" - MSD pays the FTC
"IRD"- IR pays the FTC

• Not set for OB/UCB as it doesn't apply to OB/UCB | FTCBSTCPaidBy |

| 4. | FTC/BSTC Final Payment Date / Expiry Date | Date (CCYY-MM-DD) | Final pay date that FTC/BSTC payment is paid into client's bank account by MSD.

Where FTC/BSTC income is to be reported on file, the FTC/BSTC Final Payment Date/Expiry Date will be derived based on weekly pay period due dates. However, if the due date belongs to a previous tax year a blank payment date will be reported.

Overall, if MSD is paying extended FTC/BSTC, the last FTC/BSTC payment date = due date of "extended FTC/BSTC" expiry date.

Note: For BSTC, this can be the due date relating to the end date of the 4-week payment extension due to BSTC child's death.

Variations from this are:

1) Where IR is already paying FTC/BSTC since last stop, any subsequent stop action would mean that no FTC income will be passed to them, hence last FTC pay date = blank
2) Where FTC/BSTC is already transferred to IR, and a review of FTC/BSTC from previous tax year have created arrears, last FTC/BSTC pay date = blank as ad hoc arrears of FTC/BSTC could be for a previous pay period.
3) If a Benefit was granted/resumed effective in the past, hence FTC/BSTC arrears created, and then suspended/cancelled from the start of pay period (hence no regular payment will occur), last FTC/BSTC pay date = blank.
4) Where regular payment was withdrawn or unposted the pay date for that payment will still be reported as the last FTC/BSTC pay date. | FTCBSTCFinalPayment |

If MSD is not paying extended FTC/BSTC,
1) If Benefit was granted/resumed and suspended/cancelled and these two actions were done on same pay period prior to the IR extract:
   last FTC/BSTC payment date = "blank" if suspend/cancel effective date is from start of pay period
   last FTC/BSTC payment date = next regular payment due date if suspend/cancel effective date is after the start of pay period
2) If Benefit is suspended/cancelled effective from start of current pay period, or past pay period (in this case FTC/BSTC was overpaid), last FTC/BSTC payment date = regular payment due date based on action date: OR
3) If Benefit is suspended/cancelled effective in the next pay period (eg: via expiries), last FTC/BSTC payment date = regular payment due date based on effective date.

- Only required with a Suspend or Cancel transaction.
- Not set for OB/UCB as it doesn't apply to OB/UCB

5.	FTC/BSTC MSD Payment Extension	1 Numeric	This is the number of **weeks** MSD will pay extended FTC for. It will be captured for Benefit suspension/cancellation (in SBSR, SBSRC, SBFTZ, and SBZC).
			
			• Valid values are:
			  0 – Don't extend MSD FTC payment
			  2 – MSD extends FTC payment for 2 weeks
			  3 – MSD extends FTC payment for 3 weeks
			  4 – MSD extends FTC payment for 4 weeks
			  5 – MSD extends FTC payment for 5 weeks
			  6 – MSD extends FTC payment for 6 weeks
			  7 – MSD extends FTC payment for 7 weeks
			  8 – MSD extends FTC payment for 8 weeks
			
			• Only required with a Suspend or Cancel transaction.
			• Not set for OB/UCB as it doesn't apply to OB/UCB
				FTCBSTC PaymentExtensionWeeks

6.	Gross Benefit Rate of payment	10 Numeric, 2 Decimal	This is the weekly gross rate of Benefit as at the time of extract. • Only required with a Grant or Resume transaction. • Not set for OB/UCB as it doesn't apply to OB/UCB	CurrentRate
7.	Reason code for Benefit cessation	3 Numeric	This is the reason for suspension or cancellation of the Benefit. • Only required with a Suspend or Cancel transaction. • Not set for OB/UCB as it doesn't apply to OB/UCB	CessationReasonCode
8.	Service Type	6 Alpha	Service type of the Primary carer, e.g. JS – Jobseeker Support. • This is required for all actions	TypeOfService
9.	System date and time	Date and time (CCYY-MM-DDTHH:MM:SS)	Date and time the action took place.	ExtractDate
10.	Primary Carer SWN	9 Numeric	The MSD unique identifier for the client.	CustomerID

