

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

Taxing Property Sales

With the booming property market it wasn't going to be long before the IRD started to change their tax revenue policies. The Bright Line Test was introduced 1st October 2015. This property tax rule applies to residential properties (excluding your "main home") bought on or after 1st October 2015. If you sell this property within two years of purchasing it you will need to pay tax on any income you make. (All existing property tax rules still apply.)



If you are purchasing a property in New Zealand that is not your main home you will be required to provide your IRD number to LINZ.

Employers

PAYE Tax Tables The PAYE tax tables for the 2017 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>.

Minimum Wage From 1 April 2016, the adult minimum wage will increase to **\$15.25** an hour. The new entrants' minimum wage and the training minimum wage will increase to **\$12.20** an hour.

Child Support from 1 April 2016, all liable parents will be able to have deductions made from their salary or wages. The age children can be included in child support is reducing from 19 to 18, unless the child is enrolled in and attending school.

Paid Parental Leave

Further increases and changes to paid parental leave will come into effect on 1 April 2016. Paid parental leave will increase from 16 to 18 weeks for those expecting a baby on or after 1 April 2016.



The new law also extends parental leave payments to more workers including casual and seasonal workers, those with more than one employer and those who have recently changed jobs.

Other changes include extending paid parental leave to parents of pre-term babies and making it easier for parents to stay connected to the workforce with more flexibility around returning for training or planning days.



Health and Safety at Work Act 2015

The new Act comes into effect 4th April 2016. The law says you need to do what's "reasonably practicable" to manage health and safety risks at work. This means you're expected to do what a reasonable person would do in your situation –it is about taking responsibility for what you can control and more focused on proactively identifying and managing risks so everyone is safe.



If your business already has a strong commitment to health and safety you might not have to do anything new.

Use these tips to get on the right track:

- Identify hazards and risks, and take steps to prevent these from causing injury.
- Make sure your H&S policies are led by management, understood by all staff and reviewed regularly.
- Hold regular training on H&S matters.
- Engage workers in H&S matters that affect them.
- Support all management & staff to get up to date with H&S issues and key risk factors.
- Report and monitor H&S goals.
- Regularly review any incidents.
- Carry out frequent H&S audits.

See <http://www.business.govt.nz/news/health-safety-law-changes> <http://saferfarms.org.nz/>
<http://www.business.govt.nz/worksafe> for some helpful information.

ACC Workplace Safety Discount

ACC's Workplace Safety Discount (WSD) rewards self-employed and small-medium businesses (fewer than 10 employees or annual payroll \$564,000 or less). In exchange for putting health and safety systems in your workplace, you may be eligible for a 10% reduction to the work levy.



To look at applying for this please visit:

<http://www.acc.co.nz/for-business/small-medium-and-large-business/how-to-pay-less/workplace-safety-discount/BUS00023>

ACC No Claims Discount Programme

The No Claims Discount Programme is a way to modify a business's ACC work levy based on its claim history. A business or self employed person that meets the No Claims Discount Programme eligibility criteria will receive a no claims discount to the current portion of their work account levy. This discount option applies to those who pay ACC levies under \$10,000. If your business has ACC Levies over \$10,000 please contact us to discuss the experience rating programme which may entitle your business to a discount.

<http://www.acc.co.nz/for-business/experience-rating/index.htm>

Undeclared Cash Jobs –Tax Crime?

The IRD are cracking down on non-declared cash jobs. It's okay to do jobs for cash or for your mates as long as you record them and declare the income. If you're registered for GST you must charge it and declare it. If you've left some income off your tax return it's best to let us or the IRD know now, rather than wait for the IRD to find out some other way.



Fringe Benefit Tax



Is your company providing a vehicle or accommodation (or other company owned asset) to an employee (including shareholder-employee) that is available for private use? If you answered yes then your company may need to file and pay fringe benefit tax on this benefit. Private vehicle use includes travel by an employee from or to their home, and any other travel that involves a personal or domestic element.

If you're a sole trader or partner in a partnership and you use a business vehicle privately, you don't have to pay FBT. But you will need to account for the private use by making an adjustment in your income tax and GST returns. (Use a logbook to keep track of your business use.)

If You're Unable to Pay Your Tax

If you find yourself in the position of being unable to meet your tax payments on the due date it is important that you contact either us or the Inland Revenue prior to this date to inform them of the situation.

By taking this step you can avoid many of the late penalties imposed (interest will still be charged). Inland Revenue Department will work to set up a payment plan. Please note the Inland Revenue's use of money interest rate is currently 9.21%.

Payment by Credit Card

Please note we are able to accept credit card payments of our invoices via our webpage.

Meet the Mead Stark Team

After nearly four decades in practise in Central Otago, the "reins" of the firm have been handed over from Peter Mead (a few years back) and Alastair Stark (April 2015) to Matthew and David (and with two decades of the same logo, they decided to change that too).



Cromwell Office: Matthew Shand, David Stark, Gill Taylor, Serena Paterson, Sarah McIntosh, Rebecca Hansen, Karen Owen, Marley Dunlop, Colleen Parker, Tina Clark, Marnie Morton.

Wanaka Office: Robyn Hunt, Chris Waugh, Raelene Thomas, Edwina Gayfer, Robyn Mercer.

If you have any tax or business related questions contact your local Mead Stark office.

