



Taking you to the **next** level



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## What's the future going to look like?

If only we had a crystal ball. With so much uncertainty this year as a result of the Covid-19 pandemic, confidence certainly has been lost and everyone's theory for the outcome is slightly different based on where they're sitting now – some will tell the good, the bad and the ugly!

In some areas and industries we have experienced significant drops in revenue due to such a strict lockdown period put in place in NZ, which has somewhat been sheltered by the wage and tax relief packages introduced by Government. Low bank interest rates have been favorable to allow businesses to fund the continued operations and unfortunately job losses have been a result of negative impact within struggling businesses. We were lucky here in Te Puke to have the backbone of the Kiwifruit industry supporting the region through this challenging time, and I guess even more lucky that we're in the beautiful Bay escaping a second round of lockdown or restrictions.

From what we are seeing, businesses continue to chip away at a recovery to get back to a normal business operation. We are not however out of the woods yet! With an election approaching this too creates business uncertainty with tax promises to entice votes but also the hidden agenda to recover debt, we are hearing a mixed bag out there. We will update you all as tax proposes are confirmed.

For the time being what we can highly recommend is *Cash is King!* Keep a little nest egg away for a rainy day, collect debtors early, re-visit bad spending habits or grab the job while it's on offer. We are happy to talk with you through any issues you may be experiencing; if you're wanting to identify how to fill unproductive gaps within the business or how to become more cash rich.

**OFFICE  
CLOSURE**

**LABOUR  
WEEKEND**

Our office will be closed from Thursday 22<sup>nd</sup> October 5:00pm and reopening on Wednesday 28<sup>th</sup> October at 8:30am.

This break is longer than the normal national holiday period by two days. The office doors are shut to provide a well deserved extended break for our team after a busy and messy winter period. It will give us all time to catch our breath and to spend quality time with family and friends before we head into the crazy Christmas period rush.

# COVID-19 Tax Updates

There continues to be changes in regards to Covid-19 relief packages.

We have already communicated with you in detail around the following changes:

- Wage Subsidy and Leave/Isolation Support packages
- Income Support packages and Working For Families changes
- Small Business Cashflow loan scheme
- Tax relief and relief associated with tax
  - o Interest and Penalties relief for late payments
  - o Tax Loss Carry-Back scheme to access prior year tax credits
  - o Temporary changes to the Provisional Tax threshold for the 2021 year
  - o Depreciation claim allowed now on commercial and industrial buildings
  - o Employee Tax Free allowances for home reimbursements
  - o Changes to the Low Value Asset thresholds (Currently \$5,000 GST excl)
- Extension to the healthy homes standards for landlords

Recent changes that we have not already communicated to you include:

- Covid-19 Income Relief Payment – this is a temporary payment to support New Zealanders who lose their jobs as a result of the C19 pandemic. The payment will be available for 12 weeks from 8 June and the payment amount will be \$490/week for those who lost full time work and \$250/week for part time workers. This payment is not subject to tax, nor is it classified as income for the calculations of student loans, KiwiSaver, Child Support and Working For Families.
- Covid-19 Employment allowances and reimbursements – this is the employee tax free allowance for home reimbursements which has been updated to remove the reference to being a result of the pandemic and has been extended through to 17 March 2021.
- Apprenticeship Boost subsidy scheme – this is an incentive payment for employers to take on new apprentices. The payment is for a maximum of 20 months per apprentice, paid in advance and the payment will be \$1,000/month for the first year and \$500/month for the second year (GST exclusive); you must ensure that the apprentice pay is at least the minimum or training wage.

Other matters to be aware of:

- Wage Subsidy audits have commenced – we have seen and heard a flurry of questions in regards to information requests for criteria of being eligible for the subsidy. We know resources have been allocated to the recovery of subsidies paid out where businesses have either falsely claimed or mistakenly claimed in error.
  - o Employers should ensure that relevant records are maintained in the event of an information request or audit that shows the evidence in determining your position to apply - this could include your calculations of revenue reduction; how you determined “normal pay” for employees; evidence of your best efforts to maintain pays at a rate of 80%; measures taken to mitigate the impact on the business; or communications with employees.
  - o Audit processes and questions have not yet been shared with us from MSD, we are only currently hearing what correspondence clients and the public have received.

If you would like further information in regards to any of these tax changes please contact either your Accounting Specialist, Lance or Michelle to discuss further.