11.	Primary Carer salutation	4 Alpha	The client's Title e.g. "Mrs". Set to blank if there is no title held.	Title
12.	Primary Carer first names	22 Alpha	This is the client's given names.	FirstName
13.	Primary Carer surname	22 Alpha	This is the client's given surname.	LastName
14.	Primary Carer DOB	Date (CCYY-MM-DD)	This is the client's date of birth. This date cannot be a future date.	Date
15.	Primary Carer IR number	9 Numeric	The IR number held by MSD at the time of extract for the client who is receiving the FTC/BSTC.	TaxNumber
16.	Primary Carer Daytime phone number	23 Alpha	The telephone number will display as entered in the system, e.g. 07 1234567.	Number
17.	Primary Carer Residential Address Line 1	35 Alpha	This is the client's postal address line 1. • This will be the latest residential address held in SWIFTT.	AddressLine
18.	Primary Carer Residential Address Line 2	35 Alpha	This is the client's postal address line 2. • This will be the latest residential address held in SWIFTT.	AddressLine

19.	Primary Carer Residential Address Line 3	30 Alpha	This is the client's postal address line 3. • This will be the latest residential address held in SWIFTT.	AddressLine
20.	Primary Carer Postal Address Line 1	35 Alpha	This is the client's postal address line 1. • The postal address is required to be included in the file if it is different from the residential address.	AddressLine
21.	Primary Carer Postal Address Line 2	35 Alpha	This is the client's postal address line 2. • The postal address is required to be included in the file if it is different from the residential address.	AddressLine
22.	Primary Carer Postal Address Line 3	30 Alpha	This is the client's postal address line 3. • The postal address is required to be included in the file if it is different from the residential address.	AddressLine
23.	Primary Carer Date of arrival in New Zealand	Date (CCYY-MM-DD)	The date the client arrives in NZ. Latest arrival date in NZ regardless of tax year	ArrivalDate

| 24. | Primary Carer Bank account number or Agent Bank Account number (if applicable). | 16 Alpha | Account Number to which FTC/BSTC payments will be credited.

• Format will be standard bank account format of
2 digit Bank ID
4 digit Branch
7 digit account number
3 digit suffix
Note: Hyphens (-) and slashes (/) are not required

• Agent bank account will always be provided by MSD when one exists.
• The Primary Carer's bank account could be a Building Society bank account number. | BankAccount |

| 25. | Primary Carer Gross Family Tax Credit paid since Benefit start date (including any FTC extension payments) | 10 Numeric, 2 Decimal | The amount of FTC received since Benefit start date.

FTC income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
• If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
• If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
    ○ If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
    ○ If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
• This amount only includes FTC extension payments paid up to the time of extract to IR.
• This will be regardless of any period where the client record may not have met the 'FTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.

• "Primary carer" will be the client receiving FTC at the time of grant/suspend/resume/cancel action.
• Only required with a Suspend or Cancel transaction.
• Not set for OB/UCB as it doesn't apply to OB/UCB. | FTCSupplementaryTaxTotal |

26.	Primary Carer Gross BSTC paid since Benefit start date (including any BSTC extension payments)	10 Numeric, 2 Decimal	The amount of BSTC received since Benefit start date.	BSTCSupplementaryTaxTotal
			FTC income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.	

The amount of BSTC received since Benefit start date.

FTC income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
- If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
- If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
  - If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
  - If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
- This amount only includes BSTC extension payments paid up to the time of extract to IR.
- This will be regardless of any period where the client record may not have met the 'BSTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.

- "Primary carer" will be the client receiving BSTC at the time of grant/suspend/resume/cancel action.
- Only required with a Suspend or Cancel transaction.
- Not set for OB/UCB as it doesn't apply to OB/UCB.

| 27. | Primary Carer Gross income from Benefit since Benefit start date excluding all non-taxable allowances | 10 Numeric, 2 Decimal | The amount of gross Benefit received since Benefit start date.

