



Taking you to the **next** level



IN THIS ISSUE:

End of Year Tax Planning

Page 1

Office Closure

Page 1

Tax Updates

Page 2

IRD Temporary Closure

Page 2

Xero

Page 3

No more Cheques

Page 3

Key Tax Dates

Page 4

Staff Focus—Rebecca Goldingham

End of Year Tax Planning For 31 March Balance Date Clients

With the 2020 year end just around the corner, now is a timely reminder of the year-end tax compliance matters that need to be considered on or before 31 March.

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 31 March (or on the last trading day of the year) :

- 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 performed 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. These need to be recorded at cost.
- Record cash/ banking received prior to or on year end but not yet deposited
- Confirm Petty Cash and Till Floats at year end

We have made a start on our 2020 year end work scheduling and will look to finalise that early in April. We will then be able to let you know when your work is expected to be completed. 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 be getting ready for you to collect your 2021 annual folders during April 2020.

Office Closure

Our office will be closed for the Easter Break from 5pm Thurs 9th April to 8.30am Tues 14th April 2020.

We wish all our clients a safe and enjoyable Easter.



Tax Updates

Over the last quarter, the following tax changes have been introduced.

Employment Law changes

- Increase in the **minimum wage rates** will apply from 1 April 2020

Type of Wage	Old Rate/ Hour	New Rate/ Hour
Adult (16 and over)	\$17.70	\$18.90
Starting-out *	\$14.16	\$15.12
Training **	\$14.16	\$15.12

* 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. Both of these are calculated at 80% of the adult minimum wage.

- The Government's plan remains to achieve a \$20 minimum adult wage by 1 April 2021.

The following changes have been introduced during the last year and commence from 1 April 2020.

Investment Income Reporting

- The new reporting rules require all payers of interest, dividends, royalties or other taxable distributions to disclose these to the IRD during the month of payment. This means your banks, financial institutions as well as any private investment arrangements you have.
- It is important that the provider of these types of income have your correct IRD numbers. Reason being is that this is how the income information will be shared and then held to form part of your taxable income for the year.
- It is also important that **all** IRD numbers are recorded where investments are held jointly so that the income and tax credit split is accurate.
- Please ask your bank if they hold the correct details for you rather than assuming they do, it will save time and cost having it right in the beginning.
- The non-declaration rate increases to 45% when a recipient does not provide their IRD number to the payer.

Kiwisaver members

- Members who enrolled before 1 July 2019 and aged between 60-64 can opt out of the 5 year lock-in period.
- KiwiSaver moves onto the new myIR platform with a number of viewing enhancements.
- Members are able to, in full or partial, withdraw contributions before turning 65 if a qualifying life-shortening congenital condition is developed.

IRD temporary shutdown over the Easter Break

As part of the IRD transformation project, all offices, myIR, E-file and call centres will be temporarily unavailable from 3pm on Thursday 9th April until 8am on Thursday 16th April 2020.

Their website will remain available along with the ability to make payments via online banking.

Xero

Are you interested in moving to a cloud based product for the 2021 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.

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

No more Cheques!

This fast paced world is creating headaches for some! We are seeing the shift to digital methods for making payments rather than the trusty Cheque.

The following are no longer accepting cheques:

- Kiwibank – From 28 February 2020; fully closed after 31 March 2020
- NZ Post – From 29 February 2020
- Inland Revenue Department – From 1 March 2020
- ACC – From 1 March 2020
- Farm Source (by mail only) - From 31 March 2020

For Kiwibank customers, these changes include:

- Not being able to deposit a cheque into a Kiwibank account
- No longer being able to write a cheque (Note: Kiwibank cheques may be accepted for deposit at other banks until 31 March 2020)
- Stopped providing cheques (Note: Kiwibank cheques issued prior to this date will continue to be honoured until 31 March 2020)

How to make payments of supplier invoices (Power providers, Vehicle regos and mileage etc)

- Pay online through your bank
- Set up a Direct Debit facility

How to make payments now to the IRD?

