



FamilyBoost

Ministerial Advisory Group

Early Childhood Education Funding Review

Authors: Murray Shadbolt, Andraya Heyes, Kathleen Littlejohn

Date: July 2025

What is FamilyBoost?

- A childcare payment to help households with ECE fees meet the cost of living
- Claim up to 25% of childcare fees, up to a maximum of \$975 for each quarter (three-monthly period)
- Claims for FamilyBoost are for the household
- Based on past income of a household, using information already held by Inland Revenue
- Parents/caregivers must register once in myIR to claim
- Childcare fees can include optional charges and services but not donations or fees covered by other government subsidies

Is your household income less
than \$45,000 a quarter?



FamilyBoost

is a payment that partially
refunds your early
childhood education costs.

Find out more
ird.govt.nz/FamilyBoost

The basic refund model

- FamilyBoost was intended to be an automatic refund to parents using data exchanged between IR and MoE (combining IR's parental income and relationship/household info with MoE's fees data info)
- Because this was not possible between October 2023 (election) and 1 July 2024 (proposed payment start date), a basic refund model was implemented, requiring parents to supply invoices or statements.
- Avoids Working for Families-type estimation and debt cycle by using past actual income. Payments are generally full and final
- FamilyBoost is paid on fees *after* other subsidies and supports are taken into account – last line of government childcare support

FamilyBoost childcare tax rebate

Kiwis are doing it tough right now because of Labour's cost-of-living crisis. It is particularly hard for young families to make ends meet when they're facing rising rents and mortgage rates, skyrocketing grocery bills, and paying for childcare.

According to the OECD, childcare costs in New Zealand are among the highest in the developed world. Full-time childcare costs for a child under three can often cost families \$300 or more every week.

To support Kiwi families bearing the brunt of the cost-of-living crisis, National will introduce FamilyBoost – a childcare tax rebate of up to 25 per cent on childcare costs for families earning up to \$180,000 a year.

How it works

National's FamilyBoost childcare tax rebate is expected to help 130,000 low- and middle-income families keep more of what they earn, with up to \$75 more in their after-tax pay each week.

Families earning up to \$180,000 will receive a 25 per cent rebate on their early childhood education expenses, to a maximum of \$3,900 per year depending on their income.

To ensure this support is targeted to those families who need it most, the maximum weekly rebate will gradually reduce for families earning over \$140,000, with a family earning \$160,000 eligible for a maximum rebate of \$37.50 per week. Families earning more than \$180,000 will not be eligible for a rebate.

This means that a family with a combined household income of \$140,000 or less paying \$300 a week for childcare would receive a tax rebate of \$75, paid directly into their bank account.

Approximately 80 per cent of households with a child under five will be eligible for some support. FamilyBoost will be administered via IRD, with rebates paid directly to parents on a fortnightly basis. Information on childcare expenditure will be provided to IRD directly by eligible childcare providers using existing systems, making the process simple for providers and seamless for parents.

All providers who are eligible for existing childcare subsidies will qualify for FamilyBoost, including early learning centres, kindergartens, kōhanga reo, education and care centres, and licenced home-based care.

FamilyBoost will be available on top of existing support, including 20 hours ECE, MSD childcare subsidies, and recently announced changes to childcare subsidy entitlements.

How do families apply?

- Check they are eligible (eligibility check tool is available on IR's website)
- Gather invoices or quarterly statement(s)
- Log into myIR: Inland Revenue's online portal
- Register – confirm partner, child(ren's) information, and ECE provider details
- Quarterly claim – upload invoices or a quarterly statement and confirm bank account information
- Inland Revenue aims to pay all FamilyBoost claims within 15 working days
- Families have up to four years to claim for each

quarter



Inland Revenue
Te Tari Taake

What do ECEs need to do?

- Ensure invoices or statements meet the invoice requirements – optional charges and service fees relating to the education and care of the child should be included
- FamilyBoost is based on fees charged (not paid) and on amounts after other subsidies, discounts or donations are applied
- Provide invoices or quarterly statements to families in a timely manner
- (Optional) Provide posters/material to families to help them claim FamilyBoost

FamilyBoost quarterly statement example

This example shows the information you must include on your FamilyBoost quarterly statements. For more information visit ird.govt.nz/familyboost/early-childhood-education-providers