# Xero—Complimentary client seminars

**Basics—2nd Thursday of every month at 3:30pm—next seminar is 8<sup>th</sup> October 2020**

Invoicing – Thursday 15th October at 3:30pm

Bills and payments – Tuesday 20th October at 3:30pm

The Basics will include a basic overview of Xero including the Dashboard, coding of transactions, using reports and a few shortcuts.

The Invoicing along with Bills and Payments will be specific to these two functions within Xero and will include issuing, management and shortcuts. Invoicing will include measures to improve cashflow. Bills and Payments will include measures to make payments through banking batch payments.

All these client seminars will be interactive. Training will be using the demo version of Xero meaning that you can play with a real life dummy file. To be interactive, you must bring your laptop or tablet along with you.

The sessions above are part of our free upskilling of clients to assist you to run your business more efficiently and effectively. If you would like more intensive training with your Xero; and on your data; this is available. Please contact your Accounting Specialist to determine the level of training required, we can then provide an estimate of cost and a suitable time.

Register for these free seminars by contacting the office.

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## Trusts Act 2019 - Recent changes to modernise & clarify trust law

This time last year we shed some light on the new Trusts Act 2019 (the Act) which has a transitional period up to 30 January 2021 to provide all settlors and trustees a chance to get up to speed with the required changes and time to comply.

To recap on the major changes coming:

- Introduction of Mandatory Duties – there are 5 duties that must be performed by the Trustees and cannot be modified or excluded by the terms of the Trust. The 5 duties include the duty of Trustees to know the Trust, to act in accordance with the terms of the Trust, to act with honesty and in good faith, to act for the benefit of beneficiaries and a duty to exercise powers for proper purpose.
- Introduction of Default Duties – there are 10 duties that must be performed by the Trustees unless modified or excluded by the terms of the Trust.
- Giving information to Beneficiaries – Basic information now must be made available however there appears to be differing views within the profession as to what needs to be provided and what can continue to be withheld.
- Indemnities – restrictions have been introduced around the use of Trustee exemption and indemnity clauses
- Ability to delegate powers – there will be circumstances where powers can be delegated either partially or in full.
- The maximum length of a Trust's life has been extended to 125 years from 80 years.
- Introduction of dispute resolutions – Alternative dispute resolution mechanisms have been made available such as mediation and arbitration in order to reduce court actions.

This is not a one size fits all project. Some of our clients will notice little change whereas some will see changes required in order to comply with the legislation. We have started working through all our Trusts so we can start these conversations with you and your lawyer where need be. In the first instance we will correspond with you.

## Key Tax Dates

Date	Taxes payable
20 October 2020	PAYE—Period ended 30 September 2020 FBT—Quarter ended 30 September 2020
28 October 2020	GST—Period ended 30 September 2020 Provisional Tax—6 monthly GST filing frequency
20 November 2020	PAYE – Period ended 31 October 2020
21 December 2020	PAYE—Period ended 30 November 2020
15 January 2021	GST—Period ended 30 November 2020 2021 Provisional Tax (2nd instalment)

## Staff Focus

### Congratulations Laura Drury



Laura, Charlie and big sister Heidi welcomed Alexa Mae Boynton into their special family on 24 July 2020, weighing a healthy 4290gm (9lb 7oz).

### Dawn Bartie—Supporting Boobops Breast Cancer Dragon Boat Team

Dawn has been a long time committed supporter of the Boobops Breast Cancer Dragon Boating team, both competing and fundraising for this good cause. They are currently running a raffle to raise funds and if you would like a ticket then please contact Dawn either at the office or on [dawn@bennettsproactive.co.nz](mailto:dawn@bennettsproactive.co.nz) before 22nd October 2020.

#### Boobops Breast Cancer Dragon-Boat Team Raffle!

1<sup>st</sup> Prize: \$799 Burnsco Paddleboard  
**Donated ISO Limited**

2<sup>nd</sup> Prize: \$240 Dolphin Seafaris trip for 2  
**Donated by Dolphin Seafaris**

3<sup>rd</sup> Prize: \$100 Pak n Save voucher  
4<sup>th</sup> Prize: \$50 Bunnings voucher

**Both vouchers donated by CPS Services Ltd**  
\$5.00 or book of 5 for \$20.00

Drawn October 25<sup>th</sup>, at "Fashion Plus" Pop-up shop Mt College 2020  
1500 tickets for more information: 027 365 1553

