

Title	Explain taxation and other deductions relating to personal income		
Level	2	Credits	2

Purpose	People credited with this unit standard are able to explain taxation and other deductions relating to personal income.
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Classification	Core Generic > Financial Capability
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Available grade	Achieved
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Guidance Information

- 1 Assessment may be based on a case study or simulation, but where the candidate's real situation is used, every care must be taken to protect privacy, and the provisions of the Privacy Act 2020 will apply.
- 2 Definitions
Attachment orders tell an employer or Ministry of Social Development (MSD) to transfer money from wages or a benefit to pay infringements or pay off a debt.
Personal refers to an individual, whānau or family unit rather than an iwi, group, business or organisation.
Sources of personal income refers to salary or wages, interest, superannuation, government financial support, commission, royalties, dividends, contract work, rent, board.
- 3 Legislation:
 KiwiSaver Act 2006
 Income Tax Act 2007
 Employment Relations Act 2000
 Holidays Act 2003
 Parental Leave and Employment Protection Act 1987
 Privacy Act 2020
 Injury Prevention, Rehabilitation, and Compensation Act 2001
 Minimum Wage Act 1983
 Wages Protection Act 1983
 Student Loan Scheme Act 2011
 and all subsequent amendments and replacements.

Outcomes and performance criteria

Outcome 1

Explain taxation and other deductions relating to personal income.

Performance criteria

1.1 Taxation is explained in terms of links with different sources of personal income.

Range taxation includes two of – Pay As You Earn (PAYE), Resident Withholding Tax (RWT), Provisional Tax, Terminal Tax.

1.2 Tax codes are explained in terms of the sources of personal income.

Range M and two other tax codes.

1.3 Other deductions are explained in relation to personal income.

Range other deductions may include – KiwiSaver deductions, student loan repayments, union or association fees, attachment orders; evidence of three is required.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 June 2008	31 December 2015
Review	2	12 December 2013	31 December 2018
Review	3	21 July 2016	31 December 2022
Review	4	29 July 2021	N/A

Consent and Moderation Requirements (CMR) reference	0226
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This CMR can be accessed at <https://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.