Income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
• If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
    ○ The calculated income is the income received within the current tax year, regardless of what period that income covers. E.g. For a weekly Benefit, payment paid on 3/4/08 covers the period 24/03/08 to 30/03/08 but will be included as income received since 1/04/08.
• If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
    ○ If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
    ○ If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
• This will be regardless of any previous taxable Benefit code (e.g. NQS and any other 'non-accepted' Benefit will be included in the income calculation)
• This will be regardless of any period where the client record may not have met the 'FTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.
• The amounts that will be included in the income calculation are: Regular payments and arrears Manual ad hocs Withdrawals that were processed before the extract.

• Benefit start date could be since the start of the current tax year or last "stop" action sent to IR, whichever is the latest.
• Only required with a Suspend or Cancel transaction.
• Not set for OB/UCB as it doesn't apply to OB/UCB. | ServiceTaxTotal |

28.	Primary Carer Benefit Start Date	Date (CCYY-MM-DD)	This is the Primary carer's actual Benefit start date. • Only required with a Grant or Resume transaction. • Not set for OB/UCB as it doesn't apply	StartDate
29.	Primary Carer Benefit End Date	Date (CCYY-MM-DD)	This is the Primary carer's actual Benefit end date. • Only required with a Suspend or Cancel transaction. • Not set for OB/UCB as it doesn't apply	CessationDate
30.	Primary Carer No. of Working Hours	2 Numeric	Estimated Number of hours Primary Carer will be working. • Default value is 0 • Family Qualifying hours are: 30+ hrs Couple or 20+ for Sole Parent • Only required for Suspend or Cancel transaction with In-Work Reason Code • Not set for OB/UCB as it doesn't apply to OB/UCB	HoursWorked
31.	Primary Carer Weekly Income	10 Numeric, 2 Decimal	The amount of gross weekly salary/wages that the client receives. • Default value is 0 • Only required for Suspend or Cancel transaction with In-Work Reason Code • Not set for OB/UCB as it doesn't apply to OB/UCB	WeeklyIncome
Information about the primary carer's partner				
32.	Partner SWN	9 Numeric	The partner's SWN number held by MSD. • Not set for OB/UCB as it doesn't apply to OB/UCB.	PartnerSWN, CustomerID
33.	Partner salutation	4 Alpha	This is the partner's title e.g. Mrs etc. • Set blank if there is no title • Not set for OB/UCB as it doesn't apply to OB/UCB.	Title

34.	Partner First name	22 Alpha	This is the partner's given names. • Not set for OB/UCB as it doesn't apply to OB/UCB.	FirstName
35.	Partner Surname	22 Alpha	This is the partner's surname. • Not set for OB/UCB as it doesn't apply to OB/UCB.	LastName
36.	Partner DOB	Date (CCYY-MM-DD)	This is the partner's date of birth. • Not set for OB/UCB as it doesn't apply to OB/UCB.	Date
37.	Partner IR number	9 Numeric	The IR number held by MSD for the partner of the Primary Carer. • Not set for OB/UCB as it doesn't apply to OB/UCB	TaxNumber
38.	Partnership known since date	Date (CCYY-MM-DD)	This is the spouse inclusion date. • Not set for OB/UCB as it doesn't apply to OB/UCB.	InclusionDate

39.	Partner Gross FTC paid since Benefit start date (including any FTC extension payments)	10 Numeric, 2 Decimal	The amount of FTC received since Benefit start date.	FTCSupplementaryTaxTotal

			FTC income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
			• If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
			• If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
			   o If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
			   o If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
			• This will be regardless of any period where the client record may not have met the 'FTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.
			• This amount only includes FTC extension payments paid up to the time of extract to IR.
			• "Partner" will be the partner of primary carer at the time of grant/suspend/resume/cancel action
			• Only required with a Suspend or Cancel transaction.
			• Not set for OB/UCB as it doesn't apply to OB/UCB.	

| 40. | Partner Gross BSTC paid since Benefit start date (including any BSTC extension payments) | 10 Numeric, 2 Decimal | The amount **of BSTC received** since Benefit start date.

BSTC income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
• If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
• If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
  o If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
  o If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
• This will be regardless of any period where the client record may not have met the ' BSTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.
• This amount only includes BSTC extension payments paid up to the time of extract to IR.
• "Partner" will be the partner of primary carer at the time of grant/suspend/resume/cancel action
• Only required with a Suspend or Cancel transaction.
• Not set for OB/UCB as it doesn't apply to OB/UCB. | BSTCSupplementaryTaxTotal |

| 41. | Partner Gross income from Benefit since Benefit start date excluding all non-taxable allowances | 10 Numeric, 2 Decimal | The amount of Benefit received since Benefit start date.

