

Rates Postponement Policy

Objective

The objective of the postponement policy is to enable Council to provide older ratepayers with more options and flexibility. It lets older ratepayers decide how best to manage their finances and also gives older ratepayers the opportunity to stay in their houses for longer.

Conditions and criteria

- The ratepayer must be over the age of 65 (or over the age of 60 if on a benefit)
- The property must be insured
- The postponed rates must not exceed 80 per cent of the available equity in the property. The available equity is the difference between the Council's valuation of the property (the capital value at the most recent revaluation) and the value of any encumbrances against the property, including mortgages or loans.
- The property must be the prime residence of the ratepayer and owner occupied.

Procedure

Applications must be made on the prescribed form which can be found via Council's Customer Service Centre or on the website www.nelson.govt.nz

There is an initial application fee of \$100. Applications must include detailed information explaining how they meet the conditions and criteria under this policy. This must include a statutory declaration for the first year of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Note that, for the rates to continue to be postponed, the Council will require evidence each year thereafter, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.



Decisions on applications under this policy will be made by the Group Manager, Corporate Services.

Other matters

The applicant may choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy. There is no income testing.

Repayment of the postponed rates will be required at the earlier of:

- Sale of the property, or
- Death of the ratepayer (or surviving ratepayer where there is a couple).

Interest will be charged on the postponed rates six monthly at Council's marginal rate (the current cost to Council of borrowing the required funds) plus 1% for administration and 0.25% to a risk reserve.

Council recommends that ratepayers considering postponing their rates seek independent advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.