

Guide for Applying for Payments under the Voluntary Bonding Scheme

How can I apply for payments?

Please read this guide before completing the payment application form. It contains important information to help you:

- fill out the payment application forms correctly
- ensure you have included the necessary documents to support your application

It is recommended that you also consult the Terms and Conditions specific to your profession and intake year, available at the Ministry of Health's website: <http://www.health.govt.nz/our-work/health-workforce/voluntary-bonding-scheme/voluntary-bonding-scheme-terms-and-conditions>

Payment Application forms become available on the [Terms and Conditions page of our website](#) soon after a given intake becomes eligible for payment.

When can I apply?

If you meet the Terms and Conditions, you are eligible to apply for your first payment following completion of your third year of bonded service (having completed 36 months). Your first payment will cover a three year period. Most participants¹ are eligible to apply for a second payment following completion of a fourth year and again after a fifth year of bonded service (48 and 60 months respectively).

Please note: we strongly encourage you to apply for each payment within nine months of becoming eligible to apply.

How much can I get paid?

Scheme payment rates for each profession are detailed in the table below:

Profession	Annual Credit (after tax)	1 st Payment for Years 1, 2 & 3	2 nd Payment for Year 4	3 rd Payment for Year 5
Doctors & Dentists	\$10,000	\$30,000	\$10,000	\$10,000
Nurses	\$2,833	\$8,499	\$2,833	\$2,833
Midwives	\$3,500	\$10,500	\$3,500	\$3,500
Medical Physicists & Sonographers	\$3,932	\$11,796	\$3,932	\$3,932
Radiation Therapists	\$3,375	\$10,125	\$3,375	\$3,375

What are the payment criteria?

The Ministry of Health will assess your application for payment to ensure that you have complied with the Terms and Conditions using the following information:

- the date you completed study towards your undergraduate degree
- the date you started working in an eligible hard-to-staff community or specialty
- the length of time you have been working in the hard-to-staff community or specialty
- any leave you have taken from your employment, paid or unpaid
- your registration status with the relevant regulatory authority (not applicable to medical physicists)
- your citizenship or residency status (you must be a New Zealand citizen or permanent resident to apply for and receive the payments).

¹ Note: Doctors who entered the Scheme in the 2014 and 2015 Intakes in the Postgraduate General Practice Category are eligible for the first payment only. If you are unsure, please contact the Ministry of Health at vbs@moh.govt.nz
15 August 2016

How are the payments made?

If you have a student loan

Once the Ministry of Health has received and approved your completed application for payment, full payment is made to Inland Revenue to credit against your student loan. If the balance of your loan is less than the payment, you will need to contact Inland Revenue directly to have any difference reimbursed (please visit www.ird.govt.nz or phone 0800 775 247).

If you don't have a student loan

The payment is made to your chosen bank account. You will need to include verification of your bank account number with your application – a Pre-printed Deposit Slip **OR** hand-written deposit slip, stamped by bank teller **OR** top section of bank statement **OR** a letter from your bank.

What are the tax implications?

Scheme payments are subject to income tax, and may have an impact on your income tax obligations, Working for Families payments, and child support payments etc. Further information is contained within the Application for Payment form.

The Ministry suggests that you seek independent advice on how Scheme payments will affect your tax position. For further tax information, contact Inland Revenue on 0800 775 247 or visit their website (www.ird.govt.nz).

How do I complete the Voluntary Bonding Scheme form, and what information do I need to provide?

There are three payment application stages on the application form for a first, second and third payment. You will need to indicate which payment(s) you are applying for. Even though we encourage you to apply promptly for each payment as you become eligible, you can apply for more than one payment at a time if you happen to apply late.

Name and contact details

Make sure you correctly enter your name and contact details on the payment application form. You must ensure your contact details are up to date throughout your bonded period. Any changes should be advised to the Ministry of Health, by email: vbs@moh.govt.nz

Citizenship or residency status

You must be a New Zealand citizen or permanent resident to be eligible to receive the payments. You may also be eligible if you have a Returning Resident's Visa, as long as it was approved, before you registered your interest in the Scheme. You will need to supply proof of your current citizenship or residency status when you apply for payments by providing a copy of at least one of the following: your passport, birth certificate, certificate of citizenship or permanent residency visa. These are required to prove you are a New Zealand citizen or permanent resident.

Proof of identity

You will need to provide proof of your identity, for example: a copy of your driver's licence (This is only required if your Proof of Residency does not contain Photographic Identification (such as your Birth Certificate or Certificate of Citizenship)).

Tax Invoice (if applicable)

If you are an independent contractor (you organise payment of your own tax and complete an Individual Tax Return [IR3]) you will need to provide a tax invoice. If you are unsure of the values to invoice, please email vbs@moh.govt.nz. Information on tax invoices can be found on Inland Revenue's website: <http://www.ird.govt.nz/gst/work-out/work-out-records/records-tax/tax-info/>

Certificate of Service

When you apply for payment you need to provide a Certificate of Service from your employer(s) for the bonded period, which confirms:

- the date you commenced (and ended if applicable) employment within an eligible hard-to-staff community/communities or specialty/specialties
- that you have complied with the 0.6 FTE requirement of the Scheme. This can be an average over any 12 month period on the Scheme
- that you have been employed in an eligible hard-to-staff community, specialty or profession for at least the minimum bonding period of 36 months
- details of all breaks, parental leave, sick/annual/unpaid leave taken during the course of the bonded period
- If you have not had any absences from work, this must also be clearly stated
- ***If you are a doctor on a vocational training programme***, confirmation from your training provider that you are completing/have completed the requirements of the programme
- ***If you are a Lead Maternity Carer midwife***, confirmation of your completed births from your midwifery provider organisation, or if you make maternity claims directly to the Ministry of Health, confirmation of your agreement and payee numbers which you use to claim.

Once complete, with all required attachments, please send your application form to:

**Voluntary Bonding Scheme
Health Workforce New Zealand
PO Box 5013
Wellington 6145**

If you have any further queries please contact the Ministry of Health by email: vbs@moh.govt.nz

Glossary of Voluntary Bonding Scheme Terms

0.6 FTE

Full Time Equivalent: The unit value that indicates an employee's workload. The minimum required (average) workload for those on the Voluntary Bonding Scheme is 0.6 FTE. This is the equivalent of a workload of 24 hours per week, or 1,152 hours over a normal working year of 48 weeks.

Graduated

For the purposes of the Voluntary Bonding Scheme, the date on which someone completed their studies, regardless of when their graduation ceremony occurred.

Voluntary bonding period

The first three years and each of the fourth and fifth years spent working as a 'bonded' professional in order to be eligible to apply for payments.