



**Memorandum of Understanding
for the Exchange of Information**

between

Inland Revenue

and

Ministry of Social Development

for

Working for Families Tax Credit and Benefit Double Payment

May 2018

**Pursuant to an Approved Information Sharing Agreement
under Part 9A of the Privacy Act 1993 and
section 81A of the Tax Administration Act 1994**

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Released Under The Official Information Act 1982

PARTIES

- (1) **INLAND REVENUE** ("IRD"), and
- (2) **MINISTRY OF SOCIAL DEVELOPMENT** ("MSD")

BACKGROUND

- (a) Until 31 August 2017, sections 82, 83, 84, and 85 of the TAA authorised the exchange of information about certain classes of identifiable individuals between IRD and MSD.
- (b) IRD and MSD both wished to exchange information about identifiable individuals and agreed:
 - (i) to execute the 1994 IMA intending it to take effect as and be the written agreement referred to in section 99 of the Privacy Act 1993; and
 - (ii) to comply with the provisions of the 1994 IMA.
- (c) Since the signing of the 1994 IMA, IRD and MSD have begun to conduct on-going periodic exchanges of information between them about recipients of Working For Families Tax Credits during specified periods.
- (d) Following changes to the legislation that enabled the exchange of information between IRD and MSD and changes in technology, in December 2016, the Parties agreed to enter into an agreement that replaced the 1994 IMA (the 2016 IMA).
- (e) In July 2017, the Parties entered into the AISA and corresponding Memorandum of Understanding pursuant to the AISA (2017 MoU). The 2017 MoU replaced the 2016 IMA. The 2017 MoU now needs to be updated to reflect the introduction of the Best Start Tax Credit under the Families Package (Income Tax and Benefits) Act 2017; to enable the Parties to contact one another with any queries regarding information that is shared under this MoU; and to remove some clauses that are no longer operational. The Parties have, therefore, agreed to enter into this Memorandum, which replaces the 2017 MoU.
- (f) The AISA constitutes the sole authority for the sharing of information under this Memorandum.

OPERATIVE PROVISIONS

1 DEFINITIONS

1.1 Definitions

Unless the context requires otherwise, words or expressions defined in section 3 of the TAA and in section 2 of the Privacy Act 1993 shall have the same meanings when used in this Memorandum (and shall have their initial letters capitalised), except that in this Memorandum "Commissioner" shall mean the Commissioner of Inland Revenue (as defined in section 3 of the TAA) and "Privacy Commissioner" shall mean the Privacy Commissioner established under section 12 of the Privacy Act 1993.

1.2 Other Definitions

In addition, in this Memorandum, including the Background, unless the context requires otherwise:

"1994 IMA" means the Agreement for the Exchange of Information between Inland Revenue and the Department of Social Welfare (now known as MSD) dated 26 September 1994;

"2016 IMA" means the Agreement for the Exchange of Information between Inland Revenue and MSD dated 19 December 2016;

"2017 MoU" means the Memorandum of Understanding for the supply of information for Working for Families Tax Credit and Benefit Double Payment, dated 29 August 2017, between IRD and MSD;

"Adverse Action" means any action that may adversely affect the rights, benefits, privileges, obligations, or interests of any specific individual; and, without limiting the generality of the foregoing, includes any decision:

- (a) to cancel or suspend any monetary payment:
- (b) to refuse an application for a monetary payment:
- (c) to alter the rate or amount of a monetary payment:
- (d) to recover an overpayment of a monetary payment:
- (e) to make an assessment of the amount of any tax, levy, or other charge, or of any contribution, that is payable by an Individual, or to alter any such assessment:
- (f) to investigate the possible commission of an offence:
- (g) to make a deportation order in relation to an Individual, to serve an Individual with a deportation liability notice, or to deport an Individual from New Zealand;

"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 came into force on 31 August 2017;

"Authorised Officer of MSD" means an Authorised Receiver of Information or an Authorised User of Information or an Authorised Supplier of Information;

"Authorised Receiver of Information" means an officer, employee or agent of MSD who is authorised by the Chief Executive to receive information supplied by the Commissioner under this Memorandum, and who is named in the most current list of Individuals for this purpose supplied to the Commissioner pursuant to Clause 4.3 and who has executed a certificate required by the TAA and Clause 10.4;

"Authorised Supplier of Information" means an officer, employee or agent of MSD who is authorised by the Chief Executive to supply to the Commissioner any Individual Information held by MSD under this Memorandum, and who is named in the most current list of Individuals for this purpose supplied to the Commissioner pursuant to Clause 4.3;

"Authorised User of Information" means an officer, employee or agent of MSD who is authorised by the Chief Executive to use or have access to information supplied by the Commissioner under this Memorandum, and who has executed a certificate required by the TAA and Clause 10.4; and includes an Authorised Receiver of Information;

"Beneficiary", means any person who is receiving, or has received any Benefit and includes an applicant for a Benefit;

"Beneficiary Information", in relation to a Beneficiary, means:

- (a) the Beneficiary's IRD Number, name, and date of birth; and
- (b) information which identifies any Benefit that the Beneficiary is receiving, or has received, or for which the Beneficiary has applied, including, in the case of any Benefit that the Beneficiary is receiving or has received, (i) the date on which payment of the Benefit commenced and (where applicable) the date on which that payment ceased, or (ii) the period in which the Benefit was paid;

"Benefit" has the meaning specified in the AISA;

"BestStart Credit Abatement" means the component of the BestStart Tax Credit that is calculated using the formula in section MG 3 of the ITA;

"BestStart Tax Credit" means a tax credit under section MG 1 of the ITA;

"Cardholder", means an Individual who holds an Entitlement Card; and includes an applicant for an Entitlement Card;

"Cardholder Information", in relation to a Cardholder, means the Cardholder's IRD Number, name, and date of birth;

"Chief Executive" means the Chief Executive of Social Welfare being the Chief Executive of MSD appointed under section 35 of the State Sector Act 1988;

"Commissioner" means the Commissioner of IRD;

"Comparison" means the comparison of different categories or sets of records (whether effected manually or by electronic or other means) to determine whether identical, similar, different or conflicting information appears in them; and "Compare", "Compared", and "Comparing" shall be similarly construed;

"Delegated Person" 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;

"Discrepancy", in relation to this Memorandum, means a result of a Comparison that warrants the taking of further action by any agency for the purpose of giving effect to the objectives of this Memorandum and the AISA;

"Employment Cessation Date" means the date on which an Individual stopped being an employee of a particular employer;

"Employment Commencement Date" means the date on which an Individual started as an employee with a particular employer;

"Employment Income Information" has the meaning set out in section 23C of the TAA.

"Entitlement Card", means a card issued under the regulations made under section 132A of the Social Security Act 1964;

"Family Scheme" means all the entitlements and tax credits for families arising under subparts MA to MG and MZ of the ITA;

"Family Scheme Income" means the amount, described in section MB 1 of the ITA, based on a person's net income and adjusted as provided by subpart MB of that Act, being the legal provisions on which an entitlement and a tax credit under the Family Scheme is based;

"IMA" means an information matching agreement under Part 10 of the Privacy Act 1993;

"Income Year", in relation to any person, means:

- (a) where a person furnishes a return of income under section 33 of the TAA for an accounting year ending with an annual balance date other than the 31st day of March, a year ending with that annual balance date; or
- (b) in any other case, a year ending with the 31st day of March;

"Individual" means a natural person, other than a deceased natural person;

"Individual Information" means Beneficiary Information or Cardholder Information, or both;

"Individual Validation" means the verification by IRD of an Individual's identity using the Primary Identifier and one of two Secondary Identifiers;

"Information Exchange Co-ordinator" means the IRD Process Integrity Manager or such other person or business unit that IRD notifies MSD of in writing;

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

"ITA" means the Income Tax Act 2007;

"Memorandum" means this Memorandum for the Exchange of Information between IRD and MSD (as amended from time to time) and includes the Schedule, any Appendices and any amendments;

"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 IRD and MSD;

"Partner" means the person with whom the Qualifying Person lives in a marriage, civil union, or de facto relationship;

"Personal Information" means information about an identifiable individual; and includes information relating to a death that is maintained by the Registrar-General pursuant to the Births, Deaths, Marriages and Relationships Registration Act 1995, or any former Act (as defined by the Births, Deaths, Marriages and Relationships Registration Act 1995);

"Primary Identifier" means an Individual's IRD Number;

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

"Secondary Identifier" means:

- (a) the Individual's date of birth; or
- (b) the Individual's surname and the first initial of the Individual's first name;

"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 Agency" means the agency supplying information for the purposes of this Memorandum;

"TAA" means the Tax Administration Act 1994;

"Technical Standards" means the technical standards that govern the operation of this Memorandum, as set out in Schedule 1, as amended from time to time.