- Pay online through your bank
- Pay online through myIR using a credit or debit card (Note: additional fees will apply)
- Set up a Direct Debit authority (Note: This method is strongly discouraged as we are concerned that taxpayers may lose control of the payment deductions)
- Cash or Eftpos at any Westpac Bank, even if you are not a Westpac Banking customer (Note: From 1 July 2020, all payments must be accompanied by a barcode which will ensure the payment is correctly allocated to your IRD number. Barcodes will be displayed on all IRD correspondence in regards to that payment otherwise there will be a barcode generator available at ird.govt.nz / barcode which will provide this information)

How to make payments to ACC?

- Pay online through your bank

How to make payments to Farm Source?

- Pay by cheque but delivering the cheque to a store rather than by mail (this option too will eventually phase out, however, there is currently no expected timeframe as to when)
- Pay online through your bank
- Pay by credit or debit card
- Set up a Direct Debit facility
- Using your Milk Cheque

If you have any concerns around making payment as and when required please talk to Lance, Michelle or your Accounting Specialist, we are here to assist you during this transition.

Key Tax Dates

Date	Taxes payable
7 April 2020	Terminal Tax – 2019 Year
7 April 2020	FBT - Income Year return and payment
20 April 2020	PAYE – Period ended 31 March 2020
7 May 2020	2020 Provisional Tax - 3 rd Instalment
7 May 2020	GST - Period Ended 31 March 2020
20 May 2020	PAYE – Period ended 31 April 2020
20 June 2020	PAYE – Period ended 31 May 2020
30 June 2020 – Suggest 10 June 2020	KiwiSaver minimum contribution of \$1,042.86

Terminal Tax notices – We will print and issue these by mail over the next week.

Provisional tax review – Prior to the 3rd instalment of Provisional Tax falling due, we are able to undertake a review of your last 12 months of trading to consider if your 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 change in the 2020 trading year. Once the GST return is completed for the February/March 2020 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 of \$521.43 you have to contribute at least \$1,042.86 a year. The Government will contribute 50 cents for every dollar of member contribution. If you have not yet contributed the minimum amount we suggest that you arrange a voluntary contribution prior to the beginning of June 2020 to ensure time for your credits to be transferred to your KiwiSaver fund by the due date of 30 June 2020. Payments need to be made online by choosing the "Pay tax" option and including your IRD number, the tax type "KSS", and recording the period "0" (zero) or by any other means of paying taxes.

ACC - ACC CoverPlus Extra invoices will be released during April 2020 for the upcoming levy year. It is important that these are paid in full and on time (unless an instalment arrangement is put in place). Failing to do so will cease your nominated level of cover.

A move to ACC Made Easy - We are moving our ACC managed service to ACC Made Easy so that we can continue to do what we do best, and allow Miranda to do what she does best! We recommend that you sign up to Miranda's service offering once we release these details shortly. You might be surprised what she is able to save you in levies. In the meantime, if you wish to sign up sooner rather than later, then please contact Alana

Client Events - We are running a number of client events to share how recent tax changes could affect you. These include Xero Basics; Xero Advanced: Motor Vehicles; Farmhouse and Home office; Residential Properties and a general Tax Update. These will run in April on selected dates. If you are interested please contact our office. We recommend that you do attend if these topics impact you.

Staff Focus—Introducing Rebecca Goldingham

Rebecca is a welcome addition to our Accounting Specialist team. She steps into an additional role created as a result of client growth and to assist us delivering our service expectations.

Born and bred within the Bay, Rebecca grew up in Mount Maunganui and currently resides in Tauranga. She has had a varied career path that has included teaching, office work, retail as well as accounting. She brings to the role many life skills and looks forward to assisting our valued clients with efficiency and a smile.

Outside of work, you will more than likely find Rebecca walking up the Mount, gardening or going to the movies; as well as spending as much time as possible with family and friends.

Rebecca's normal working hours are Monday to Friday 8.30am to 5pm.

