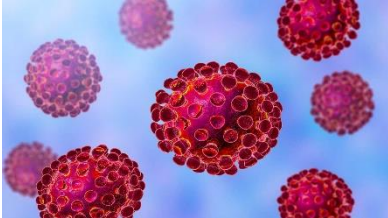


If you would like to discuss any of these matters and how they affect you, please don't hesitate to contact us.

COVID-19 (coronavirus) Business Support

The Government has released a support package to aid businesses and individuals struggling with the effects of the COVID-19, a summary of which follows:



- Wage subsidies (\$585.80 p/w for a full time employee – 20hrs or more - or \$350.00 p/w for a part time employee - less than 20 hrs). This will be available for all employers that are significantly impacted (30 per cent decline in revenue) by COVID-19 and are struggling to retain employees as a result. The scheme will be open to all businesses, including sole traders and the self-employed.
- Workers and businesses have responsibilities to prevent the spread of COVID-19. The purpose of the COVID-19 leaves and self-isolation scheme is to support workers financially to self-isolate, or while ill with COVID-19, where this is required so that all businesses and workers can do the right thing. (payments are the same as the wage subsidy above)

(click here for more info: [COVID-19 employer support](#))
- There are several business cash flow and tax measures that have been announced, including:
 - Inland Revenue having the discretion to remit use-of-money interest (UOMI) for customers significantly adversely affected by COVID-19.
 - Increasing the provisional tax threshold from \$2,500 to \$5,000 from 2020/2021.
 - Increasing the small asset depreciation threshold from \$500 to \$1,000 — and to \$5,000 for the 2020/21 tax year.
 - Allowing depreciation on commercial and industrial buildings from 2020/2021.
 - Removing the hours test from the In-Work Tax Credit (IWTC) from 1 July 2020.

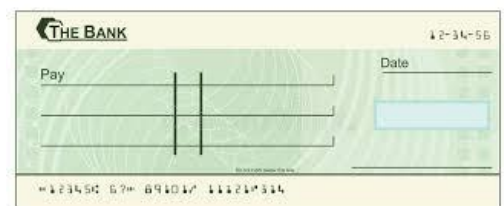
(click here for more info: [COVID-19 tax relief](#))

If you are having difficulties or concerns about meeting your normal tax obligations because of COVID-19, Inland Revenue has a range of ways to help depending on your circumstances.

(click here for more info: [Tax relief – COVID-19 \(novel coronavirus\)](#))

No Cheques

As you may be aware from **1 March 2020**, the IRD and ACC are no longer accepting cheques as a form of payment. All amounts owing will be required to be paid online.



Online Software (Xero v MYOB)

If you would like to discuss online accounting software or need assistance or training, please get in touch with us. We help a lot of clients gain a better understanding of how to use software more efficiently and effectively.

Employment Relations

You should already be making sure employees are given at least the minimum rest and meal breaks. If you have 20 or more employees 90-day trial periods are no longer permitted in employment agreements for new employees.

New Privacy Act



The new Act will most likely come into effect in 2020 which will affect all business that collect, store and use personal information about their employees or customers. Know your responsibilities (<https://www.business.govt.nz/news/get-ready-for-upcoming-privacy-law-changes/>)

Employers

PAYE Tax Tables: The PAYE tax tables for the 2021 tax year including the updated KiwiSaver and Student Loan deduction rates, are now available at <http://www.ird.govt.nz/forms-guides/keyword/employers/payee> or PAYE calculator <https://www.classic.ird.govt.nz/calculators/keyword/payee/calculator-payee.html>



Minimum Wage: From 1 April 2020, the adult minimum wage will increase to **\$18.90** an hour. The new entrants' minimum wage and the training minimum wage will increase to **\$15.12** an hour.

Changes to Residential Tenancy

There have been various changes to tenancy rules that cover a range of issues that landlords must be aware of. They are discussed in detail here: <https://www.tenancy.govt.nz/law-changes/>

Airbnb, Homestays, Boarders, Renting, B&B

Are you renting out your house, providing home stays, taking in a few boarders, or renting a room occasionally via websites like Airbnb? If so, you need to be aware of your responsibilities in relation to income tax, GST, rates, and insurance.



Depending on your circumstances, your tax obligations may apply from when the activity commences. There are several different tax rules that may apply depending on the type of accommodation you are providing.

If you are considering or have provided any of the above types of short- or long-term accommodation you should discuss with us what your tax position is likely to be.

Health & Safety



A reminder that if you are in business you must have health and safety plans and procedures in place. All businesses are required by law to take all reasonably practicable steps to minimize or eliminate potential harm to you and others.

ACC CoverPlus levy is changing

If you are self-employed or working as a contractor, you'll automatically be on CoverPlus when you have filed your income tax return. Until now, those on CoverPlus have paid ACC levies in advance. ACC has estimated the amount of your levy based on your previous year's earnings. From 2020, you'll pay levies for the financial year just finished and your levy will reflect your actual earnings as filed with Inland Revenue. This means you'll receive your 2020 CoverPlus invoice starting around July/August 2020 instead of July/August 2019, like you might be used to. If you are on CoverPlus Extra nothing will change.



**Te Kaporeihana Āwhina
Hunga Whara**

New Trusts Act 2019

If you have a trust, there may be changes you need to make before the new Trusts Act comes into force in January 2021. The changes are meant to make trust law more efficient and accessible, lower administration costs and make it easier to resolve disputes.

While 2021 is quite some time away you may wish to begin reviewing things early:

1. Review the trust: talk with us and your lawyer to review the reason and need for the trust. It may no longer be fit for purpose
2. Revisit your succession planning: The new legislation has extended the maximum lifespan of trusts by 45 years, to 125 years.
3. Be prepared for beneficiary requests: The new law means most trust beneficiaries will be able to request financial information relating to a trust. This may be a concern for some trust settlors and has generated a lot of discussion from commentators
4. Know your responsibilities as a trustee, which include:
 - a. Knowing the terms of the trust
 - b. Acting according to the terms of the trust
 - c. Acting honestly and in good faith
 - d. Holding trust property
 - e. Acting for the benefit of the beneficiaries or the permitted purpose
 - f. Exercising trustee powers for a proper purpose

If you have any tax or business-related questions, contact your friendly Mead Stark office.