"USB Ironkey" means a secure portable data storage device that complies with the security requirements in Clauses 13 and 14 of the Technical Standards.

"Working Day" has the 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.

1.3 Interpretation

In this Memorandum, unless the context otherwise requires:

- 1.3.1 words importing the singular shall include the plural and vice versa;
- 1.3.2 headings shall be ignored and shall not affect the construction of this Memorandum;
- 1.3.3 references to Clauses are references to clauses of this Memorandum, and reference to the Schedule is a reference to the schedule to this Memorandum;
- 1.3.4 a "person" shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of the state, in each case whether or not having a separate legal personality;
- 1.3.5 expressions referring to "writing" shall be construed as including references to words printed, typewritten or otherwise visibly represented, copied or reproduced (including by facsimile or email);
- 1.3.6 a reference to any statute (or any provision thereof) shall be read as if the words "or any statutory modification or re-enactment of it or in substitution for it" were added to the reference.

1.4 Technical Standards

The Technical Standards shall form part of this Memorandum, and the Parties shall comply with its provisions as if they were set out in full in the body of this Memorandum. Any variation agreed by the Parties shall be acknowledged and confirmed in writing 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). However it shall not be necessary for the Parties to execute a formal variation of this Memorandum.

1.5 Period

The Parties intend that this Memorandum will continue in force until either the Chief Executive or the Commissioner terminate this Memorandum, and the Parties' rights and obligations under it, in a written notice given by one of them to the other.

1.6 Number of Comparisons

1.6.1 The number of occasions on which information may be Compared in any year pursuant to this Memorandum are specified in the Technical Standards.

1.6.2 In addition, a Party may contact the other Party at any time in a manner agreed by the Parties if that Party has any queries in respect of any Individual Information provided by the other Party.

1.7 No Agent

Nothing in this Memorandum shall constitute any Delegated Person as being an officer, employee or agent of MSD, nor shall anything in this Memorandum constitute any Authorised Receiver of Information, Authorised Supplier of Information or Authorised User of Information as being an officer, employee or agent of IRD.

1.8 Conferral of Rights

Nothing in this Memorandum is intended to benefit or confer any rights or remedies in favour of any person other than:

1.8.1 the Privacy Commissioner; or

1.8.2 the Commissioner; or

1.8.3 the Chief Executive.

2 PARAMOUNTCY

2.1 Compliance

The Parties shall at all times comply with the provisions of this Memorandum, the AISA, the relevant provisions of the TAA, the Public Records Act 2005 and the Privacy Act 1993.

3 PURPOSE

This Memorandum supersedes the 2017 MoU from the date that it is signed by both Parties and enables the Parties to share information for the purposes specified in this Memorandum and the AISA. In particular, it enables the Parties to share information for the purposes of:

3.1 Eligibility for Benefits

Enabling MSD to verify the entitlement or eligibility of any Beneficiary to or for any Benefit; and

3.2 Amount of Benefits

Enabling MSD to verify the amount of any Benefit to which any Beneficiary is or was entitled or for which any Beneficiary is or was eligible; and

3.3 Entitlement Cards

Enabling the Chief Executive to issue Entitlement Cards; and

3.4 Eligibility for Entitlement Cards

Enabling MSD to verify the entitlement or eligibility of any Cardholder to or for an Entitlement Card; and

3.5 Working for Families Tax Credits

Enabling identification of those Beneficiaries who are receiving a Working for Families Tax Credit from both IRD and MSD; and enabling MSD to verify whether a Qualifying Person is or was entitled to any Benefit.

4 DISCLOSURE OF INFORMATION FOR THE PURPOSES OF THIS MEMORANDUM

4.1 Authorised Suppliers of Information

The Chief Executive shall ensure that only officers, employees or agents of MSD who are authorised by the Chief Executive to supply to the Commissioner Individual Information held by MSD under this Memorandum may supply the Commissioner with:

4.1.1 Beneficiary Information for the purposes of verifying either the entitlement or eligibility of any Beneficiary to or for any Benefit, or the amount of any Benefit to which any Beneficiary is or was entitled or for which any Beneficiary is or was eligible; or

4.1.2 Cardholder Information for the purposes of verifying the entitlement or eligibility of any Cardholder to or for an Entitlement Card; or

4.1.3 Family support payment information for the purposes of verifying the entitlement or eligibility to or for a Working for Families Tax Credit.

4.2 Authorised Receivers of Information

In addition, the Chief Executive shall ensure that only officers, employees or agents of MSD who are authorised by the Chief Executive to receive information supplied by the Commissioner under this Memorandum, and who have executed a certificate required by the TAA and Clause 10.4, may receive that information from the Commissioner.

4.3 Lists

The Chief Executive shall from time to time provide the Commissioner with lists separately naming the Authorised Suppliers of Information and the Authorised Receivers of Information. Each list shall contain:

4.3.1 specimen signatures along with the full names and designation of each person; and

4.3.2 a statement that each Authorised Receiver of Information has signed the certificate required by the TAA and Clause 10.4.

4.4 Screening

The Chief Executive shall ensure:

- 4.4.1 (i) the people supplying information are Authorised Suppliers of Information; and
- (ii) the people receiving information are Authorised Receivers of Information; and
- 4.4.2 the Commissioner is advised promptly of any changes to the lists of Authorised Suppliers and Authorised Receivers of Information.

4.5 Reliance

The Commissioner may rely on the most current lists supplied to the Commissioner by the Chief Executive and (in the absence of the statement required by Clause 4.3.2) may assume for all purposes that the Chief Executive has caused each Authorised Receiver of Information named in those lists to execute the requisite certificate.

4.6 Authorised Users of Information

The Chief Executive shall ensure that only Authorised Users of Information have use or access to any information supplied by the Commissioner under this Memorandum.

5 COMPARISON OF INFORMATION FOR THE PURPOSES OF VERIFYING BENEFIT ENTITLEMENT OR ELIGIBILITY

5.1 Purpose

This clause 5 enables the comparison of information for the purposes of verifying:

- 5.1.1 the entitlement or eligibility of any person to or for any benefit; or
- 5.1.2 the amount of any benefit to which any person is or was entitled or for which any person is or was eligible; or
- 5.1.3 whether any premium or levy is payable or the amount of any premium or levy payable by any person.

5.2 Comparison

Subject to the Technical Standards and the other provisions of this Memorandum, the Commissioner may cause a Comparison of any Beneficiary Information supplied to it by an Authorised Supplier of Information to be made with information held at that time by IRD that relates to the relevant Beneficiary.

5.3 Existing Beneficiaries

If the Comparison referred to in Clause 5.2 indicates that any Beneficiary who is receiving, or has received, a Benefit is or was, while receiving that Benefit, also receiving any other Income then, subject to the Technical Standards, the Commissioner may, for the purposes of this Memorandum and the AISA, supply to an Authorised Receiver of Information all or any of the following information that is held by IRD and relates to the relevant Beneficiary:

- 5.3.1 where the Beneficiary is, or was, in employment while receiving any Benefit:
- (i) the date or dates on which that employment commenced (Employment Commencement dates); and

- (ii) where applicable, the date or dates on which that employment ceased (Employment Cessation dates); and
- (iii) the name and business address of each employer so employing that Beneficiary;

5.3.2 where the Beneficiary is, or was, receiving any other Income during any Income Year in which he or she is receiving, or has received, any Benefit, in circumstances where that other Income may be taken into account in determining the Beneficiary's entitlement to, or eligibility for, that Benefit, or in determining the amount of such Benefit, the amount of that other Income so received during that period.

