



Taking you to the **next** level



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The Countdown is on!

With the Christmas season and summer just around the corner, we're sure everyone is looking forward to that much deserved break, spending precious time with family and friends and putting your feet up. The hard part is the hurdle of that manic downhill slope first!

Another quarter of uncertainty has been dealt to us however so far so good, we have managed to dodge further lockdowns and restrictions as we find our way in a Covid present society. From our desks, it appears that business has continued on as near normal for most of us. There continues to be support towards local business, and development opportunities continue to present. We are certainly lucky to be surrounded by the horticulture and dairy industries which continue to produce quality goods for the supply to the local and export markets, however that comes with it's own pressures of labour shortages. We are also lucky to be surrounded by significant growth in house and land values over the last few years and the construction boom, however that too comes with pressures such as increases in rental prices and the ever evolving tax changes for residential rental properties.

So what does the 2022 year hold for us... That's a gamble and we wouldn't put our money on it but what we do know is that we will continue to be there to support you and your business in every way.

We wish you and your families a safe and enjoyable break over the Christmas/summer period, and look forward to working together for a prosperous 2022.

Our office will close for Christmas to allow the team a much deserved break.

The office will close: **midday Wednesday 22nd December 2021** and
reopen 8.30am Monday 17th January 2022.

If you know of any matters requiring our attention, please let us know as soon as possible so we can assist without the added pressure of the office closure.

Over that period, if you do require assistance then please contact Lance (lance@bennettsproactive.co.nz) or Michelle (michelle@bennettsproactive.co.nz), they may be available to assist if urgent.



GST—Period ended 30 November 2021



To ensure that we are able to complete and lodge your GST returns by the due date, we require your GST records in the office by **5:00pm on Wednesday 8th December 2021**. GST is due for payment by 15th January 2022.

All who bring their records into the office in full by this date will go into the annual prize draw.

Provisional Tax Payments - March Balance Date



We will be issuing payment notices for your 2nd instalment of 2022 Provisional Tax on **Tuesday 21st December 2021**. These are due for payment by 15th January 2022.

There will be no further reminders.

If you require a payment barcode then please let us know before the office closes for the Christmas break.

Christmas holidays 2021/2022

The upcoming Christmas public holidays are observed this year as follows:

NZ Public Holiday	Actual Date	Observed Date
Christmas Day	25 December (Saturday)	27 December (Monday)
Boxing Day	26 December (Sunday)	28 December (Tuesday)
New Year's Day	1 January (Saturday)	3 January (Monday)
Day after New Year's Day	2 January (Sunday)	4 January (Tuesday)

All employees are entitled to public holiday benefits provided it would normally be a working day for that employee whether they are casual, fixed term, part time or full time. There is no minimum period of time an employee has to be employed to get a public holiday entitlement. However, an agreement can be made between the Employer and the Employee to transfer the observance of the Public Holiday to another day if the observed date is not convenient for either party.

If an employee works on a Public Holiday then the employee will be entitled to time and a half for the time worked and an alternative holiday day must be provided as a minimum. If employee Employment Agreements offer a more favorable entitlement then those conditions must override legislation.

Payday filing for PAYE over the Christmas period

Normally payday returns are required to be submitted within 2 working days of the date your employees or contractors were paid.

IRD do not consider the period from 25th December to 15th January (inclusive) to be working days, therefore for any Payday disclosures that fall within that period you will have until 17th January 2022 to file.

Payment dates do not change over this period and normally there are no payment's due – PAYE and associated employer taxes will fall due by 20th January 2022; unless you are classified as a "Large Employee" and pay twice monthly.

Client Christmas Function

It is with great regret that we have made the decision to cancel our annual Client Christmas Function for this year.

Whilst we are disappointed with this decision we can ensure you that it was not made lightly, however our priority is to make every effort to keep our clients and our team safe at all times.

Entertainment, gifts & bonuses - Our annual reminder!





The season for giving and entertaining is fast approaching, so now is an appropriate time to refresh your understanding of the entertainment, gift and bonus deductibility rules. There have been no changes with these rules, just simply a refresher.

Entertainment – Business related entertainment expenses are claimable however that claim could be 100% deductible or limited to 50%, depending on the nature of that expense.

The 50% deductibility rule will apply if the main purpose is for entertainment and not business promotion. A deduction will be limited to 50% if entertainment is provided that includes a private element such as providing entertainment away from the work place or out of usual work hours including corporate boxes or similar; holiday accommodation; recreational boats; also food and drink at work for social events; food and drink offsite; gifts of food and drink. Where a deduction is limited to 50%, GST is only claimable to 50%.

Entertainment also could be subject to the FBT rules if the benefit is enjoyed by employees in their own time, at their own leisure and at a place they choose to enjoy it, for example gift vouchers.

Copies of invoices/receipts must be kept to support these deductions.