EXAMPLE

FamilyBoost Quarterly Statement

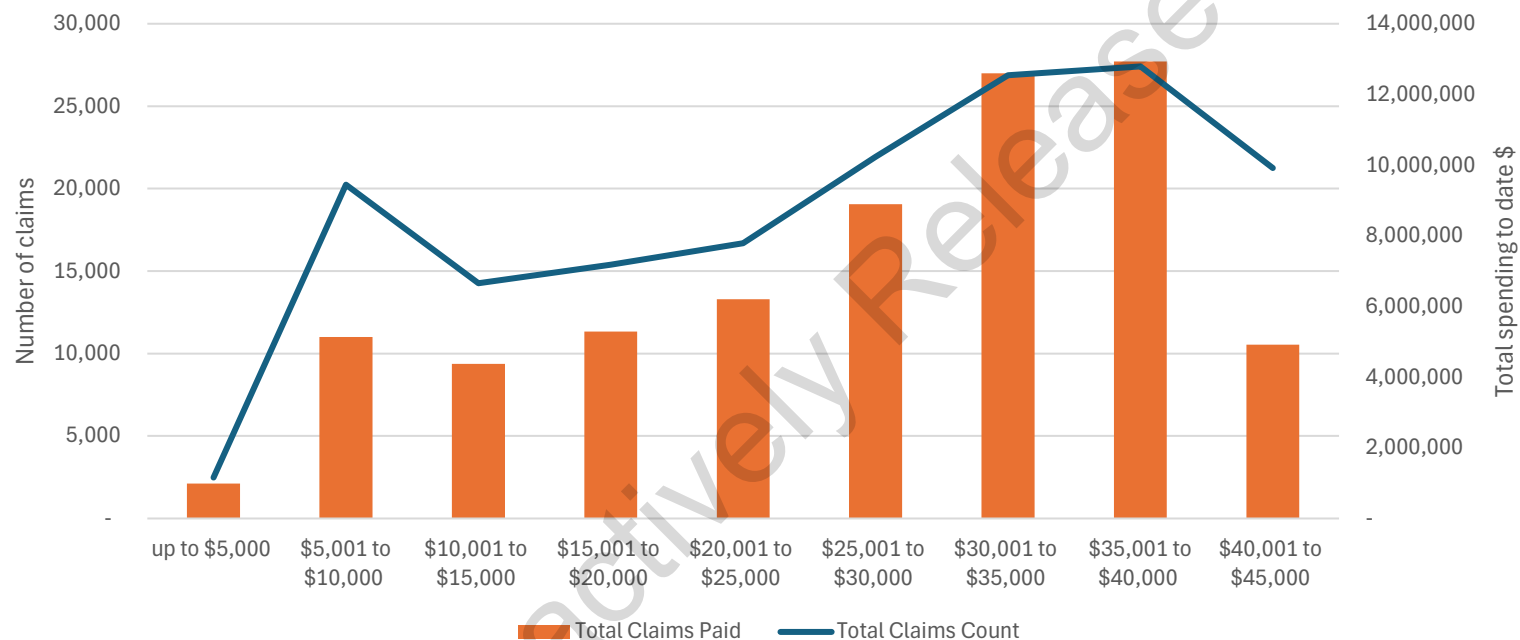
ECE/Te Kōhanga Reo Name		1
Address		2
Address line 2		
Licence Number		12345 3
Caregiver name	GST Number	000-000-000 5
Caregiver address	Issue date	30/09/24
Caregiver address line 2	Period	01/07/24 to 30/09/24
	Statement Number	1234567
	Customer ID	123456789
Child Name 1		6
Child Fees	2511.00	
Childcare Subsidies/Donation/Discounts	—00.00	7
Sub-total	2511.00	
Child Name 2		
Child Fees	3561.00	
Childcare Subsidies/Donation/Discounts	—61.00	
Sub-total	3500.00	
Total net fee payable for period 01/07/24 to 30/09/24	6011.00	8

Information required on a FamilyBoost quarterly statement:

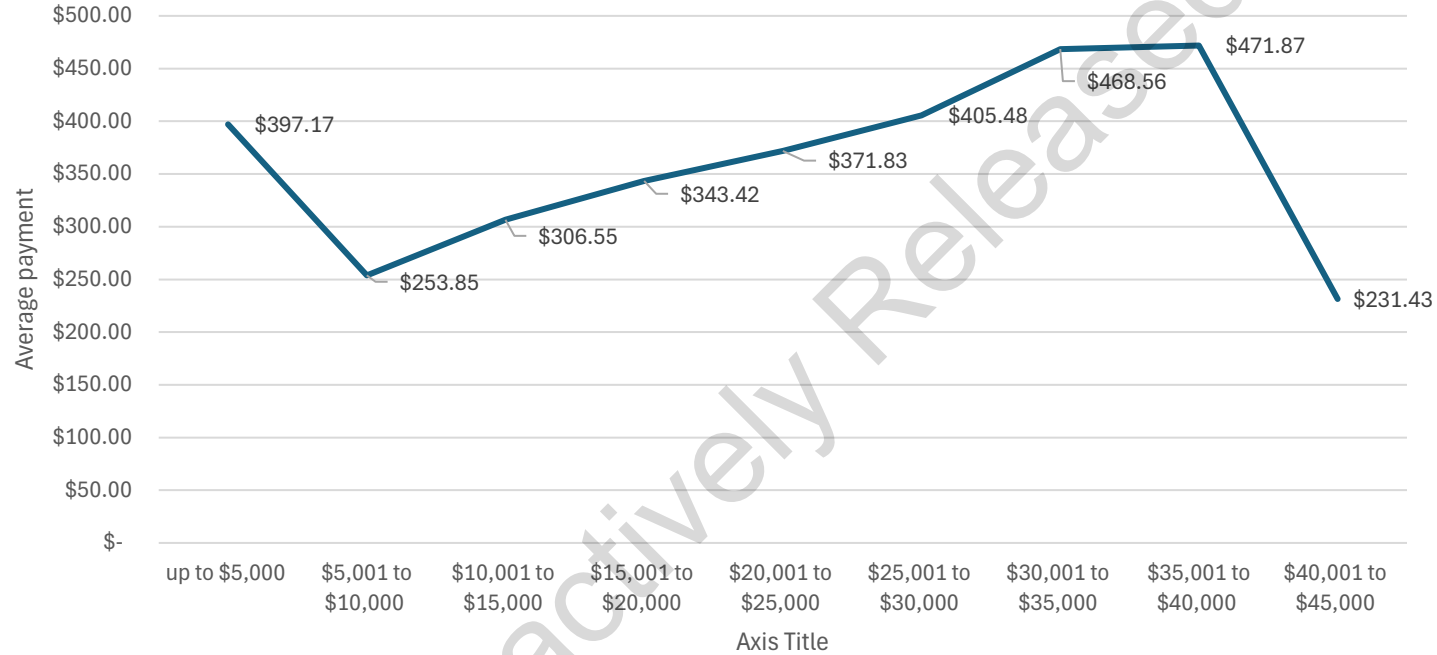
- 1 **Title** showing this is a 'FamilyBoost Quarterly Statement'.
- 2 **Service name and service address** of the ECE, homebased educator or Te Kōhanga Reo. A logo or branding may also be included.
- 3 **Licence number** of the ECE, homebased service provider or educator, or Te Kōhanga Reo.
- 4 **Full name of the caregiver.** The caregiver's address can also be included.
- 5 **Statement identifiers.** This must include the:
 - GST number of the service (if registered)
 - issue date of the statement
 - start and end date of the period covered by the fees
 - statement number or unique identifierYou can also include any other details, such as customer ID.
- 6 **Full name of the child/ren** the statement (fees) relate to.
- 7 **Fee information.** Breakdown per child of the childcare fees (including optional charges relating to the education and care of the child) and any subsidies, donations, or discounts applied.
- 8 **Final amount invoiced after any other subsidies, discounts or donations are applied** (for example, 'total net fee payable for the period').

Please ensure names and dates fit on a single line, and that titles appear on the same line as the details (for example, issue date 30/09/24).

FamilyBoost payments by quarterly income bands as at 9 July 2025



Average payment by quarterly income, all claims to date



Claims to date and proposed changes

- FamilyBoost take up has been lower than anticipated
- 166,562 claims paid out to 9 July 2025. These relate to 62,960 households
 - Total paid to date: \$61,335,052
 - Average payment: \$368
- On 30 June 2025, the Minister of Finance announced proposed changes to the FamilyBoost policy settings, to apply to ECE fees from 1 July 2025:
 - Expand eligibility to households with income up to \$57,286 a quarter (\$229,144 a year) by reducing the abatement rate.
 - Increase the amount families can claim up to 40% of fees, or a maximum of \$1,560 each quarter.

Proposed FamilyBoost changes



Current settings / Proposed settings 1 July 2025

Note: *Legislation has not been passed*

	Original	Proposed
Max. claimable fees per quarter	\$3,900 (\$300 per week, \$15,600 per annum)	\$3,900 (\$300 per week, \$15,600 per annum)
Rebate	25%	40%
Maximum quarterly payment	\$975 (\$75 per week)	\$1,560 (\$120 per week)
Abatement threshold per quarter	\$35,000 (\$140,000 per annum)	\$35,000 (\$140,000 per annum)
Abatement rate	9.75 cents in the dollar	7 cents in the dollar
Payments cut out at per quarter	\$45,000 (\$180,000 per annum)	\$57,286 (\$229,100 per annum)
Estimated annual households at 100% uptake (total eligible population)	106,000 households	127,000 households
Estimated annual households at 71% uptake	76,000 households	92,000 households

Next steps

- Legislating the proposed settings, backdated to fees from 1 July 2025, affecting payments from 1 October 2025
- Progressing work on improvements to the scheme, including fees info-sharing from ECE providers to Inland Revenue (a multi-year process)
- Assisting families to register and apply
- Increasing awareness through marketing campaigns