5.4 Applicants for Benefits

Subject to the Technical Standards, if the Comparison referred to in Clause 5.2 indicates that any Beneficiary who is an applicant for any Benefit is receiving any Income from any source, and that Income may be taken into account in determining that Beneficiary's entitlement to or eligibility for that Benefit, or in determining the amount of such Benefit, the Commissioner may, for the purposes of this Memorandum and the AISA, supply details of that Income to an Authorised Receiver of Information. The details of Income so supplied will include:

- 5.4.1 the date or dates on which that Beneficiary commenced employment (Employment Commencement dates); and
- 5.4.2 where applicable, the date or dates on which that employment ceased (Employment Cessation dates); and
- 5.4.3 the name and business address of each employer so employing that Beneficiary.

6 INFORMATION RELATING TO THE ISSUE OF ENTITLEMENT CARDS

Subject to this Memorandum, on request from the Chief Executive, and to enable the Chief Executive to issue Entitlement Cards, the Commissioner may, at any time, supply to an Authorised Receiver of Information all or any of the following information that is held by IRD in relation to a Working for Families Tax Credit involving any Individuals under Part M of the ITA for the year commencing on 1 April 1990, or any subsequent year, (or any other year or years specified or permitted by legislation), namely:

6.1 Names

The names and addresses of the Individuals in receipt of that Working for Families Tax Credit; and

6.2 IRD Number

The IRD Number of each Individual in receipt of that Working for Families Tax Credit; and

6.3 Children

The number of children to which that Working for Families Tax Credit relates; and

6.4 Full or Partial Credit

Whether that Working for Families Tax Credit is a full credit or a partial credit; and

6.5 Relevant Year

The year to which that Working for Families Tax Credit relates; and

6.6 Deemed Family Scheme Income

The Family Scheme Income expected to be derived by a Qualifying Person, or the combined Family Scheme Income expected to be derived by the Qualifying Person and their Partner, which is used to determine that Working for Families Tax Credit; and

6.7 Actual Family Scheme Income

The Family Scheme Income derived by the Qualifying Person, or the combined Family Scheme Income derived by the Qualifying Person and their Partner, which is used to determine that Tax Credit; and

6.8 Working for Families Tax Credit Payable

The amounts of all Working for Families Tax Credits payable by instalments to the Qualifying Person, or the combined amounts of all Tax Credits payable by instalments to the Qualifying Person and their Partner; and

6.9 Working for Families Tax Credits Paid

The amounts of the Working for Families Tax Credits for the Income Year that are payable to the Qualifying Person, or the combined amounts of the Working for Families Tax Credits for the Income Year that are payable to the Qualifying Person and their Partner; and

6.10 Dates of Birth

The birth date of each child to which that Working for Families Tax Credit relates.

7 COMPARISON OF INFORMATION FOR THE PURPOSES OF VERIFYING THE ENTITLEMENT OR ELIGIBILITY OF ANY CARDHOLDER TO OR FOR AN ENTITLEMENT CARD

7.1 Comparison of Information

Subject to the Technical Standards and the other provisions of this Memorandum, the Commissioner may cause a Comparison of any Cardholder Information supplied to it by an Authorised Supplier of Information with information held by IRD that relates to the relevant Cardholders.

7.2 Result of Comparison

Subject to the Technical Standards, if the Comparison referred to in [Clause 7.1](#) indicates that a Cardholder is receiving, or has, during the previous Income Year, received, any Income from any source, and that Income may be, or might have been, taken into account in determining the Cardholder's entitlement to or eligibility for an Entitlement Card, the Commissioner may, for the purposes of this Memorandum, supply details of that Income to an Authorised Receiver of Information. The details of Income so supplied will include:

7.2.1 Section 6(c)

7.2.2

7.2.3

Section 6(c)

7.2.4

8 DISCLOSURE OF INFORMATION FOR WORKING FOR FAMILIES TAX CREDIT DOUBLE PAYMENT IDENTIFICATION

8.1 Purpose

This clause 8 enables the disclosure of information for the purpose of:

8.1.1 identifying a Qualifying Person and their Partner (if any) who are in receipt of a Working for Families Tax Credit from both the Commissioner and the Chief Executive; and

8.1.2 verifying whether a Qualifying Person is or was entitled to any Benefit.

8.2 Supply of Information

Subject to the Technical Standards and this Memorandum, the Commissioner may, at any time, supply to an Authorised Officer of MSD all or any of the following information that is held by IRD in relation to a Qualifying Person and their Partner (if any):

8.2.1

Section 6(c)

8.2.2

8.2.3

8.3 Comparison

Where, in relation to any Qualifying Person and their Partner (if any), information is supplied by the Commissioner to any Authorised Officer of MSD, the Chief Executive may Compare that information with any Beneficiary Information held by MSD which relates to that Qualifying Person and their Partner (if any).

8.4 Result

If the Comparison referred to in Clause 8.3 indicates that a Qualifying Person and their Partner (if any) is in receipt of a Working for Families Tax Credit from both the Commissioner and the Chief Executive, the Chief Executive shall supply to the Commissioner the following information that is held by MSD and relates to the relevant Beneficiary:

8.4.1 the amount of the Working for Families Tax Credit paid by MSD; and

8.4.2 the date on which the Working for Families Tax Credit was first paid.

8.5 Chief Executive May Retain Details

The Chief Executive may retain details of the Comparison for the purposes of verifying a current or previous entitlement to a Benefit.

9 AUDIT PROVISIONS

IRD and MSD agree that:

9.1 Information Supplied

Unless otherwise authorised by law, all requests for and supplies of Personal Information by MSD or IRD shall only be made or undertaken for the purposes of the AISA and this Memorandum and in accordance with this Memorandum, the AISA and the Privacy Act 1993; and

9.2 Integrity of Input Information

MSD shall undertake quality checks on all Individual Information prior to passing it to IRD for the purposes of the AISA and this Memorandum. The quality checks to be undertaken by MSD will include:

9.2.1 manual sample checking of information; and

9.2.2 validating dates of all relevant information; and

9.2.3 validating IRD Numbers by running the Modulus-11 computer programme; and

9.3 Breaches

The Chief Executive shall:

9.3.1 notify the Commissioner forthwith of any actual or suspected unauthorised disclosure of information protected under the TAA;

9.3.2 investigate any such breach or suspected breach in a manner satisfactory to the Commissioner, which may include having a Delegated Person present during the investigation; and

9.4 Commissioner's Powers

Without limiting Clause 9.3, if the Commissioner has cause to believe that any breach of the confidentiality provisions in this Memorandum or the TAA has occurred or may occur:

9.4.1 the Commissioner may undertake such inspections or investigations in relation to that breach or suspected breach as the Commissioner deems necessary or desirable, and the Chief Executive shall ensure that the Commissioner is provided with all reasonable assistance by MSD staff in connection with such inspections or investigations; and

9.4.2 the Commissioner may suspend all exchanges of information between MSD and IRD until such time as the Commissioner is satisfied that the information is secure and that the confidentiality provisions are capable of compliance, and will be complied with; and

9.5 Joint Reviews

Both Parties agree to undertake joint reviews of the security and other procedures applicable to this Memorandum whenever either Party believes on reasonable grounds that such a review is necessary. Both Parties will cooperate with each other in this regard and use their reasonable endeavours to make available the necessary resources, facilities and information to facilitate each joint review.

10 CONFIDENTIALITY

10.1 Officers of Department

Each Delegated Person is bound by the secrecy provisions of the TAA, and such secrecy applies to information that may be supplied to MSD pursuant to this Memorandum.

10.2 Disclosure by the Commissioner

Section 81A of the TAA, however, enables the Commissioner to communicate to any Authorised Receiver of Information any information which is communicated to that Authorised Receiver of Information for the purposes of an AISA.

