

The Special Banking Option

Last updated 17 July 2007

The Special Banking Option (SBO) enables you to receive overseas and New Zealand benefits or pension payments as one regular payment.

This option is currently available to those who receive benefits or pensions from:

- United Kingdom
- The Netherlands
- Australia
- Jersey
- Guernsey
- Republic of Ireland

It is suitable for people who would otherwise receive an overseas social security benefit or pension and part payment of New Zealand Superannuation or benefit.

The advantage of the SBO over direct payment is that it ensures your combined social security payments from overseas and from New Zealand are paid at the same rate as the full rate of New Zealand Superannuation. If you receive payments from one or more of the countries listed you may still opt for the SBO.

It is not suitable for people who:

- are going overseas for more than 26 weeks, or
- are receiving an overseas pension that exceeds the New Zealand Superannuation or is likely to exceed if the exchange rate changes.

If your spouse or partner also receives an overseas pension or benefit you must both choose the same payment option, either by direct payment or SBO.

This option allows your overseas benefit or pension to be paid directly into a special Westpac bank account here in New Zealand. This account is held in your name but only accessible to the Ministry of Social Development. The account does not incur bank fees nor earn any interest.

You will receive regular payment equal to the full rate of New Zealand Superannuation or benefit, regardless of how much your overseas pension is. Fluctuations in the exchange rate will not affect your payments as they would if you were receiving the overseas payment directly. Additional payments such as the Netherlands holiday pay or Irish Christmas bonus will be forwarded to you by the overseas authorities in full.

The New Zealand tax payable on your overseas payments will be deducted before we pay you, from the time your overseas pension starts going into the special bank account. You will need to pay tax on any other payments that continue to be paid directly to you (eg Netherlands holiday pay or Irish Christmas bonus).

For any other tax questions please contact Inland Revenue on 0800 227 774 (please have your IRD number handy) or visit: www.ird.govt.nz.

Further information can be found at: http://www.workandincome.govt.nz/international-services/		
or call us...	from New Zealand...	from overseas...
Australian Agreement	0800 777 227	+ 64 4 978 1180
The United Kingdom, Jersey/Guernsey or the Republic of Ireland	0800 771 001	+ 64 4 978 1180
All other countries	0800 777 117	+ 64 4 978 1180
Veteran's Pension	0800 553 003	
Write to us at: PO Box 27-178, Wellington, New Zealand		
Email us at: international.services@msd.govt.nz		

If you are deaf or hearing impaired you can send a message to our Deaf Link free-fax 0800 621 621. A translator is also available to you when you contact us on 0800 777 177.