



**Te Tari Taiwhenua  
Internal Affairs**

# **Guidelines for Village Operators and Retirement Village residents**

**Applying for a rates rebate under  
section 7A of the [Rates Rebates Act 1973](#)**

**July 2021**

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# Introduction and Background

This guide only relates to retirement village residents applying [under section 7A of the Rates Rebates Act 1973](#). Residents who own their unit that is separately rated can apply without a declaration certificate as per the usual process.

The guide was created to provide support to village operators/staff and village residents on the process of applying for a rates rebate. There are sections of the guide aimed at each of these stakeholders explaining their role in the process and a list of FAQs.

In February 2018 an amendment to the Rates Rebates Act 1973 was passed that extended the rates rebate scheme to retirement village residents who do not have separately rated units but contribute to rates through their fees. These residents most often hold licence to occupy agreements with the village operator. In March 2019, the Local Government Regulatory Systems Amendment Act 2019 clarified the wording to include separately rated units owned by the village.

As these residents do not have information regarding their residence held on the council Rating Information Database (RID) they are required to apply in a different manner.

The primary difference is that they must include with their application a declaration certificate filled in and signed by the village operator. This will provide essential information to their local council who will then be able to process the rebate and seek reimbursement from Department of Internal Affairs. This certificate is available:

[www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/rates-rebate-application-form/](http://www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/rates-rebate-application-form/)

**Note:** the amendment to the [Rates Rebate Act 1973 \(section 7A\)](#) refers to payments for retirement village residents as 'refunds'. The refund is to be paid to the resident or credited to the village rating account regardless of whether the full village rates have been paid to their council or not. For consistency with the rest of the scheme we will use the term 'rebate' in place of 'refund' in this guide.

# General information about the scheme

The Rates Rebate Scheme was established by Government through the Rates Rebate Act 1973 and provides a rebate to low income ratepayers on the cost of their council rates.

Applications for rates rebates are made to councils and processed by them. Councils are reimbursed by Government, through the Department of Internal Affairs, for the rebates they have granted.

Eligibility for a rates rebate is determined by the ratepayer's (and spouse/partner's) income for the tax year preceding the start of the rating year, the amount of rates for the rating year, and the number of dependants living with the ratepayer.

Rates rebates are calculated using the formula specified by the Rates Rebate Act.

The Rates Rebate Scheme is administered nationally by the Department of Internal Affairs.

For more information visit: [www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/#who-can-apply](http://www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/#who-can-apply)

## Information for Village Operator/Staff

- Each council and village will have unique preferences on how they want the application process to work. Therefore, a good relationship between village operators and councils will be essential for the smooth implementation of this change to the rates rebates scheme.
- Residents should be aware that not everyone will be eligible for a rebate, and that those who are may not receive the full amount. Eligibility and the rebate amount depend on household income, level of rates and any dependents living with residents.
- Application forms are available from your local council or able to be downloaded and printed from [govt.nz](http://govt.nz).
- The [rates rebate calculator](#) is available to provide an indication of the rebate a resident may receive.
- Each resident's application has a verification section stating that to their knowledge everything they have stated in their application is true.

## The process for a resident to apply

**Note:** Only one application per unit can be submitted each year.

1. Ask your village fill in and sign the [declaration certificate](#). This states your contribution towards rates for the current year.  
**You must have this information to determine if you are eligible for a rebate.**
2. Get an application form from your village operator, local council or download the form from [govt.nz](#).
3. Find out how much income that you and your spouse/partner or joint homeowner earned in tax year preceding the current rating year. For a 2021/22 rebate application you need your information for the period April 2020 to 31 March 2021.
4. Check if you are likely to receive a rebate. Use the [rebate calculator](#) on our website, or the table on the back of the application form.
5. Fill in and sign the application form.
6. Decide if you would like to receive payment direct from council, or via your Village Operator. If you want the rebate paid to you by the council fill in the direct deposit section on the declaration certificate your village operator gave you. Attach evidence of bank account details i.e. deposit slip, to your declaration certificate.
7. Submit the completed form, declaration certificate, and evidence of any income other than superannuation to your local council before the end of the current rating year (30 June).
8. The Council will pay the rebate directly into your bank account if requested or credit your village operator's rating account who will then pass this onto you.