10.3 Disclosure of MSD Information

Neither the Commissioner nor any Delegated Person shall disclose to any person any Individual Information disclosed to the Commissioner or that Delegated Person under this Memorandum, except where required to do so by law or for the purposes of the AISA or this Memorandum.

10.4 Certificate Executed by Authorised Officer of MSD

Section 87 of the TAA applies to each Authorised Receiver of Information and to each other officer, employee or agent of MSD who, following receipt of information by that Authorised Receiver of Information in the circumstances described in Clause 10.3, acquires or has access to information communicated through the agency of the Commissioner. Before any Authorised Officer of MSD acquires or has access to any information obtained through the agency of the Commissioner, he or she must:

10.4.1 execute a certificate in the form prescribed by the Commissioner from time to time which shall include the full name, address and signature of the Individual giving the certificate and the date on which the certificate is given; and

10.4.2 certify that he or she has been shown, has read, and has understood the provisions of section 87 of the TAA.

10.5 Effect of Certificate

After executing the certificate referred to in Clause 10.4, each Authorised Officer of MSD shall be bound to maintain and aid in maintaining the secrecy of all matters relating to the Inland Revenue Acts, including all Acts (whether repealed or not) at any time administered by or in IRD or relating to such other functions as may from time to time be, or have been, lawfully conferred on the Commissioner which come to the knowledge of that Authorised Officer of MSD. No Authorised Officer of MSD shall at any time communicate such matters to any person, except as required by law or for any purpose for which the Commissioner authorises disclosure and then only to the extent that the Commissioner so authorises such disclosure.

10.6 No Disclosures

Without limiting the generality of Clause 10.2 and Clauses 10.4 and 10.5, no Authorised Officer of MSD shall produce in any court or tribunal any book or document, or divulge or communicate to any court or tribunal, any matter or thing which the Authorised Officer of MSD may acquire or have access to or be given by way of information pursuant to Clause 10.2 or Clause 10.4, except as required by law or as authorised by the Commissioner.

10.7 Permanent Record

The Chief Executive shall ensure that all certificates executed by Authorised Officers of MSD (as referred to in Clause 10.4) are kept in a secure manner and as a permanent record as required by section 87 of the TAA.

10.8 District Offices

The Chief Executive shall be responsible for ensuring that any written information or USB Ironkey provided to district offices of MSD as a result of this Memorandum will:

10.8.1 be protected and dealt with while in the custody of the district offices as required under the provisions of the TAA, the Privacy Act 1993 and this Memorandum; and

10.8.2 only be available for use or access by Authorised Officers of MSD.

10.9 Rights of the Privacy Commissioner

Notwithstanding Clauses 10.1 to 10.8, any Authorised Officer of MSD or Delegated Person may supply to the Privacy Commissioner any information or answer any 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 requires that Authorised Officer of MSD or Delegated Person to do so under his or her powers in that regard under the Privacy Act 1993.

11 SAFEGUARDS FOR INDIVIDUALS

11.1 Applicable Confirmation Procedures

MSD and IRD agree to establish reasonable procedures to confirm the validity of Discrepancies detected before either Party can rely upon them as a basis for taking any Adverse Action in respect of an Individual.

11.2 Minimum Procedures

Without limiting the generality of Clause 11.1, the confirmation procedures to be established and maintained by the Parties prior to the taking of any Adverse Action shall include a further review of the relevant Individual's files or records at MSD or IRD.

11.3 Dispensation

Clauses 11.1 and 11.2 shall not apply in respect of information relating to any Individual if both Parties consider that there are reasonable grounds to believe that the particular results are not likely to be in error. In forming their respective beliefs, both Parties shall have regard to the consistency in content and context of the information being Compared.

11.4 Individual Confirmation

If any confirmation procedures adopted from time to time by IRD and MSD involve direct communication with an Individual rather than the checking of results against the source information, MSD shall notify that Individual that no check has been made against the information which formed the basis for the information supplied for this Memorandum. Every such notification given by MSD to an Individual shall include an explanation of the procedures adopted by MSD in the examination of a Discrepancy revealed by this Memorandum.

11.5 Accuracy

If any information supplied to MSD by IRD is disputed by a Beneficiary or Cardholder and MSD believes that information is incorrect, MSD will either advise the individual to contact IRD or contact IRD itself to have the information corrected.

12 NOTICE OF ADVERSE ACTION PROPOSED

12.1 Prior Notification:

Subject to Clause 12.2, neither MSD nor IRD shall take Adverse Action against any Individual on the basis (whether wholly or in part) of a Discrepancy produced by this Memorandum:

12.1.1 unless that Individual has been given written notice by the Party who is responsible for taking the Adverse Action:

- (i) specifying particulars of the Discrepancy and of the Adverse Action proposed;
- (ii) stating that the Individual has ten Working Days from the receipt of the notice in which to show cause why the Adverse Action should not be taken; and

12.1.2 until the expiration of the period referred to in 12.1.1(ii).

12.2 Offences

Nothing in Clause 12.1 shall prevent MSD or IRD from taking Adverse Action against an Individual if compliance with the requirements of Clause 12.1 would prejudice any investigation into the commission of an offence or the possible commission of an offence.

12.3 Form of Notices

Every notice required to be given to an Individual under Clause 12.1 may be given by MSD or IRD delivering it to that Individual, and may be delivered:

12.3.1 personally; or

12.3.2 by leaving it at that Individual's usual or last known place of residence or business or at the address specified by that Individual in any application or other document received by MSD or IRD from that Individual; or

12.3.3 by posting it in a letter addressed to that Individual at that place of residence or business or at that address.

12.4 Deemed Notice

If any such notice is sent by MSD or IRD to any Individual by post, then, in the absence of proof to the contrary, that notice shall be deemed to have been delivered to that Individual on the fourth day after the day on which it was posted. In proving delivery of a notice, it shall be sufficient for MSD or IRD to prove that the letter was properly addressed and posted.

13 PUBLIC STATEMENTS

13.1 Consultation

Without limiting Clause 16.4, the Parties shall consult and take reasonable account of each other's interests, before either Party:

13.1.1 issues any public statements in respect of this Memorandum; or

13.1.2 communicates to any other person any information relating to this Memorandum, subject in all cases to the TAA, the Privacy Act 1993 and this Memorandum.

14 DESTRUCTION OF INFORMATION

14.1 Obligations in respect of the Public Records Act

The Parties acknowledge that each Party has obligations to retain public records under the Public Records Act 2005.

14.2 Personal Information not Revealing a Discrepancy

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

14.3 Personal Information That Reveals a Discrepancy

Where Personal Information disclosed under this Memorandum reveals a Discrepancy, MSD shall destroy that Personal 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 Personal Information is required for the purposes of taking that Adverse Action.

14.4 Period to take Action

Any Adverse Action commenced by MSD against an Individual (wholly or in part) as a result of information derived or received from this Memorandum shall be commenced not later than 12 months from the date on which the information was derived or received by that Party.

15 REGISTER

15.1 Limited Register

MSD may maintain a register of Individuals in respect of whom further enquiries are warranted following a Discrepancy revealed by this Memorandum, but any information relating to an Individual may be maintained on such a register only for so long as:

15.1.1 is necessary to enable those enquiries to be carried out; and

15.1.2 (if applicable) is necessary to enable any Adverse Action to be taken against that Individual.

15.2 Excluded Individuals

MSD may maintain a register for the purpose of excluding Individuals from being selected for investigation. That register shall contain only the minimum amount of information necessary for this purpose.

15.3 IRD

IRD will not:

15.3.1 except to the extent required for the purposes of the AISA and this Memorandum, record any details of Individuals about whom information has been requested or supplied; or

15.3.2 use any information that comes to its knowledge solely through this Memorandum for any purpose other than those set out in the AISA and this Memorandum.

