



**bennettsproactive**  
CHARTERED ACCOUNTANTS

# NOTICE BOARD

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## OFFICE CLOSURES

### Team Planning Day

Our office will be closed on Friday **12 April 2019** for a team planning day out of the office.

### Easter

We will also be closed for the Easter break from 5:00pm Thursday **18 April** and re-opening 8:30am Tuesday **23 April 2019**.

In addition to that break some of our team will be enjoying an extended break from Easter through to 26 April 2019 to include Anzac Day on the **25 April 2019**.

We wish all our clients a safe and enjoyable Easter.

## End of Year Tax Planning - For 31 March Balance Date Clients

The 2019 year end is just around the corner!

There are a few tax compliance matters for the 2019 year that you should consider before 31 March approaches and some things you should do on or before that date.

Things that need to be considered and actioned before 31 March:

- Review of your Debtors and ensure you write off any bad debts dated 31 March or earlier from your ledger
- Issue all credit notes to customers if applicable
- Ensure all expenses are incurred before year end (invoices issued by supplier) so that a deduction is allowed in that financial year

Things that need to be considered on (or on the last trading day of the year) 31 March:

- Ensure stock counts in your accounting system are accurate, that is trading stock, at year end; also write off any obsolete stock by year end
- Determine the Work in Progress at year end, that is work that's been preformed but not yet invoiced at year end (materials and labour should be included)
- Determine any raw materials held on hand at year end, that is unprocessed material used to produce goods not yet used at year end
- Record cash/ banking received prior to or on year end but not yet deposited
- Confirm Petty Cash and Till Floats at year end



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# End of Year Tax Planning continued

We have already made a start on our scheduling for the 2019 year end work and will look to finalise that early in April 2019. Once finalised we will be able to send you a letter letting you know when your work is expected to be completed. Over the last few years we have fallen behind in our work schedule due to various reasons beyond our control which has affected a few of our clients and put pressure on the team. We are currently looking at ways to overcome this for the 2019 year. In the meantime, if for some reason you wish for your work to be at a specific time or if your work is urgent, please let us know and we will try our best to accommodate your request.

We will also have your 2020 annual folders ready for collection during April 2019.

## Tax Updates

Below is a snapshot of some recent tax updates that come into force in the future as well as proposed tax updates that may affect you and your business.

### Employment Law changes

- Increase in the **minimum wage rates** will apply from 1 April 2019

Type of Wage	Old Rate/ Hour	New Rate/ Hour
<b>Adult (16 and over)</b>	\$16.50	\$17.70
<b>Starting-out *</b>	\$13.20	\$14.16
<b>Training **</b>	\$13.20	\$14.16

\* Starting-out applies to employees aged 16 to 19 entering the workforce for the first time

\*\* Training applies to employees 20 years and over who are involved in relevant industry training to become qualified.

Certain requirements apply to both Starting-out and Training wage rates.

- **Trial periods** will only be available to small-to-medium sized employers (fewer than 20 employees at the time the employment agreement is made) from 6 May 2019. These still need to be included in the offer letter and/or the Employment Agreement to be enforceable.
- Minimum time periods for **rest and meal breaks** come into force from 6 May 2019. When these rest and meal breaks are taken is a mutual agreement between the employer and the employee. If a mutual agreement cannot be reached, then the meal break must be in the middle of the work period and the rest periods at halfway points between the beginning, meal break and end of the working day.

Length of work period	Employee's minimum entitlement
<b>Between 2 and 4 hours</b>	A 10 minute paid rest break
<b>Between 4 and 6 hours</b>	A 10 minute paid rest break A 30 minute meal break
<b>Between 6 and 8 hours</b>	Two 10 minute paid rest breaks A 30 minute meal break
<b>More than 8 hours</b>	In the first 8 hours: Two 10 minute paid rest breaks A 30 minute meal break After the first 8 hours: The above entitlement continues based on if work continues for another 2-4 hours; 4-6 hours and 6-8 hours