Income will be from the cancel/suspend date back to the last "stop" action extracted for that client record to IR.
• If the last extract for that client was in a previous tax year then go back to 1 April of the current tax year.
    ○ The calculated income is the income received within the current tax year, regardless of what period that income covers. E.g. For a weekly Benefit, payment paid on 3/4/08 covers the period 24/03/08 to 30/03/08 but will be included as income received since 1/04/08.
• If there was no previous stop extract and the client record commenced within the tax year, then go back to the grant date.
    ○ If there was a previous STOP extract IN THE CURRENT TAX YEAR then we go back to Benefit after the last STOP date (ie: STOP date + 1 day)
    ○ If there was NO previous STOP extract IN THE CURRENT TAX YEAR and the client record commenced within the tax year, then we go back to the 1/4
• This will be regardless of any previous taxable Benefit code (e.g. NQS and any other 'non-accepted' Benefit will be included in the income calculation)
• This will be regardless of any period where the client record may not have met the 'FTC transfer criteria', e.g. if children were only included halfway through a Benefit record, or if a previous Benefit had no children included, or a previous Benefit was cancelled or suspended for a 'non-accepted' reason code - if any of these occurred during the period that we calculate income, then we still include the Benefit paid during this time.

The amounts that will be included in the income calculation are:
    ○ Regular payments and arrears
    ○ Manual ad hocs
    ○ Withdrawals that were processed before the extract.

• Only required with a Suspend or Cancel transaction.
• Not set for OB/UCB as it doesn't apply to OB/UCB. | ServiceTaxtotal |

42.	Partner Benefit start date	Date (CCYY-MM-DD)	This is the start date of the partner's Benefit. • Only required with a Grant or Resume transaction. • Not set for OB/UCB as it doesn't apply to OB/UCB.	StartDate
43.	Partner Benefit end date	Date (CCYY-MM-DD)	This is the end date of the partner's Benefit. • Only required with a Suspend or Cancel transaction. • Not set for OB/UCB as it doesn't apply to OB/UCB.	CessationDate
44.	Partner No. of Working Hours	2 Numeric	Estimated Number of hours Partner will be working. • Defaults to 0 • Family Qualifying hours: 30+ hrs Couple or 20+ for Sole Parent • Only required for Suspend or Cancel transaction with In-Work Reason Code • Not set for OB/UCB as it doesn't apply to OB/UCB	HoursWorked
45.	Partner Weekly Income	10 Numeric, 2 Decimal	The amount of gross weekly salary/wages received by the partner. • Only required for Suspend or Cancel transaction with In-Work Reason Code. • Not set for OB/UCB as it doesn't apply to OB/UCB.	WeeklyIncome
Child's information				

	For grant, suspend, resume, cancel of the main Benefit, the child's information is required:
	   o *for all children included in the Benefit, which could either be linked to the client and/or partner at the time of action; and*
	   o if client/partner is receiving BSTC for at least one OB/UCB child, include all the children included in the OB/UCB, which could either be linked to the client and/or partner at the time of action.
	• For child inclusion or exclusion existing rules apply, ie. the child's information is only required for the child being included or excluded.
	• For grant, suspend, resume, cancel of the OB/UCB, existing rules apply.			

46.	Child first names	22 Alpha	This is the child's given names.	FirstName
47.	Child surname	22 Alpha	This is the child's surname.	LastName

48.	Child DOB	Date (CCYY-MM-DD)	Child's date of birth.	Date
49.	Child Number of days, out of 14, in client's custody (if child is in shared custody)	2 Numeric	This is the number of days the child is in the client's care.	ChildCustody
50.	Child OB/UCB Indicator	Boolean	This indicates whether OB/UCB is being received for the child • Valid values are: 　○ *"True" – where the Benefit type that the child is included in is OB/UCB* 　○ "False" – where the Benefit type that the child is included in is NOT OB/UCB • Set for all child records on file, i.e. not just for OB/UCB Benefits • Set for all action codes and for each child included in the Benefit	ChildOBUCBIndicator
51.	Child Start Date	Date (CCYY-MM-DD)	For all Benefit types, this field is populated as follows: • Valid values are: 　○ Benefit start date for action codes G (grant) and R (resumption) 　○ Child inclusion date (SCHI) for action code I (inclusion) 　○ Blank for action codes S (suspension), C (cancellation) and E (exclusion)	ChildDateIncluded