16 COOPERATION

Both MSD and IRD shall cooperate with each other for the purposes of the AISA and this Memorandum. Without limiting any other Clause in this Memorandum:

16.1 Exchange Manuals

MSD and IRD shall provide each other with copies of any manuals or guidelines governing operations or procedures which are related to this Memorandum, as appropriate; and

16.2 Employment Commencement and Cessation Dates

IRD will advise MSD in connection with any review of the guidelines set out in the IR335 employers' guide for the purposes of determining Employment Commencement or Cessation dates; and

16.3 Advice

Each Party shall advise the other Party of any request from the Privacy Commissioner for information and of the outcome of any monitoring by the Privacy Commissioner of the other Party's compliance with the Privacy Act 1993; and

16.4 Official Information Act

Each Party shall:

- 16.4.1 notify the other Party of any request the Party receives to disclose information about this Memorandum that is made under the Official Information Act 1982 or any other Act or law; and
- 16.4.2 cooperate with the other Party in formulating an appropriate response, in all cases having due regard to the purpose of the AISA, this Memorandum, and sections 81 and 87 of the TAA; and

16.5 General Consultation

Both Parties shall consult as often as is necessary upon matters that may impact upon either Party in relation to this Memorandum.

16.6 Reporting

- 16.6.1 Both Parties will monitor the sharing of Information under this MOU and may report independently within their respective organisations on the sharing of Information under this MOU.
- 16.6.2 As Lead Agency under the AISA, IR may be required by the Privacy Commissioner to report on the sharing of Information under this MOU, including for the broader purposes authorised under the AISA.
- 16.6.3 To assist with IR's reporting under clause 16.7.2, MSD will provide IR with relevant information that it has compiled regarding the sharing of Information under this MOU.

17 COSTS

The Parties shall use all reasonable endeavours to agree:

17.1 Development of Memorandum

Whether one Party is to pay or both Parties are to share the costs incurred in developing this Memorandum and, if so, on what basis; and

17.2 Fees

The fees the Parties are to pay in respect of the services provided by either Party under or in connection with this Memorandum; and

17.3 Due Date(s)

The due dates for payment of those fees; and

17.4 Review

How often, and in what circumstances, those fees are to be reviewed.

18 DISPUTE RESOLUTION

18.1 Disputes

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.

18.2 Final resolution

If the Parties are unable to resolve any dispute or difference within a reasonable time period, the dispute or difference shall be referred in writing to the Commissioner and the Chief Executive to seek a final resolution.

18.3 Continuity

Despite the existence of a dispute or difference, the Parties will continue to comply fully with their obligations.

19 AMENDMENTS

19.1 Variations

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).

19.2 Reasonable Notice

Both Parties will use all reasonable endeavours to operate the information Matching arrangements in terms of this Memorandum, and not to require any variations to this Memorandum unless they are essential. Any Party proposing a variation to this memorandum shall give reasonable notice to the other Party of the proposed variation, and the reason for it.

EXECUTED by the Parties.

Signed for Inland Revenue by:

Signature:



Name:

Panna Clifford

Position:

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

SCHEDULE 1

TECHNICAL STANDARDS

1 MEMORANDUM

These Technical Standards form part of an Agreement for the Exchange of Information between the Inland Revenue Department ("IRD") and the Ministry of Social Development ("MSD"), dated May 2018, ("Memorandum") and shall be read and construed in conjunction with the Memorandum.

2 DEFINITIONS OF TERMS

In addition to terms defined in the Memorandum, in this Report:

"Agreed Format" means the applicable format specified in Clause 10 of this Report;

"Information Comparison Procedures" means the procedures described in Clauses 9.1.3 to 9.1.10 of this Schedule 1;

"Individual Validation Procedures" means the procedures described in Clauses 9.1.1 and 9.1.2 of this Schedule 1;

a **"Match"** occurs when an Individual's Individual Information supplied by one Party corresponds with information held by the other Party in respect of that Individual indicating that the Individual is receiving Working for Families Tax Credits from both IRD and MSD; and **"Matches", "Matching" and "Matched"** shall be similarly construed;

"Scheduled Information Exchange" means the on-going periodic exchange of information between IRD and MSD which occurs on either a fortnightly or monthly basis and contains Individual Information about recipients of Working for Families Tax Credits during that fortnight or month.

3 REQUESTS BY MSD

Unless the Parties agree otherwise, all requests by MSD for a Comparison of information to be undertaken by IRD:

- 3.1 Authorised Supplier of Information:** shall be made by an Authorised Supplier of Information or the Chief Executive; and
- 3.2 Originate:** are to originate from the National Office of MSD or Hewlett Packard Enterprise as an Authorised Supplier of Information; and
- 3.3 Receipt:** are to be sent to the Head Office of IRD, addressed and directed to the IRD Information Exchange Co-ordinator; and
- 3.4 Writing:** shall be in writing; and
- 3.5 Dated and type of request:** shall be dated and shall state whether it is a request for Income information, or for Employment Commencement and Cessation information, or for Working for Families Tax Credit information (all as more fully described in the Memorandum and this Report); and
- 3.6 Secure Transmission Method:** shall identify that the information is to be exchanged via a Secure Transmission Method; and

3.7 Format: shall be formatted in the Agreed Format; and

3.8 Date Required: shall state the date by which the information to be Compared is ideally required; and

3.9 Number of Records: for Income information, or Employment Commencement or Cessation information, shall state the number of Individuals in respect of whom information is requested; and

3.10 Restrictions: may only be made:

3.10.1 for Income information held by IRD in relation to the 1991 Income Year and subsequent Income Years; and

3.10.2 for the Comparisons of Employment Commencement and Cessation information held by the IRD, if those requests relate to employment at any time from or after 1 April 1992; and

3.10.3 (subject to Clause 6 of the Memorandum) for Working for Families Tax Credit information held by IRD, if the request made relates to credits for the year commencing 1 April 1990 or any subsequent year; and

3.11 Beneficiaries: subject to Clause 3.14, may only be made for Income information Comparisons for Beneficiaries who receive Income in periods during which the Beneficiaries have received or are receiving Benefits; and

3.12 Cardholders: subject to Clause 3.14, may, in relation to a Cardholder, only be made for the previous Income Year's Income details; and

3.13 Single Income Year: in the case of Income information, may only be made for information about an Individual's Income in respect of a single Income Year and not in respect of the current Income Year; and

3.14 Applicants for Entitlement Cards: may be made for information in respect of Individuals that are applicants for Entitlement Cards in respect of any Income Year, subject as otherwise provided in the Memorandum; and

3.15 Working for Families Tax Credit Information: where applicable, shall state for which period Working for Families Tax Credit information is requested.

4 REQUESTS BY IRD

Unless the Parties agree otherwise, all requests by IRD for a Comparison of information to be undertaken by MSD:

4.1 Scheduled Information Exchange: shall be made via a Scheduled Information Exchange; and

4.2 Receipt: are to be sent to the National Office of MSD addressed and directed to the Data Matching Co-ordinator; and

4.3 Writing: shall be in writing; and

4.4 Dated and type of request: shall be dated and shall state the nature and type of request; and

4.5 Secure Transmission Method: shall identify that the information is to be exchanged via a Secure Transmission Method; and

- 4.6 Date Required:** shall state the date by which the information to be Compared is ideally required; and
- 4.7 Number of Records:** shall state the number of Individuals in respect of whom information is requested; and
- 4.8 Restrictions:** may only be made for Working for Families Tax Credit information held by MSD in relation to the 1995 Income Year and subsequent Income Years.

5 SCHEDULED INFORMATION EXCHANGE

- 5.1** Under a Scheduled Information Exchange, IRD shall create, from the IRD database, a computer file of Individual Information relating to Qualifying Persons and their Partner, if any.
- 5.2** The file created shall only relate to the identified fortnightly or monthly period and recipients of Working for Families Tax Credits in that period.
- 5.3** The Delegated Person will re-format the files into the Agreed Format and prepare the information for transmission via a Secure Transmission Method.
- 5.4** The Delegated Person will send the information to the Authorised Receiver of Information at MSD via a Secure Transmission Method to that Authorised Receiver of Information.
- 5.5** The Authorised Receiver of Information at MSD will receive the information and incorporate it into the MSD system.
- 5.6** The Authorised Receiver of Information will run a Comparison with the information received via the Secure Transmission Method and will extract records for those Individuals for whom there is a Match.
- 5.7** The Authorised Receiver of Information will create a computer file containing the Matched Information and prepare that information for transmission via a Secure Transmission Method to a Delegated Person at IRD.

