



Schedular Payments

As of 1 April 2017 a law change means any self-employed contractor can have tax deducted from their pay at a flat rate of their choosing, so long as their payer (the person they are doing work for) agrees.

If a contractor chooses to have tax deducted from their pay, they must fill out the new tax rate notification form ([IR330C](#)) and give it to their payer. New Zealand tax residents can pick any rate from 10% up to 100%.

Manawanui can manage the deduction of tax to IRD and the schedular payments to the contractor on your behalf for a small fee.

Information for contractors

If you receive income as a contractor (not salary or wages) you can choose to have tax deducted from your payments. These payments will be treated as schedular payments.

To opt in you need to get the agreement of your payer. Once you have their agreement you will need to put it in writing and make sure your payer has a copy.

You can download a [Schedular Payments agreement template](#) from the Manawanui website www.manawanui.org.nz under the “Resources” tab then “Forms and documents”.



What do I need to give to my payer?

You will need to give your payer a completed [IR330C](#). You can download an [IR330C](#) from the IRD website www.ird.govt.nz under “Forms and guides”.

If your circumstances change you can choose a new tax rate by completing a new [IR330C](#) and giving it to your payer.

Student loan, KiwiSaver and ACC levies

Your payer is not responsible for making these deductions from your schedular payments.

You will need to manage your student loan repayments, any Kiwisaver contributions and ACC levies yourself.

What tax rate do I use?

You can choose to use the standard tax rate for your type of work shown on page three of the [IR330C](#) or pick your own rate.

The IRD's [Tax rate estimation tool](#) (for contractors) can help you choose a rate. You can find this on the IRD website www.ird.govt.nz under “Work it out”.

Do I need to file an income tax return?

Generally, you must file an income tax return at the end of the tax year if you receive schedular payments.

“schedular payments gives you peace of mind that your contractor is complying with their income tax obligations”