## Declaration certificate to be filled in by village operator

Each application by a retirement village resident applying under Section 7A **must** be accompanied by a declaration certificate filled in and **signed by the village operator** stating;

- the total rates paid by the village for the current rating year
- the applicant's contribution towards the rates of the village for the current rating year (if this is not a known value, a calculation is available to determine this); and
- that the applicant's rates contribution was made under a written agreement between the operator and the applicant

**Note:** Where the residents physical address is different from the rating address please include both addresses OR the valuation number for property the application is for.

## Individually rated property owned by the village

Where the application is for an individually-rated property owned by the village, the total rates paid by the village is the amount for this property only.

## Retirement villages with Rest Home Services

Where a retirement village also has rest home services, the rest home portion of the rates should be **excluded**. As the way Retirement Villages are rated varies between councils contact your local council for assistance to understand the way your village is rated and for assistance to apportion the rates correctly.

## Should GST be included when calculating the total rates payable?

Council rates are regarded by central government for tax purposes as a “service” fee or levy and therefore all councils’ rates are GST inclusive. Therefore, GST is **included** in the calculation for total rates payable by the village.

## Calculating total rates payable for Villages that are not at full capacity

In cases where a village was not at capacity at 1 July, you can use the total annual contribution that would be expected if all units were filled. This should give a more accurate result for the rates deemed payable for the residents.

## How are rebates to be paid to the applicant?

There are two ways the rebate can be paid out. When the council is satisfied that the application is legitimate and a rebate is to be granted, the council then either:

### **Credits the villages rating account. (This is the default option).**

A notice must then be generated stating:

- the resident’s name,
- the rebate amount,
- the rating year that the rebate amount applies to and when the rebate was credited

This is to be provided to the village operator and resident. The operator will then be obliged to either pay the applicant directly or discount the amount from the applicant’s contribution to the village outgoings.

OR

### **Pays the applicant directly (this must be requested by the applicant).**

If the resident wants the council to refund them directly they must indicate this on the declaration certificate and provide their bank account details. This is often residents preferred option.

## Who to contact if you have questions

Your local council is your first point of contact for any questions. Their contact details can be found on your rates bill, or on [localcouncils.govt.nz](http://localcouncils.govt.nz)

## Further information

The FAQ aimed at residents (below) includes information that will also be of interest to operators so we recommend being familiar with it.

[govt.nz](http://govt.nz) has useful information on rates rebates as well as links to forms and other documentation.

# Resident FAQ

## When can I apply?

Applications are open for the whole rating year – 12 months from 1 July to 30 June of the following year, but you can only apply once your retirement village has provided you with a declaration certificate which states your rates contribution to the village. This will be after 1 July when the village operator receives their first rates bill of the year from the council.

Make sure to apply by the deadline of 30 June of the rating year.

## How much will I get?

Your rebate amount is determined by your household income, the amount you contribute to rates and the number of dependents living with you.

A useful tool to determine your potential rebate is the [rebate calculator](#) on the DIA website, or the table is provided on the back of the application form that gives an indication of your likely rebate.

## Where do I find an application form?

Your village operator may provide you with one, you can pick one up from your local council office or public library, or it can be downloaded from [govt.nz](http://govt.nz)

## Do I need to re-apply for a rates rebate every year?

Yes. You may apply anytime during each rating year once the village operator has provided you with a declaration certificate. The rating year runs from 1 July until 30 June the following year.

## Can I get a rebate for previous rating years if I didn't apply at the time?

No. Rebates cannot be granted retrospectively.

## What if I was not living in my unit on 1 July of the current rating year?

If you had not moved into the unit by 1 July you will only be eligible if you were residing at another property you owned or held a licence to occupy agreement for on 1 July. You will need to provide the council with information regarding the sale of your previous property.

If you were temporarily absent, for example on holiday or in hospital, you can still apply as long as:



- you were away for less than 12 months
- you were still responsible for paying rates during this time
- the property was not rented or otherwise leased out.