6 SOURCE OF IRD INFORMATION

- 6.1 Completeness of IRD Information:** Taxation is based upon voluntary compliance. The information held by IRD in respect of any Individual is correct and complete only so far as it has been when it was furnished to IRD by that Individual taxpayer or employer. IRD is not required to correct or complete information furnished by Individual taxpayers or employers.

Information will not be verified by IRD before it is included in the IRD database or applied under this Memorandum.

- 6.2 Source of Information:** Information used and supplied by IRD for the purpose of the AISA and this Memorandum is or will be obtained by IRD under the provisions of the ITA. Information extracted, used or supplied by IRD will be taken from current records held on the IRD database. Working for Families Tax Credit information will be taken from the annual returns and applications of Individuals who claim a Working for Families Tax Credit under Part M of the ITA, for the year commencing on 1 April 1990, or any subsequent year (or in each case any other years specified or permitted by legislation).

- 6.3 Income Details:** Income information from annual returns, certificates or any other forms which identify Income are entered into the IRD database when they are processed. Income information from annual returns will only be Compared by IRD if those returns have had notices of assessments issued.

- 6.4 Employment Details:** Employment Commencement and Employment Cessation information will be extracted from employer monthly schedules or Employment Income Information present on the IRD database.

7 EXTRACTION AND SUPPLY OF WORKING FOR FAMILIES TAX CREDIT INFORMATION

- 7.1 Identification:** The identification of Individuals who may be entitled to an Entitlement Card will be done by extracting Working for Families Tax Credit information from IRD records.
- 7.2 Provision of information:** IRD will provide MSD with information identifying Individuals whose tax assessments have been completed and who have received a full Working for Families Tax Credit, abated Working for Families Tax Credit, and Individuals who may have received either a full or abated Working for Families Tax Credit under Part M of the ITA and listing their IRD Numbers. IRD will provide the information using a Secure Transmission Method.
- 7.3 Entitlement:** Any Individual who is included in any of the Tax Credit categories described in Clause 7.2 is eligible to receive an application form for an Entitlement Card.

8 IRD MATCHING REQUIREMENTS

- 8.1 Relevance:** MSD and IRD will only Compare information that is relevant to the AISA and this Memorandum, including:
- (a) information about Individuals who are Beneficiaries and who have been identified as receiving or having received other Income or as having been in employment;
 - (b) information about Individuals who are Cardholders and who have been identified as receiving or having received Income;
 - (c) information about Individuals who are Qualifying Persons their Partners (if any) and who are in receipt of a Working for Families Tax Credit from both the Commissioner and the Chief Executive; and
- 8.2 Scope:** Only information held on the IRD or MSD database at the date of the relevant Comparison, will be Compared by IRD or MSD.

9 MATCHING TECHNIQUE

9.1 IRD Matching Technique for Comparisons Pursuant to Clauses 5, 6 and 7 of the Memorandum:

- (a) This Memorandum will employ two levels of Comparisons by the Source Agency in order to ensure that the information extracted and disclosed or supplied is as accurate as possible.
- (b) First the Source Agency will undertake an Individual Validation Procedure.
- (c) If this is successful, then the Source Agency for the Income, commencement and cessation, and double payment identification programmes, will undertake an Information Comparison Procedure.
- (d) The Information Comparison Procedure will consist of either:
 - (i) an Income Comparison which will occur when MSD has requested Income information about Individuals; or

- (ii) an Employment Commencement and Cessation Comparison which will occur when MSD has requested Employment Commencement and Cessation information about Individuals; or a Working for Families Tax Credit payment Comparison which will occur when IRD has requested double payment identification information about an Individual.

9.1.1 Individual Validation Procedure

The Individual Validation procedure is to enable the Source Agency to verify, as far as reasonably possible, the identity of Individuals about whom information held by the Requesting Agency has been requested. The Individual Validation procedure requires that an Individual Validation be carried out before the Source Agency exchanges any information of that description with the Requesting Agency concerning an Individual.

Individual Validation involves:

- (a) the use of the Individual's Primary Identifier (the Individual's IRD Number); and
- (b) the use of Secondary Identifiers, namely the Individual's date of birth and, if not Matched, the Individual's last name and first initial of the first given name.

Unless the information supplied by the Requesting Agency Matches the information held by the Source Agency, namely the Primary Identifier and one Secondary Identifier are the same for a particular Individual, no further processing of information and no disclosure of Individual Information concerning the relevant Individual will occur.

9.1.2 Procedure for Recognising an Individual Validation

- (a) The IRD Number supplied by the Requesting Agency for each Individual along with any other Individual Information will be verified against the Source Agency database. If the IRD Number for any Individual is invalid, or does not exist, the Individual Validation will be deemed to have failed. In those circumstances no further Comparison will be undertaken by the Source Agency in respect of the relevant Individual's Individual Information, and that Individual Information will be returned to the Requesting Agency.
- (b) If the IRD Number supplied by the Requesting Agency for an Individual is valid and Matches that held in the Source Agency database, the date of birth supplied by the Matching Agency for that Individual will be verified against the Source Agency database. If the date of birth supplied by the Requesting Agency Matches that held for the Individual in the Source Agency database, that Individual's Individual Information will have passed Individual Validation and will be included in the information that is shared and subjected to an Information Comparison procedure.
- (c) If the date of birth supplied by the Requesting Agency for any Individual does not Match that held for the Individual on the Source Agency database, the last name and first initial supplied by the Requesting Agency for that Individual will be verified against the Source Agency database. If the last name and first initial so supplied Matches the information held on the Source Agency database for an Individual having the requisite IRD Number, that Individual's Individual Information will be deemed to have passed the Individual Validation and will be included in the information that is shared and subjected to an Information Comparison Procedure.
- (d) If the last name and first initial so supplied by the Requesting Agency for any Individual do not Match any information held on the Source Agency database for an Individual having the requisite IRD Number, then (subject to the preceding provisions of this Clause) the Individual Validation will be deemed to have failed. In those circumstances no further Comparison of information will be undertaken by the Source Agency in respect of the relevant Individual's Individual

Information, and that Individual Information will be returned to the Requesting Agency.

9.1.3 Information Comparison Procedure

The Information Comparison procedure is to ensure that:

- (a) only information for the requested Individual is exchanged or Compared, and
- (b) only information that the Requesting Agency is entitled to is exchanged or Compared, and
- (c) all information falling within the parameters of the applicable request by the Requesting Agency is exchanged or Compared.

9.1.4 Procedure for Income Comparison in Relation to Beneficiaries

- (a) At the same time MSD requests IRD to make an Income Comparison in relation to a Beneficiary, MSD will supply Individual Information to IRD including the total amounts of Benefits paid within the period 1 April to 31 March and will specify the Income Year(s) for which MSD requests Income information to be Compared for the relevant Beneficiaries.
- (b) Following receipt of an Income Comparison request from MSD for any Beneficiary, IRD will extract information from:
 - (i) (subject to Clause 7) any active Income tax return for that Beneficiary; or
 - (ii) certificates and any other forms which identify Income of that Beneficiary for a given Income Year.

The Beneficiary's total Income is calculated by IRD based on this information.

- (c) Where an Income Comparison is undertaken in respect of a Beneficiary, the amount of Benefits paid to the Beneficiary for that Income Year, as supplied by MSD, will be subtracted from the total Income figure for that Beneficiary leaving the Income amount to be advised to MSD.

