

## Voluntary Bonding Scheme Payment Application Guide

### How to apply for payments

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

- fill out the payment application forms correctly and
- include the necessary supporting documents

Administration of the Voluntary Bonding Scheme (the Scheme) was transferred from the Ministry of Health (the Ministry) to Te Whatu Ora Health New Zealand (Te Whatu Ora), effective 1 July 2022.<sup>1</sup>

The Terms and Conditions (T&Cs) are currently available on the Te Whatu Ora website. Payment application forms also become available around 3 years after your registration for the Scheme.

The T&Cs and Payment application forms [can be accessed online here](#).

### When to apply

Participants are eligible to apply for a first payment following registration for the Scheme and then completion of at least three years (36 months) working according to the Terms and Conditions. Most participants can go on to be eligible to apply for a second payment following completion of a fourth year and again after a fifth year (48- and 60-months service respectively).

**Please note:** most registrants must apply for each payment within nine months of becoming eligible to apply, please refer to the Terms and Conditions for your profession and intake year.

### How much you may qualify for

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

Profession	1 <sup>st</sup> Payment for Years 1-3 (after tax)	2 <sup>nd</sup> Payment for Year 4 (after tax)	3 <sup>rd</sup> Payment for Year 5 (after tax)
Graduate Doctors & Dentists	\$30,000	\$10,000	\$10,000
General Practice Trainees	\$30,000	n/a (bond is 3 years)	n/a (bond is 3 years)
Registered and Enrolled Nurses	\$8,499	\$2,833	\$2,833
Midwives	\$10,500	\$3,500	\$3,500
Medical Physicists / Sonographers / Oral Health Therapists / Anaesthetic Technicians / Pharmacists	\$11,796	\$3,932	\$3,932
Radiation Therapists	\$10,125	\$3,375	\$3,375

<sup>1</sup> After 1 July, the only change in regard to existing bonds is that the agreement will be with Te Whatu Ora, rather than the Ministry. If Terms and Conditions refer to a DHB, the bond will be to **the former geographical area of that DHB rather than the DHB as employer**. Please email us if you have any queries or should you require a copy of the former DHB maps, at [vbs@health.govt.nz](mailto:vbs@health.govt.nz).

## What the payment criteria are

Te Whatu Ora will assess your payment application to ensure that you have met the Terms and Conditions your intake year, including (but not limited to):

- when you completed study towards your undergraduate degree or qualification
- the length of time you have been working in an eligible hard-to-staff profession, community or specialty, and your FTE/hours worked
- any leave you have taken or breaks in your employment, paid or unpaid
- your citizenship or residency status (you must be a New Zealand citizen or have New Zealand Permanent Residency by the time you apply for payments).

## How payments are made

### If you have a student loan

Once Te Whatu Ora has received and approved your completed application for payment, full payment is made to Inland Revenue to credit against your student loan. Should your student loan go into credit, [IRD state that the credit will be refunded to you](#) or the overpayment settings you've set in your myIR account applied.

### 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 – such as 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.

## Tax implications

Scheme payments are subject to income tax, an ACC earners levy, and may have an impact on your income tax obligations, Working for Families payments, and child support payments etc.

Te Whatu Ora suggests that you seek independent tax 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](http://www.ird.govt.nz)).

## How to complete the Voluntary Bonding Scheme form, and what information to provide

The application form for your Intake and profession covers applications for a first, second and third payment.<sup>2</sup> You will need to indicate which payment(s) you are applying for. We encourage you to apply promptly for each payment as soon as you believe you are eligible, and you must apply within the allowed timeframe, as detailed in the terms and conditions for your profession and intake year. If you are applying late for whatever reason, you may apply for more than one payment on a single form.

### Name and contact details

Make sure you provide full 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 Te Whatu Ora by email: [ybs@health.govt.nz](mailto:ybs@health.govt.nz).

### Citizenship or residency status

You must be a New Zealand citizen or have New Zealand Permanent Residency at the time you apply for the first payment. You will need to supply proof of your current citizenship or permanent residency status when you apply for payments, such as your passport, birth certificate, certificate of citizenship or permanent residency visa. You may also be eligible if you have a Returning Resident's Visa (please contact us at [ybs@health.govt.nz](mailto:ybs@health.govt.nz) for more information).

### Photographic Proof of identity

If your Proof of Residency does not contain Photographic Identification you will need to provide photographic proof of your identity, for example: a copy of your driver's licence or passport.

<sup>2</sup> (noting that GP medical trainees are eligible for a single payment for a 3-year bond).

### **Tax Invoice (if applicable)**

If you are an independent contractor (if 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@health.govt.nz](mailto:vbs@health.govt.nz). Information on tax invoices can be found on Inland Revenue's website: <https://www.ird.govt.nz/gst/tax-invoices-for-gst/how-tax-invoices-for-gst-work>

### **Certificate of Service**

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

- the date you commenced (and if applicable, ended) employment within an eligible hard-to-staff community/communities or specialty/specialties
- that you have met the 0.6 FTE requirement of the Scheme. This can be an average over any 12-month period on the Scheme <sup>3</sup>
- 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 for the first payment, or 12 months for the second or third payment
- 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 of your start date and 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 Te Whatu Ora, confirmation of your agreement and payee numbers which you use to claim.

Please send your completed application form and all supporting documents to [vbs@health.govt.nz](mailto:vbs@health.govt.nz). These should be supplied in **PDF (\*.pdf) format** and attached to a single email.

If you have any queries, please contact Te Whatu Ora by email: [vbs@health.govt.nz](mailto:vbs@health.govt.nz)

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<sup>3</sup> **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.