## I'm concerned about my privacy, especially my income information. How will this be managed?

The village operator should not see your completed form as only the council is required to view this. They will treat your information as confidential.

If you want the council to pay the rebate directly to you instead of to your village operator you can request this on your form. Please attach evidence of bank account details i.e. deposit slip, to your declaration certificate.

## Does my spouse/partner need to declare their income?

If your spouse/partner is living with you on 1 July of the current rating year they must declare their income.

## What year do I need to provide income information for?

You must declare income for the full tax year (1 April to 31 March) preceding the current rating year.

For example, if applying for a rebate for the rating year of 2021/22, you must provide income for the 2020/21 tax year, which is from 1 April 2020 to 31 March 2021.

## How do I find out my/our income details?

**Superannuation and other benefits** – You can find information on the amount of superannuation and other benefits here: [Ministry of Social Development](#) phone: 0800-552-002

**Interest or dividends** – Your bank or financial provider can provide you with a statement

**Wages or salary earnings** – Your employer can provide you with an income statement for the financial year.

**Business or self-employed income** – This will be included in the financial documents or IR3B/IR10 form that you submitted to IRD.

**Overseas pensions etc.** – Through your pension provider. These are required to be declared as gross income converted to \$NZ.

## Do I declare gross or net income?

For most types of income you must declare the gross amount, meaning the total before tax is taken off.

For business or rental income, the net profit before tax must be declared. Business or rental losses cannot be offset against other income - losses should be declared as \$0.

## What kind of income does not need to be declared?

- Cash grants/capital payments (from selling assets etc.)
- Monetary help from family (unless this is a regular on-going payment)
- Family tax credits (formerly family support)
- War widows or war disablement benefits
- Medal of honour payments
- Grants for funeral expenses
- Prizes and winnings

## Why do my friends/neighbours receive more or less than me?

The rebate is calculated using the same formula but the specifics will differ between households. The information used to determine the rebate is;

- household income,
- the amount you contribute towards the property rates of the village
- the number of dependants living with you (your spouse or partner is not a dependant).

### All else being the same:

- Those with higher incomes will receive no rebate or less of a rebate;
- Those who pay higher rates are likely to receive a higher rebate; and
- Those with dependants living with them are likely to receive a higher rebate.

A useful tool to determine your potential rebate is the [rebate calculator](#) on the Govt.nz website.

## How do I find out the rates I pay for my unit?

Your village operator will provide this for you on the declaration certificate that they are required to fill in.

## What do I do with my completed application?

- Make sure the village operator has given you the completed declaration certificate which includes the amount of rates you contribute to the village. This **must** be signed by the operator and **must** be included with your completed application form.
- If you want to be paid direct from council into your bank account, make sure to fill in and include the direct deposit request form with your application. Attach evidence of bank account e.g. deposit slip.
- The completed forms must be processed by your local council.
  - a council officer may come to your village to pick up the forms,
  - you can drop them off at a council office or some public libraries, or
  - post them to the council office. The village operator will be able to provide address details.

## How will I receive my rebate and how quickly?

The rebate will either;

- Be credited to the village operator who will either pay you directly or credit the amount to your annual contribution bill thereby reducing the amount you need to pay.

OR

- Be paid to you directly by the council. You must request for this to happen and write your bank account details on the provided direct deposit request form. If you don't request this then the first option will be used.

You will receive notification from the council that the rebate has been applied.

The time taken to receive your rebate will depend on the volume of applications that the council has to process. Your local council may be able to provide you with an estimated timeframe.

## Who do I go to for more information or help with my application?

Your village operator will be able to provide you with help or advice.

Contact your local council: [www.localcouncils.govt.nz/lqip.nsf/wpg\\_URL/Profiles-Councils-by-Name-Council-Contact-List?OpenDocument](http://www.localcouncils.govt.nz/lqip.nsf/wpg_URL/Profiles-Councils-by-Name-Council-Contact-List?OpenDocument)

[Govt.nz](http://Govt.nz) has useful information on the rates rebates scheme.