

CHiLD POVERTY ACTION GROUP

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MEDIA RELEASE: CHILD POVERTY ACTION GROUP

Income splitting is inequitable and expensive says CPAG

The Child Poverty Action Group says income splitting favours high income, single earner families and would do little to alleviate child poverty.

CPAG spokesperson, Dr Susan St. John, says, "Income splitting is very costly and will do nothing to assist low income families in hardship."

The policy clearly favours high income families. A household with a single earner on \$60,000 can save \$3,217 per year from income splitting. However, a household on \$36,000 stands to gain only \$570 per year. That is, a family on just over half the income gets less than one fifth as much tax relief.

Dr St. John says, "Income splitting will simply serve to create a bigger gap between sole parent and dual low income families and top earners. Any policy that is serious about addressing child poverty needs to reduce this gap, not increase it."