

Tax Treatment of Scholarship Benefit Payments in New Zealand

What is the purpose of this update?

This update applies to Members of The Education Fund (New Zealand) and the Supplementary Education Program (New Zealand) only.

The New Zealand Inland Revenue Department (IRD) recently reviewed whether Scholarship Benefit payments are exempt income under the New Zealand Income Tax Act 2007. The IRD was unable to conclude on the taxation treatment of the Scholarship Benefit payments but acknowledged that there is some basis to support the argument that these payments may qualify as exempt (non-taxable) income under CW36 of the New Zealand Income Tax Act 2007. The application of this exemption can therefore still be argued but is not assured. ASG recommends that you seek independent professional advice to confirm how prevailing tax rules apply to your individual circumstances.

The tax position of ASG, its members and the beneficiaries of the education benefit funds could be affected by any changes in tax laws in New Zealand and Australia as well as by any court decisions or rulings made by tribunals or revenue authorities in either country.

Australian Scholarships Group Friendly Society Limited

ASG Education Programmes (NZ) Limited
PO BOX 8289, Symonds Street, Auckland 1023
memberservices@asg.co.nz 09 366 7670