

TRAINING INCENTIVE ALLOWANCE

What is the Training Incentive Allowance (TIA)? This is a top-up paid under section 124(1)(d) of the Social Security Act specifically towards the costs of employment-related training. The criteria are set out in the Training Incentive Allowance Welfare Programme written by the Minister of Social Services. The stated objective of the TIA is to enhance your self confidence and improve your work skills, thereby increasing your prospects of obtaining full or part-time employment and gaining independence from the benefit system.

Who is eligible for the TIA? It is available to everyone who is undertaking employment-related training and receiving **Emergency Maintenance Allowance, DPB, Widows benefit or Invalids benefit** (except spouses, unless they qualify for Invalids benefit in their own right). From the start of 2007, course participants will only be eligible to claim the TIA for courses that meet the Tertiary Education Commission's quality and relevance criteria. There will be a three year grand parenting arrangement for courses of study that have already commenced. From 28 May 2009 courses of study level four and above are no longer eligible for TIA funding.

What kind of training qualifies? Any employment-related training course, which attracts Student Component Funding or other approved Government funding, and is provided by an NZQA-accredited course provider or tertiary institution or secondary school.

Are there any types of training excluded? Yes, you cannot receive the TIA for the following courses:

- Any course of study level four and above from 28 May 2009. This means that tertiary level study will not be assisted by this programme. However any course of study that had commenced, or for which application had been made prior to 28 May 2009 will be grand parented until 2011.
- A Course provided by Work & Income **or**
- A Post Graduate course which means any honours, masters or doctorate degree offered by a tertiary institution or any other course (including a Diploma Course) which has as a prerequisite requirement the completion of any Bachelors or other undergraduate degree or diploma, or a period of relevant work experience **or**
- Any course applied for by a person who has completed a degree course at a tertiary institution within the 5 years prior to their application for the Allowance (whether or not they have been awarded a degree), unless the duration of the course is less than 12 weeks.

What costs will the TIA pay for? The TIA is designed to pay a certain amount towards your Course Costs and your other Training Costs: **Course Costs** are the necessary and reasonable costs of attending the course for tuition and enrolment fees, books, materials and equipment.

Other **Training Costs** are:

- The cost of assistance of a teacher aide or personal assistance for an Invalid beneficiary who is over 21 and attending secondary school; **and**
- Transport to and from the course; **and**
- Child care, less any amount that is paid in Child Care Subsidy or OSCAR Subsidy.

How much is the TIA? The maximum amount of TIA that can be granted is **\$96.56** per week of the course, but no more than **\$3,862.40** for the 52 week period that starts from either the date you applied for TIA or the date the course started, whichever is later. This amount is calculated on your **Training Costs**.

What can I use the TIA for? You can choose to have the TIA paid towards whichever training costs you want once the decision about how much you qualify for has been made. For example, you may choose to use the entire amount on child care and travel costs and pay your fees using a student loan or alternatively you may choose to pay the entire amount on your fees and find some other way to meet your other **Training Costs** (*Note: you won't be able to get Student Loan for living costs if you are on a main benefit*).

How will the TIA be paid? The TIA should be paid to you either by a lump sum or weekly instalments or a combination of the two, depending on what Work & Income thinks is most appropriate. Work & Income should have regard to how and when your **Training Costs** are to be paid when making their decision. You can apply to have all or part of the TIA paid in advance if Work & Income is satisfied that you have **Training Costs** that are reasonably required to be paid in advance.

Do I have to apply for a student loan? No. Work & Income has no authority to require you to apply for a student

loan. Once you have been granted an amount of TIA and have decided what you are going to use the payments for, Work & Income will write you a letter detailing the amount that has been paid by them towards your **Course Costs** so that StudyLink know how much you are able to borrow (StudyLink can also access this information through their computer files). The amount that you are eligible to borrow is:

[Student loan course fees + Student loan course costs] minus TIA paid for **Course Costs**

Whether or not you are eligible for a student loan depends on whether Studylink considers the course you are doing to be sufficient to meet the loan criteria.

To get a Student Loan, you'll need to:

- be a New Zealand citizen, permanent resident or refugee
- sign a contract with the government
- be enrolled on a Tertiary Education Commission approved course. The course must be full-time (or limited full-time with Studylink's approval) or part-time and 32 weeks or longer.

Is there any other benefit to help with my Training Costs? Yes, you may be eligible for Recoverable Assistance or Special Benefit – see the sheet called **Recoverable Assistance for Study Costs**. *NB the Recoverable Assistance for Study Costs is limited to certain occupations and Special Benefit to those that are already receiving it.*

Special Benefit NB: *You are only able to receive Special Benefit if you are currently receiving it, as it is being phased out.* It may be possible to include these costs in your Special Benefit that are not met by the TIA. The Minister of Social Services has written instructions to Work & Income for the payment of Special Benefit, using his powers under s.5 of the Social Security Act [Minister's Directive on Special Benefit]. These instructions are a legal **guideline** but it is important to remember that Work & Income can depart from them if there is a good reason to do so. The Minister's Directive is strict on training costs:

As Special benefit is a hardship provision, the Minister has instructed staff to look at whether a person is eligible for a student loan and whether they have taken up this opportunity before considering special benefit. *If you have the ability to meet some of your costs with a student loan it is unlikely that you would be able to get training costs included in your Special benefit assessment unless you still have a shortfall after having accessed the loan.*

.The Minister's Directive also states that Training Costs are not considered allowable in the assessment. *There is discretion to step outside of the guidelines, however your circumstances would have to be considered sufficiently special and unusual to warrant this.*

Other possible forms of assistance include **Advances** and **Special Needs Grants (other)** for any one-off payments that need to be made, providing you fulfil the criteria for these forms of assistance.

What if I don't finish the course - will I have to pay it back? It is a condition of receiving the TIA that you should seek a refund of the course fees if you do not complete the course. If a refund is obtained it must be paid back to Work & Income; however, if you paid a percentage of the fees yourself (whether by student loan or other means) then you are entitled to the same percentage of any money refunded.

When should I apply? As soon as possible before your course begins as Work & Income will take some time to process your application and you will need to gather information for the application form as well.

When will payments begin? As soon as the application has been approved and processed the fees will be direct-credited to the bank account of the institution. Your weekly payments will begin either when the course starts or once your application has been processed and approved. If you have a lump sum payment this will be paid when needed, according to the opinion of Work & Income. **How long does it last?** Each application for TIA lasts for a maximum of 52 weeks. If your course is longer than that you will need to reapply every year. If your course is shorter then you can get more than one grant during this period but the total of any TIA granted must not exceed \$3862.40 for the year.

Does the course have to be full-time? No

Social Security Act references: s.124 (1)(d), Minister's Programme for Training Incentive Allowance.