9.1.5 Procedure for Income Comparison in Relation to Cardholders

- (a) At the same time MSD requests IRD to make an Income Comparison in relation to a Cardholder, MSD will supply Individual Information to IRD in respect of those Cardholders for whom MSD requests Income information to be Compared.
- (b) IRD will identify the balance date and the Income Year for which information may be provided. Only information from the Income Year prior to the date of the request will be extracted by IRD.
- (c) Following receipt of an Income Comparison request from MSD for any Cardholder, IRD will extract information from:
 - (i) (subject to Clause 7) any active Income tax return of the previous Income Year for that Cardholder; or
 - (ii) certificates and any other forms which identify Income of that Cardholder for the previous Income Year.

The Cardholder's total Income is calculated by IRD, based upon this information.

- (d) Where an Income Comparison is undertaken in respect of a Cardholder, the Cardholder's total Income (including any Benefits paid) for that Income Year will be advised to MSD.

9.1.6 Employment Commencement and Cessation Comparisons in Relation to Beneficiaries

- (a) MSD may only request IRD to provide Employment Commencement and Cessation information relating to a specific period and a specific Beneficiary.
- (b) Only:
 - (i) Employment Commencement and Cessation dates indicating a period of employment during the specific period requested by MSD; and
 - (ii) The name and business address of each employer so employing the Beneficiary,

will be supplied by IRD to MSD following a request for Employment Commencement and Cessation information in respect of a Beneficiary.

9.1.7 Procedures Relating to an Employment Commencement and Cessation Comparison in Relation to a Beneficiary

- (a) If there are no valid Employment Commencement or Cessation dates shown on the IRD database in relation to a Beneficiary, no information concerning that Beneficiary will be supplied by IRD to MSD.
- (b) If the Beneficiary is shown on the IRD database as having an Employment Commencement date and/or an Employment Cessation date, but neither of those dates indicates a period of employment during the specific period requested by MSD, no information concerning that Beneficiary will be supplied by IRD to MSD.
- (c) If:
 - (i) an Employment Commencement date shown on the IRD database for the Beneficiary falls on or before the end of the specific period requested by MSD and there is no Employment Cessation date in relation to the same employment prior to the commencement of the specific period requested by MSD; or
 - (ii) an Employment Cessation date shown on the IRD database falls on or after the beginning of the specific period requested by MSD, and there is no Employment Commencement date in relation to the same employment after the end of the specific period requested by MSD,

then the information requested by MSD for that Beneficiary may be supplied by IRD to MSD.

9.1.8 Employment Commencement and Cessation Comparisons in Relation to Cardholders

- (a) MSD may only request IRD to provide Employment Commencement and Cessation information relating to a specific period and a specific Cardholder.
- (b) Only -
 - (i) Employment Commencement and Cessation dates indicating a period of employment during the previous Income Year or any time up to the date of the request; and

- (ii) the name and business address of each employer so employing the Cardholder, will be supplied by IRD to MSD following a request for Employment Commencement and Cessation information in relation to a Cardholder.

9.1.9 Procedures Relating to an Employment Commencement and Cessation Comparison in Relation to a Cardholder

- (a) IRD will identify the period in respect of which information may be extracted.
- (b) If there are no valid Employment Commencement and Cessation dates shown on the IRD database in relation to a Cardholder, no information concerning that Cardholder will be supplied by IRD to MSD.
- (c) If the Cardholder is shown on the IRD database as having an Employment Commencement date and/or an Employment Cessation Date, but neither of those dates indicates a period of employment during the specific period requested by MSD, no information concerning that Cardholder will be supplied by IRD to MSD.
- (d) If:
 - (i) an Employment Commencement date shown on the IRD database for the Cardholder falls on or before the date of the request by MSD, and there is no Employment Cessation date in relation to the same employment prior to the commencement of the previous Income Year; or
 - (ii) an Employment Cessation date shown on the IRD database falls on or after the beginning of the previous Income Year, then the information requested by MSD for that Cardholder may be supplied by IRD to MSD.

9.1.10 Procedures Relating to a Working for Families Tax Credit Payment Comparison in Relation to a Qualifying Person.

- (a) MSD will identify the period in respect of which information may be extracted.
- (b) If the Individual is shown on the MSD database as having received less than two Working for Families Tax Credit payments, during the identified period(s), then no information concerning that Individual shall be passed by MSD to IRD.
- (c) If the Individual is shown on the MSD database as having received two or more Working for Families Tax Credit payments, during the identified period(s), then the information requested by IRD for that Individual may be supplied by MSD to IRD.

10 FORMAT OF INFORMATION

10.1 Separate USB Ironkeys: The Individual Information that accompanies or is relevant for any request for:

- 10.1.1 Employment Commencement and Cessation information made for the purposes of Clauses 5.3.1, 5.4, 7.2.2, 7.2.3 or 7.2.4 of the Memorandum; and
- 10.1.2 Income information made for the purposes of Clauses 5.3.2 or 7.2.1 of the Memorandum,
- 10.1.3 Working for Families Tax Credit double payment identification information made for the purposes of Clause 8 of the Memorandum; and

shall be contained on separate USB Ironkeys.

10.2 MSD: Information relating to Employment Commencement and Cessation and Income requests supplied by MSD to IRD for the purposes of the information Matching arrangements shall be on USB Ironkey, and in the following format:

Header Record:

Requesting Agency	Pic x (3)	
Request Type	Pic x (3)	
Request Date	Pic 9 (8)	COMP
Request Number	Pic 9 (6)	COMP
Number of Beneficiary requests	Pic 9 (6)	COMP
Number of Cardholder requests	Pic 9 (6)	COMP

Request Type	Pic x (3)	
IRD Number	Pic 9 (8)	COMP
Surname	Pic x (22)	
First Initial	Pic x (1)	
Date of Birth	Pic 9 (8)	COMP
Benefit Start Date	Pic 9 (8)	COMP
Benefit End Date	Pic 9 (8)	COMP
SWN Number	Pic 9 (9)	COMP
Benefit Class	Pic 9 (3)	COMP
Benefit Amount	Pic 9 (6)	COMP
Selection Indicator	Pic 9 (2)	COMP

or in such other format as is agreed by the Parties.

10.3 IRD: Information relating to Employment Commencement and Cessation and Income requests supplied by IRD to MSD for the purposes of this Memorandum shall be on USB Ironkey, and in the following format:

Header Record:

Processing Date	Pic 9 (8)	COMP
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Detail Record:

IRD Number	Pic 9 (8)	COMP
Date Commenced	Pic 9 (8)	COMP
Date Ceased	Pic 9 (8)	COMP
Employer Name	Pic x (74)	
Employer Address	Pic x (3)	
Employer Address	Pic x (30)	
Employer Address	Pic x (30)	
Employer Postcode	Pic x (4)	
Income Amount	Pic 9 (6)	COMP
SWN Number	Pic 9 (9)	COMP
Benefit Class	Pic x (3)	COMP
Selection Indicator	Pic 9 (2)	COMP
Record Status	Pic 9 (1)	

or in such other format as is agreed by the Parties.

10.4 IRD: Information relating to income information for Cardholders supplied by IRD to MSD for the purposes of this Memorandum shall be on a separate USB Ironkeys (in accordance with Clause 10), and in the following format:

Detail Record 1 - PCC Details:**Record Type**

PCC IRD Number	Pic 9 (9)
Relevant Tax year end date	Pic 9 (8)
Application Flag	Pic x (1)
PCC Surname	Pic x (31)
PCC First Names	Pic x (37)
PCC Title	Pic x (6)
PCC Postal Address 1	Pic x (30)
PCC Postal Address 2	Pic x (30)
PCC Postal Address 3	Pic x (30)
Postal Code	Pic x (6)
Deemed Family Scheme	Pic 9 (13)
Tax Credit Payable	Pic 9 (13)
Tax Credit Paid	Pic x (1)
Partner IRD Number	Pic 9 (9)

Detail 2 - Partner Details:**Record Type**

PCC IRD Number	Pic 9 (9)
Relevant Tax year end date	Pic 9 (8)
Partner IRD Number	Pic 9 (9)
Partner Surname	Pic x (31)
Partner First Names	Pic x (37)
Partner Title	Pic x (6)
Partner Postal Address	Pic x (30)
Partner Postal Address	Pic x (30)
Partner Postal Address	Pic x (30)
Postal Code	Pic x (6)
Partner Annual Entitlement	Pic 9 (13)

Detail 3 - Child Details:**Record Type**

PCC IRD Number	Pic 9 (9)
Relevant Tax year end date	Pic 9 (8)
Partner IRD Number	Pic 9 (9)
Number of Children	Pic 9 (2)
Child1 DOB	Pic 9 (8)
Child2 DOB	Pic 9 (8)
Child3 DOB	Pic 9 (8)
Child4 DOB	Pic 9 (8)
Child5 DOB	Pic 9 (8)
Child6 DOB	Pic 9 (8)
Child7 DOB	Pic 9 (8)
Child8 DOB	Pic 9 (8)
Child9 DOB	Pic 9 (8)
Child10 DOB	Pic 9 (8)

or in such other format as is agreed by the Parties.