Entertainment expense	50% Deductible	100% Deductible
<p>Providing food and drinks on the workplace premises Tea, Coffee, light morning or afternoon tea celebrations for the team, for employees while working overtime, during work training events (say 2 hours of training undertaken), during work meetings (board room or executive dining as part of the job).</p>		
<p>Providing food and drinks while off the workplace premises Employees traveling out of town for work, for Employees while away at a conference or other business related event (say 4 hours of time committed), meals for an out-of-town sales rep.</p>		
<p><i>Remember that if there is a private element to the expenditure then the limitation rules will apply. Example 1 : travel out of town for a job however you take the boat and family for a day at the lake - the sole purpose of that out of town trip is not work related! Example 2 : you take a business contact or a client to the boat show and then for dinner and drinks at the Auckland Viaduct just because you are both interested in boating, no shop talk or purpose.</i></p>		
<p>Providing food and drinks while on the workplace premises Friday night work drinks, after work drinks for employees and/or customers.</p>		
<p>Providing food and drinks while off the workplace premises Work Christmas parties, work dinner and/or drinks at a restaurant, Customer and/or supplier entertainment.</p>		

Gift Vouchers – Vouchers are 100% deductible, however, will be subject to the FBT rules as the recipient is able to spend and enjoy the voucher as they like - in their own time, at their own leisure and at a place they choose to enjoy it. This may also be applicable for membership and subscriptions paid on behalf of employees.

There is no GST claim allowed when purchasing vouchers as there is not a supply of a good or service.

Bonuses – Bonus payments to employees are deductible but taxable at the lump sum or “extra pay” rate as part of the employees wages. These payments could include annual or special bonuses; cashed in annual leave; retiring or redundancy payments or back pay. Your payroll software should be able to calculate the tax deduction or alternatively the IRD website shows how this calculation should be done. Remember that KiwiSaver is also payable on bonus payments.

Tax Updates

Financial burden of Covid-19 to be shared by landlords and tenants - The Covid-19 Response (Management Measures) Legislation Act came into effect on 3 November 2021 and applies to leases which do not already provide for adjusted rent payment terms during an epidemic emergency. The change allows a clause into commercial leases requiring a 'fair proportion' of rent to be paid where a tenant has been unable to fully conduct their business in their premises due to the COVID-19 restrictions. The landlord and tenant would need to agree on the amount of rent that is fair.

Working for Families - The Taxation (Covid-19 Support Payments and Working For Families Tax Credits) Act applies from 1 April 2022. This increases Family Tax Credits by \$15/week for the eldest child and \$13/week for any subsequent children; increases the Best Start payment from \$60 to \$65 per week; increases the abatement rate for the Family Tax Credit and the In-Work Tax Credit from 25% to 27%; increases the Minimum Family Tax Credit threshold from \$31,096 to \$32,864 and removes the requirement for a change in Alert levels for activating the Resurgence Support Payments.

Covid-19 - A reminder that the financial support measures are still available if you qualify for these. These include the Wage Support Scheme; the Short-Term Absence Payment; the Leave Support Scheme and the Resurgence Support Payment – which is currently on its 6th round opening 8am 26 November 2021. The current amount of the RSP is \$3,000 per business and \$800 per full-time equivalent employee and paid fortnightly rather than the previous weekly payment.

With the introduction of the new traffic light system on 3 December 2021, our understanding is that businesses will generally be able to remain open, and certainly those that involved a lower number of people gathering will be able to vaccinated or un-vaccinated. If you are unsure of the rules, we recommend you seek guidance as soon as possible to ensure your understanding is accurate.

News in and around the office Congratulations!!

Alana has recently completed her studies towards her NZ Diploma in Legal Executive Studies. This will certainly be useful within Alana's responsibilities - specifically with her Company and Trust administration work.

Michelle has also completed her Chartered Accountants Australia New Zealand (CAANZ) modules to become a Chartered Accountant.

Key Tax Dates

Date	Taxes payable
20 December 2021	PAYE—Period ended 30 November 2021
15 January 2022 (17 January)	GST—Period ended 30 November 2021 2022 Provisional Tax (2nd instalment) for March balance date
20 January 2022	PAYE - Period ended 31 December 2021
28 January 2022	2022 Provisional Tax (3rd instalment) for December balance date
7 February 2022 (8 February)	2021 Terminal Tax due for taxpayers that do not have a tax agent (this will not apply to our clients)
20 February 2022	PAYE - Period ended 31 January 2022
28 February 2022	GST - Period ended 31 January 2022 2022 Provisional Tax (2nd instalment) for May balance date
20 March 2022 (21 March)	PAYE - Period ended 28 February 2022
28 March 2022	2022 Provisional Tax (2nd instalment) for June balance date
7 April 2022	2021 Terminal Tax due to taxpayers that have a tax agent (this is for our clients)