## Tax Updates—Continued

- New protections for employees experiencing **domestic violence** come into force from 1 April 2019. For employees affected by domestic or family violence, which includes both the perpetrator and the receiver, an employee is entitled to request a short term (two months or less) variation to their working conditions which could include hours of work, days of work, place of work etc. And when an employee has been employed for 6 months or more, then 10 days paid domestic violence leave are available.
- Changes to **KiwiSaver** which will come into force from 1 July 2019 (still awaiting Royal Assent) that include:
  - Adding additional Employer Contribution rates of 6% and 10%
  - Reducing the maximum contribution holiday from 5 years to 1 year, which will also change its name to "savings suspension".

### Proposed taxation changes

- Changes around the supply of **low-value imported goods** to consumers in NZ. For imported goods valued at or below \$1,000 the supplier will be required to be registered for GST, provided the registration criteria is met, and return GST to the Inland Revenue Department (proposed to apply from 1 October 2019)
- Changes to the **Ring-fencing of residential property deductions**. Intended to ensure investors will no longer be able to deduct expenditure relating to their loss-making residential investment properties from their other income such a wages or salary and business income. The rules will apply on a portfolio basis however if elected the taxpayer may apply the rules on a property-by-property basis (proposed to apply from 1 April 2019)
- The Tax Working Group has recently released its recommendations in regards to the suggested **Capital Gains Tax** which could apply from 1 April 2021 and will tax the gain made on the disposal of assets for items such as land, shares, investment properties or second family home properties, businesses, farms, protected property but does exclude the family home and personal assets. To determine the gain, a valuation will need to be obtained at 1 April 2021.

### Continuation of the IRD Business Transformation project

The second part of the roll out of the new myIR tax system is due to be launched. This part focuses on business income taxes and includes PAYE and some enhancements that you may not currently see on myIR.

myIR will be unavailable from 3:00pm Thursday 18 April through to 8:00am Friday 26 April 2019 while the IRD transitions from the old platform to the new. From 26 April 2019 when you log into your myIR account, the home page will look different.

We understand that the new myIR will provide more functions to taxpayers, including a lot of what we are responsible for. We do ask that you only attend to what you know. If you are unsure then please ask one of our Accounting Specialists for assistance.

## Scams still in Circulation

We are still hearing that there are a number of suspicious emails or phone calls being received out there so please be aware.

Please remember that Inland Revenue will never:

- send you an email asking you to disclose your personal details
- send you an email informing you that you have unclaimed monies or a tax refund available
- email you asking for your bank account or credit card details

If you are unsure please do not hesitate to contact us promptly to enquire. If we are responsible for your taxes such as Income Tax, GST, PAYE as your Tax Agent then our office should be the first point of contact at all times.

## Being Mindful of the Environment

We have recently been researching alternative options for packaging of your client records once we have completed the year end and are proud to advise we have found a much more environmentally-friendly option and we look forward to rolling those out in the new year.

The Government has also announced a mandatory ban on all single-use plastic shopping bags from 1 July 2019 which will affect all businesses.

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## Xero

Are you interested in moving to a cloud based product for the 2019 financial year?

Xero is an online based accounting software that allows you access from work, from home or on the go – putting you in control! Using Xero, you will know at any point in time your financial position and as your accountant we can provide valuable real-time advice right when you need it.

During May 2019 we will host a client training seminar which introduces Xero to you and will provide you with an overview of the software and the functions available. We will also run an advanced client training seminar for those clients that are currently using Xero but want to take it to the next level.

If you are interested in attending a client seminar or require further information about Xero please talk to your Accounting Specialist.

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## Payday Filing Drop-in Sessions

Payday filing becomes mandatory on 1 April 2019. If you are registered at the Inland Revenue Department as an employer then you would have already received publications in regards to this.

Payday filing is the new process that discloses employee earnings information to the IRD each pay period rather than the current way of monthly (or twice monthly) disclosures. This provides the IRD with more timely and accurate information to better calculate individual's tax liabilities and entitlements including: Income Tax; Working For Families; and Child Support.