| 52. | Child Stop Date | Date (CCYY-MM-DD) | • This field is populated as follows:
  o With the 'Primary Carer Benefit End Date' where Benefit Type = OB1, OB, UCB1 or UCB and Action Code = S
  o With Date of Child Exclusion where Benefit Type = OB1, OB, UCB1 or UCB and Action Code = E, C
  o 'Blank' if Benefit type not OB1, OB, UCB1 or UCB

• For OB/UCB Benefits only
• Only applies to Child Exclusion, Suspension and Cancellation actions | ChildDateExcluded |
| 53. | Child BSTC Indicator | Boolean | This indicates whether BSTC is being paid for the child

• Valid values are:
  o *"True" – where the client is receiving BSTC for this child*
  o "False" – where the client is NOT receiving BSTC for this child

• Set for all child records for the client, i.e. not just for OB/UCB Benefits
• Set for all action codes and for each child included in the Benefit | ChildBSTCIndicator |

Annex C

What Fields to be completed for Grants, Resume, Suspend and Cancel for Income Tested Benefits:

MSD may supply a *minimum of 53 fields of data. However, exactly what is supplied will be dictated by the circumstances of the Beneficiary. The below table indicates the data that will be supplied based on whether the Beneficiary has been granted, has resumed or cancelled or has suspended their Benefit.
(*for file information with 2 or more child details included, the child detail fields will be repeated by 7 fields per additional child).

Section 6(c)

Section 6(c)

Section 6(c)

What Fields to be completed for Grants, Resume, Suspend and Cancel and I and E for Supported Child's Benefits

MSD may supply a *minimum of 53 fields of data. However, exactly what is supplied will be dictated by the circumstances of the Beneficiary. The below table indicates the data that will be supplied based on whether the Beneficiary has been granted, has resumed or cancelled or has suspended their Benefit.
(* for file information with 2 or more child details included, the child detail fields will be repeated by 7 fields per additional child).

Section 6(c)

Section 6(c)

Section 6(c)

Annex D

The Online Transfer Process

This Annex is intended to provide an overview of the on-line transfer process for this Memorandum.

Inland Revenue and MSD will use data level encryption. This will secure the Source Information being exchanged, and ensures that:

1. The message being exchanged can only be decrypted by the recipient (Inland Revenue)

2. Verifies that the message was in fact sent by MSD

3. Confirms that the message has not been tampered with in transit.

The Secure Pathway

The continued method of transmission is via a secure B2B channel using Web Services. Web Services connect services together. They are a set of standardised applications to connect and integrate web-based applications over the Internet. Using Best Practice implementations, agencies can agree a common approach to interoperable service delivery to customers. The Parties agree to take all reasonable steps to adhere to the latest version of the New Zealand Information Security Manual in respect of security standards for the transfer of data.

*   In order for IRD to receive B2B traffic, a common web server is used to provide the external interface. This server is isolated from the back-end processes using a firewall and restricts connectivity by only allowing known trading partner IP Addresses to connect.

*   On receipt by the Web Server, the B2B messages are passed to the backend systems to be processed. Typically, the protocols used in a B2B exchange use further techniques to tighten security. The exact techniques used are detailed below

*   The Web Server is accessed by external trading partners using a generic URL. This URL accepts all of IRD's B2B traffic and disperses the messages to the internal systems by interrogating its content, specifically; protocol type, trading partner identifier and subject.

