

## Information on the Voluntary Bonding Scheme: Medical

### What is the Voluntary Bonding Scheme?

Voluntary bonding is an incentive payment scheme that has been introduced by the Government to reward medical, midwifery and nursing graduates who agree to work in hard-to-staff areas. It is a practical initiative designed to move graduates into the communities and specialties that need them most. Parallel schemes have also been created for teachers and veterinarians.

Graduates who are part of the Scheme are eligible for incentive payments intended to help repay their student loans for up to five years. Combined with compulsory student loan deductions from the graduate's income, this will give individuals a significant boost in repaying their student loans.

### Why have a Bonding Scheme?

New Zealand needs more doctors, midwives and nurses in a number of communities and specialties. Hard-to-staff communities and specialties struggle with higher vacancy rates, higher locum use, higher use of overseas trained professionals and longer waiting periods than their counterparts.

Research shows that the longer new graduates stay in a community or specialty during their training years, the more likely they are to stay on once their training is complete.

### How the Scheme Operates for Medical Graduates

#### *Registration of Interest*

In 2010, the Scheme is only open to graduates who completed their studies in 2009. These graduates will only be eligible to apply in 2010. Eligible graduates may register their interest in the Scheme via an online form, available at [www.moh.govt.nz/bonding](http://www.moh.govt.nz/bonding). Registrations will close for 2010 on 30 April. Once registrations close, decisions will be made regarding who is confirmed onto the Scheme, as there are a limited number of places.

#### *Managing your career*

Once a graduate is confirmed on the Scheme, it is their responsibility to ensure they remain eligible for payments. To do this, they must manage their career to ensure that they meet the eligibility criteria for their profession.

In order to remain eligible for the Scheme, medical graduates must:

- have secured themselves a position in a designated hard-to-staff community by 30 June 2011
- work in a hard-to-staff community for up to two years
- then be accepted on, and be completing a vocational training programme in one of the hard-to-staff specialties for doctors for the remainder of the 3-5 year bonding period (does not need to take place in a hard-to-staff community)
- meet all the requirements of the Scheme regarding breaks and pauses.

The list of hard-to-staff communities and specialties for medical graduates in 2010 are below:

<i>Community</i>	<i>Specialty</i>
Northland DHB	General Practitioner
Lakes DHB	General Surgeon
Tairāwhiti DHB	Internal Medicine Physician
Whanganui DHB	Psychiatry
Wairarapa DHB	Pathology
West Coast DHB	Rural Hospital Medicine
South Canterbury DHB	
Southland DHB	
Wairau Hospital	
Whakatane Hospital	
Thames Hospital	

The full terms and conditions of the Scheme are available on the bonding website [www.moh.govt.nz/bonding](http://www.moh.govt.nz/bonding).

#### *Payment*

Once the graduate has completed three years' service in eligible positions, they may apply for payment. Medical graduates receive \$10,000 after tax for each full year of completed service. Graduates will be recognised for every full year worked, but must stay on the Scheme for **at least three years** before they receive their first lump-sum payment. In the fourth and fifth year on the Scheme, graduates will be eligible for annual payments. Payments will be made against the graduate's student loan. If the graduate does not have a student loan, a cash payment will be made.

Prior to submitting a claim for payment, graduates will need to sign a declaration and provide documentation to confirm that they have worked in a hard-to-staff community and specialty for the required periods of time, met the terms governing absences or pauses, and worked in a role that is at least 0.6 of a full time equivalent. You will be provided with further information on how to apply for payment before you become eligible in 2013.

#### **What to do if you have an unanswered question?**

In the first instance, it is recommended you refer to the website [www.moh.govt.nz/bonding](http://www.moh.govt.nz/bonding), as this contains all of the terms and conditions and eligibility criteria for the Scheme. Otherwise, please email [bonding@moh.govt.nz](mailto:bonding@moh.govt.nz).

#### **Key Points for 2010:**

- Graduates who finished their studies in 2009 are eligible to apply. This is the only year that these graduates will be eligible.
- There is a limit on the number of graduates who will be confirmed on the Scheme.
- Registrations of interest are now open and may be completed online at [www.moh.govt.nz/bonding](http://www.moh.govt.nz/bonding). This website also contains further information about the Scheme and eligibility.
- Registrations of interest will close on Friday 30 April 2010.