To assist clients with their first lot of disclosures we will provide client drop in sessions to help with myIR registrations and Payday filing implementation and processing. These will run each Monday and Friday from 9:00 to 10:00am, and Wednesday from 3:30 to 4:30pm from 25th March 2019 until 26th April 2019 (except those dated when the office is closed).

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## Staff Focus—Introducing Karen Boyles



Karen will be the friendly face you see on reception when you visit our offices.

Karen was born and bred in Matamata, living there until 2008 before relocating to Papamoa Beach. She has followed a career path in office administration roles since leaving school, having worked primarily in Legal firms, as well as being a School Secretary and a Property Valuation Administrator. She brings years of customer service and administration experience and looks forward to assisting our valued clients with efficiency and a smile.

Outside of working, you will more than likely find Karen at the beach, gardening, or fishing at Coromandel, as well as spending as much time as possible with family and friends.

## Key Tax Dates

Date	Taxes payable
<b>7 April 2019</b>	Terminal Tax – 2018 Year
<b>7 April 2019</b>	FBT - Income Year return and payment
<b>20 April 2019</b>	PAYE – Period ended 31 March 2019
<b>7 May 2019</b>	2019 Provisional Tax - 3 <sup>rd</sup> Instalment
<b>7 May 2019</b>	GST - Period Ended 31 March 2019
<b>20 May 2019</b>	PAYE – Period ended 31 April 2019
<b>20 June 2019</b>	PAYE – Period ended 31 May 2019
<b>30 June 2019 – Suggest 10 June 2019</b>	KiwiSaver minimum contribution of \$1,042.86

If a due date falls on a weekend or public holiday you can file and/or pay your taxes on the next business day without incurring penalties. Payments must be received by the IRD on or before the due date otherwise they will be considered late.

Payments can be made either by cheque or electronically. If you are making payments electronically please ensure you have the correct IRD number, tax type and tax period so that the payment is credited to the correct tax account. If you are making payments by cheque please ensure that your payment is received at the IRD office on or before the due date.

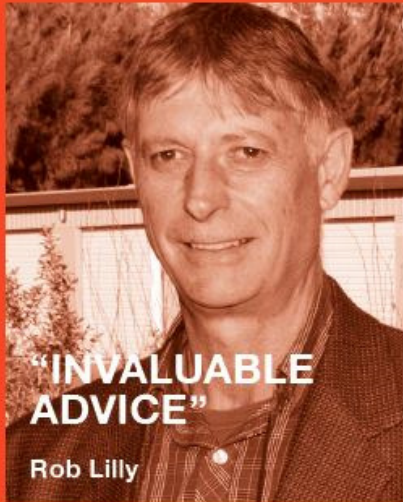
**Terminal Tax notices** – we are currently working through printing these and will mail them over the next week.

**Provisional tax review** – Prior to the 3<sup>rd</sup> instalment of Provisional Tax falling due, we are able to undertake a review of your last 12 months of trading to consider if an alternative tax payment can, or should be adjusted either upwards or downwards so it is more in line with what we expect the actual tax to be, especially if there is significant changes to the 2019 trading year. Once the GST return is completed for the February/March 2019 period we can obtain the appropriate information from your GST records. We will contact you soon as a reminder, but in the meantime please let your Accounting Specialist know if you would like us to complete this on your behalf.

**Kiwisaver** - To be eligible for the full member tax credit automatically you have to contribute at least \$1,042.86 a year. Employer contributions, government contributions and amounts transferred from Australia under the Trans-Tasman retirement savings portability do not count towards eligibility for this credit. The Government will contribute 50 cents for every dollar of member contribution annually up to a maximum payment of \$521.43. If you have not yet contributed the minimum amount we suggest that you arrange a voluntary contribution prior to the beginning of June 2019 to ensure time for your credits are transferred to your KiwiSaver fund by the due date of 30 June 2019.



# CAN YOU DESCRIBE YOUR ACCOUNTANT IN TWO WORDS?



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