- 10.5 IRD:** Information relating to Working for Families Tax Credit double payment identification supplied by IRD to MSD for the purposes of this Memorandum shall be on separate USB Ironkeys (in accordance with Clause 10), and in the following format:

Header Record:

Record Type	Pic 9
File Id	Pic x (9)
Run Date	Pic 9 (8)
Generation Number	Pic 9 (9)

Record Type	Pic 9
IRD Number	Pic 9 (9)
Name 1	Pic x (31)
Name 2	Pic x (37)
Date of Birth	Pic 9 (8)

Benefit End Date	Pic 9 (8)
SWN Number	Pic 9 (9)
Benefit Class	Pic 9 (3)
Benefit Amount	Pic 9 (6)
Selection Indicator	Pic 9 (2)

Trailer Record:

Record Type	Pic 9
Number of Records	Pic 9

or in such other format as is agreed by the Parties

- 10.6 MSD:** Information relating to Working for Families Tax Credit double payment identification supplied by MSD to IRD for the purposes of this Memorandum shall be on a separate USB Ironkey and in the following format:

Header Record:

Record Type	Pic 9
File Id	Pic x (9)
Run Date	Pic 9 (8)
File Number	Pic 9 (9)

Detail Record:

Record Type	Pic 9
IRD Number	Pic 9 (9)
Date FTC/BSTC payments	Pic 9 (8)
Amount of FTC/BSTC paid	Pic 9 (9)

Trailer Record:

Record Type	Pic 9
Number of Records	Pic 9 (6)
Number 1 Identifier Mismatch	Pic 9 (6)
Number 2 Identifier Mismatch	Pic 9 (6)

or in such other format as is agreed by the Parties.

11 TIMELINESS

- 11.1 Working for Families Tax Credit:** IRD will use all reasonable endeavours to complete the processing of requests for Working for Families Tax Credit information within 15 Working Days of receipt by the Delegated Person from MSD of the request and the information necessary for the process.
- 11.2 Income Information:** IRD will use all reasonable endeavours to complete the processing of requests for income information within 21 Working Days of receipt by the IRD Information Exchange Co-ordinator from MSD of the request and the Individual Information necessary for the process.
- 11.3 Employment Commencement and Cessation Information:** IRD will use all reasonable endeavours to complete the processing of requests for Employment Commencement and Cessation information within 15 Working Days of receipt by the Delegated Person from MSD of the request and the Individual Information necessary for the process.
- 11.4 Double Payment Identification:** MSD will use all reasonable endeavours to complete the processing of requests for double payment identification information within 15 Working Days of receipt, by the MSD Data Match Coordinator, of the request from IRD and the Individual Information necessary for the process.
- 11.5 Information Keyed:** Information will be entered into the IRD database within the following timeframes:
- 11.5.1 95% of all returns within 15 Working Days of receipt by an IRD processing centre; and
 - 11.5.2 the remaining returns within 30 Working Days of receipt by an IRD processing centre.
- 11.6 Extraordinary Circumstances:** Whenever IRD is unable to process a request within the specified timeframe because of extraordinary circumstances, notice of the delay shall be given to the MSD Data Matching Coordinator and that request shall be completed as soon as possible after the specified timeframe.

12 INTERNAL AUDIT

Internal audits of this Memorandum will be undertaken from time to time by IRD to ensure its continued integrity.

13 SECURITY

- 13.1 Exchange of Information:** MSD and IRD will agree on appropriate security provisions for scheduled exchanges of information and also for exchanges made during disaster recovery situations.
- 13.2 Method of Information Transfer:** Information Comparisons will be carried out by means of a Secure Transmission Method.
- 13.3 Responsibilities:** Both IRD and MSD are responsible for their individual input into this Memorandum. Both IRD and MSD will appoint persons to be responsible for functions relating to this Memorandum within MSD and IRD respectively. The person appointed by IRD is the Information Exchange Coordinator or such other Delegated Person as IRD notifies MSD of in writing. The person appointed by MSD is intended to be known as a Data Matching Coordinator. The Data Matching Coordinator for MSD shall be both an Authorised Supplier of Information and an Authorised Receiver of Information.

13.4 Disaster Recovery Situations: The Parties shall cooperate in any disaster recovery situation, and if necessary agree to transport USB Ironkeys to alternative sites. USB Ironkeys are to be transported in a secure manner agreed to by the Parties.

13.5 Other Provisions: IRD shall inform MSD of any MSD USB Ironkeys held by IRD for Comparing which for technical reasons has not been processed or used in the information Matching arrangement within 30 days of receipt. MSD shall advise IRD on what action is to be taken in respect of those USB Ironkeys. IRD and MSD shall inform each other of any USB Ironkey which is corrupted or which cannot be processed or used and shall return that USB Ironkey.

14 USB IRONKEY PRODUCTION AND STORAGE

14.1 USB Ironkey Identification: Each USB Ironkey used for Information Comparison purposes shall be identified by a serial number or barcode. The serial number or barcode of each USB Ironkey shall be engraved or permanently marked on the USB Ironkey. Each USB Ironkey must comply with minimum security requirements including encryption measures as specified by the latest version of the NZ Information Security Manual or its equivalent.

14.2 Back-up copies of information: Back-up copies of information are retained at the discretion of MSD or IRD for their own data. Information on the USB Ironkeys will be deleted in line with Clause 15 of the Memorandum.

14.3 Returns: Subject to the provisions of the Memorandum, when all actions have been completed with an USB Ironkey used under this Memorandum, the information on the Ironkey is to be deleted and the USB Ironkey is to be returned to IRD.

14.4 Manual Erasure of all USB Ironkeys: When a USB Ironkey has been processed and is no longer required by that Party, that Party shall be responsible for informing the other Party that the information has been deleted.

14.5 USB Ironkey: The exchange of each USB Ironkey shall be scheduled by MSD and IRD through a Delegated Person at IRD and an Authorised Receiver at MSD. Each transfer must be documented and receipted using the receipt template at Schedule 2.

14.6 District Offices: MSD shall be responsible for ensuring that any printed output provided to its district offices as a result of this Memorandum shall be protected and dealt with while in the custody of those district offices as appropriate under the Memorandum, the TAA and the Privacy Act 1993.

15 NUMBER OF MATCHES

Each information exchange may be run:

15.1 Employment Commencement and Cessation Information: No more than 12 times per year in respect of Employment Commencement and Cessation information;

15.2 Other Income Information: No more than 12 times per year to determine Income received from Individuals in addition to any Benefits;

15.3 Working for Families Tax Credit Double Payment Identification: No more than 26 times per tax year to determine double payment identification.

SCHEDULE 2

DATA SUPPLY RECEIPT

For the supply of information under section 81A of the Tax Administration Act 1994.

Supply of Information:

(To be completed by supplier of information)

Extract Date: __/__/__ File ID: _____

Total Number of Records: _____

Recording medium: IronKey Label Id. _____

Prepared by: _____

(Signature)

(Print Name)

(Print Title)

Official Receipt:

(To be completed by receiver of information)

Date: __/__/__ at: ____:____

(24 hour clock)

I have today taken possession of the above file.

(Signature)

(Print Name)

(Print Title)