

Learn about Summary Instalment Orders

What you need to know

A Summary Instalment Order (SIO) is a formal arrangement between a debtor (you) and your creditors (the people you owe money) that allows you to pay back all, or an agreed part, of your debts by instalments. SIOs are usually for three years, but where there are special circumstances, five years.

Where a person has assets or income a SIO may be considered as an alternative to bankruptcy. SIOs provide an opportunity to learn to live on a budget and to manage finances. These skills may prevent difficult financial positions in the future.

[The making of a SIO](#)

[What happens when my SIO is made?](#)

[Is my SIO published?](#)

[What is a SIO supervisor?](#)

[What does a supervisor do?](#)

[How do I choose a supervisor?](#)

[What if my circumstances change during my SIO?](#)

[What happens if I do not make the agreed payments?](#)

[Is there anything I cannot do during my SIO?](#)

[What happens to the money I pay?](#)

[When will my SIO end?](#)

The making of a SIO

You or any of your creditors (with your consent) may apply for your entry into a SIO. The Official Assignee may grant a SIO if:

1. Your total unsecured debts (excluding student loans, fines, penalties, and reparation orders) are less than \$NZ40,000
2. You are unable to pay those debts immediately.

Before granting a SIO, the Official Assignee will allow you and your creditors to make representations about the making of the order.

What happens when my SIO is made?

After the Official Assignee makes a SIO:

- Creditors cannot begin or continue proceedings unless the person subject to the SIO fails to meet their SIO obligations
- Creditors cannot continue to add penalties or interest to debts included in the SIO unless the person subject to the SIO fails to meet their SIO obligations
- Any proceedings still in Court must be halted unless the Official Assignee gives permission for the case to proceed.

Creditors who have supplied satisfactory documentary evidence (e.g. invoices and signed agreements) of amounts owed have certain rights.

Creditors can:

- Apply to be included as a creditor in the administration of the SIO for the amount of the debt

- Object to the acceptance or rejection of other creditors' claims
- Apply to the Official Assignee to resolve claim disputes.

[Top](#)

Is my SIO published?

There is a public register of SIOs on the Insolvency and Trustee Service website. All current SIOs are on the register. When a SIO ends, the record is removed. SIOs are not advertised in newspapers or the Government Gazette.

[Search the register for SIOs](#)

What is a SIO supervisor?

SIOs are made by the Official Assignee after receipt and consideration of your application. Your SIO is then administered by a SIO Supervisor who is independent of the Official Assignee.

[Contact details of supervisors](#) can be found on our website, or at local support offices such as Citizens Advice Bureau, Budget Advisors or Community Law Centres.

SIO Supervisors have the authority to:

- Supervise compliance with the terms of SIOs and any other orders made by the Official Assignee
- Direct employers to pay all or part of earnings to the Supervisor
- Charge fixed or prescribed amounts for carrying out supervisory duties.

What does a supervisor do?

Duties of SIO supervisors include:

Sending notices of SIOs to all known creditors

Providing documentation relating to property, conduct and/or dealings of the person subject to the SIO to the Official Assignee as required.

Checking that all creditors claims are correctly vetted and admitted.

Ensuring all payments to creditors are correct.

SIO Supervisors, as the name suggests, supervise SIOs. The Official Assignee is responsible for ensuring that SIO Supervisors carry out their role as required to by the law. Where a Supervisor fails to adequately supervise a SIO, the Official Assignee may terminate the appointment and can appoint a replacement Supervisor.

How do I choose a supervisor?

Choose one from the [list of current supervisors](#).

[Top](#)

What if my circumstances change during my SIO?

If a person subject to a SIO has a change in financial circumstances during the period of the SIO, they can apply to the Official Assignee to have the order varied or terminated. Any of the creditors or the SIO Supervisor may also apply. The Official Assignee has authority to make decisions regarding variations and terminations.

What happens if I do not make the agreed payments?

Supervisors must notify the Official Assignee as soon as practicable where any payment is not made in accordance with a SIO. If this happens, the SIO can be terminated and the creditors can start legal proceedings to pursue outstanding debts. This may lead to bankruptcy.

Is there anything I cannot do during my SIO?

While subject to a SIO it is an offence to raise credit or enter into hire purchase agreements over \$NZ1,000 without first disclosing a SIO is currently in place. To avoid possible misunderstandings, notification to potential lenders should always be in writing.

The penalty for committing this offence is a jail term of one year, a fine of up to \$NZ5,000, or both.

What happens to the money I pay?

The money you pay is held in trust by the Insolvency and Trustee Service until the next distribution date. Distributions to creditors are made approximately every 6 months. Supervisors must distribute money paid under SIOs in the following order:

1. Administration costs (including Supervisor's remuneration) in accordance with a prescribed scale
2. Official Assignee's costs and fees
3. Debts which have been included in the SIO
4. Any surplus back to the debtor.

[Top](#)

When will my SIO end?

In most circumstances SIOs are discharged after three years, when the agreed terms of the SIO are met. In some circumstances a SIO may end earlier, or the Official Assignee may extend the period up to five years where special circumstances exist.

Creditors are not able to pursue the balance of any debts after completion of a SIO except for student loans, fines, penalties and reparation orders.



Further information

[Summary Instalment Order life cycle](#)

A Summary Instalment Order presents debtors experiencing financial difficulties with an alternative to bankruptcy and an opportunity to repay all or part of their debts over time.

[Repayment calculator](#)

To find out whether you are likely to be in a position to contribute towards creditors if you apply for a Summary Instalment Order, you can use our repayment calculator.

[List of current SIO supervisors](#)

A regularly-updated list of current approved Summary Instalment Order supervisors.