Encryption/Decryption of the Data File

B2B is the transport mechanism. The MSD data file is secured through an encryption process that is independent of the transport mechanism.
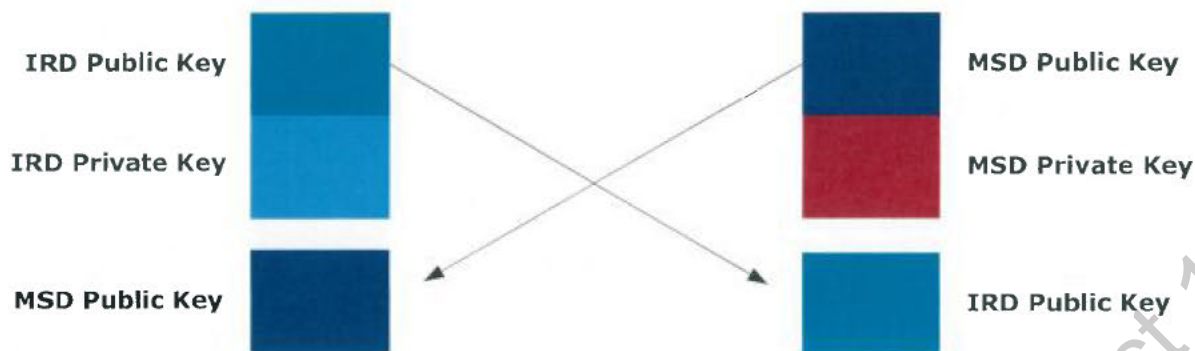
Section 6(c)

Figure 1: Public key exchange

Encryption/Signing Prior to Transmission by MSD

Prior to the data file being transmitted to Inland Revenue via B2B it will be digitally signed and encrypted using the OASIS governed "Message Security v1.0" standards. EGIF endorses this as "Recommended".

Decryption at IRD

Once the data file is delivered into Inland Revenue's core IT production environment, IRD's private key is used to decrypt the encrypted message.

The message's digital signature is verified by decrypting the message digest that was encrypted with MSD's private key. This ensures that it was signed by, and therefore originated at, MSD.

The following diagram shows the Web Service process used to secure messages sent to Inland Revenue from MSD.
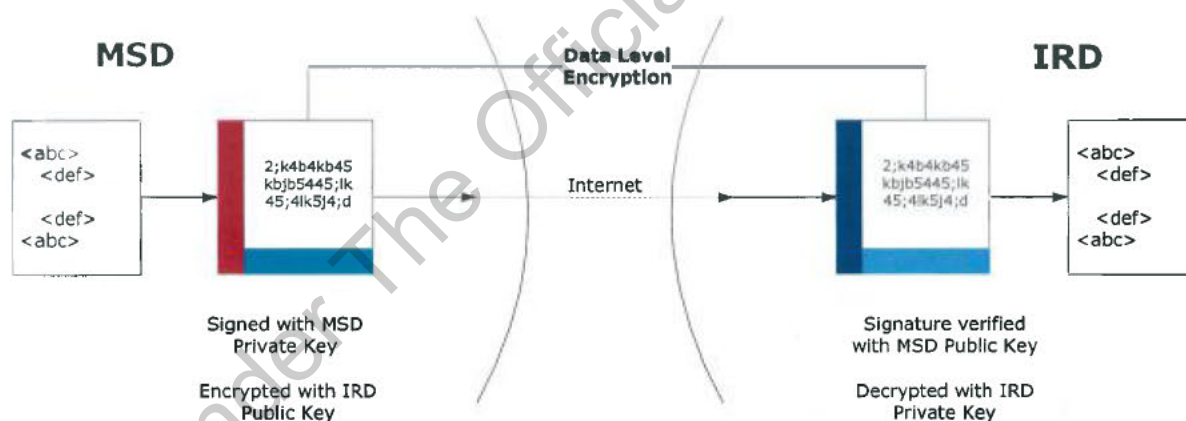

Figure 2: End to end security

Inland Revenue core IT production environment

Access to programs and data with the Inland Revenue core IT production environment is strictly controlled and is managed by a small specialist team in IT, our Enterprise Application Integration (EAI) team. General staff do not have access to data (and data files) received from MSD.

The new (B2B) channel uses a generic URL hosted by Inland Revenue that is shared with all of IRD's B2B trading partners. However MSD files contain a subject which uniquely identifies the message and how it should be channelled, ensuring correct processing. Inland Revenue also has a mechanism in place to prevent duplicate requests being processed.

Access to the MSD file is limited to read-only and cannot be modified in any way before it is processed.
The current level of security that was implemented for the SEE Mail Information Exchange with MSD has not been degraded.