

Annual Accounts Time....

The end of the 2018-2019 financial year has arrived and for most of our clients.

The annual questionnaires are now available on our web site for you to download. Please visit <https://finnz.co.nz/resources/> for your copy to fill in and include with your paper. If you need us to post one to you please phone the office.

The general rule is that we like **all** our clients to fill one out where possible. However filling one out may be less important if you have no trading stock and there have been no changes to your assets or business operations. If you think this might be you, best to give us a call first and we can discuss your situation. Note that you will still need to provide us with all the necessary information regardless of whether the questionnaire is filled out.

Things to think about at the end of the financial year:

- If you earned a lot more than last year, you might consider a voluntary provisional tax payment (before 7 May)
- Check your fixed assets or stock—if you have obsolete stock there may be an opportunity to write it off. Put a note with your accounts information or send us an email.
- Vehicle use—jot down your odometer reading and if you don't do it already, start a log book for this year!
- If you have written off bad debts the IRD may ask to prove that the debt is, in fact, bad. You may be asked to show the steps you have taken to recover the debt before writing it off.
- For March 31 balance dates—Remember services or goods purchased in March that you pay for in April, or invoiced out for March that you receive in April belong in the 2018-19 year—debtors and creditors. We need this information so we can tie everything in to the correct financial year and claim it for tax purposes. Go through your transactions for April and decide which ones relate to the previous financial year.

Easter Closing

We will be closed for the short week after Easter.

Close: 5pm Thursday 18th April

Open: 8am Monday 29th April



The Team at Finnz



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www.finnz.co.nz

Changes for Payroll

Minimum Wage Increase

From 1 April the new minimum wage is increased to:

\$17.70 for adult employees

\$14.16 for starting out and training
(80% of adult minimum wage)

Payday Filing

You now must file your employment information each payday, instead of filing the Employer monthly schedule. The filing must be done within **two** working days of the pay day (electronic filing) or **ten** working days of the payday or 15th and end of month if you file by paper. If your PAYE and ECST deductions total more than \$50,000 you must file electronically. Check out the IRD's information page at

<https://www.ird.govt.nz/payroll-employers/returns-payments/payday-filing/payday-filing.html>

Kiwisaver Contributions

You can choose how much you wish to contribute to your Kiwisaver account—and you now have the additional choices of 6% or of 10%. So, you can choose to contribute either 3%, 4%, 6%, 8% or 10% of your pay. If you don't choose an amount, the default rate of 3% will apply.

If you are not an employee—that is, you are self-employed, a contractor, not working or receiving a benefit, then your contribution must be made manually or set up by you to go out automatically.

Rental loss ringfencing

You might recall that we signalled the impact of rental loss ringfencing a while ago. Well now that the 2020 income year has started, the new rules have kicked in. To recap on our original notice, owners of rental properties are no longer able to offset any losses from the rental operation against other sources of income.

This is likely to affect those one or two rental properties the most rather than a property investor with a significant portfolio. We also note that the impact may be significant for properties purchased with significant support from the bank (i.e. lower equity). Overall, the change will mean that end of year refunds for rental property owners are a thing of the past.

If your rental properties require you to top them up with additional cash from time to time, it would pay to give us a call so we can check the impact on you. It's best to know these things in advance!

IRD and Cheques

The IRD have stopped accepting post-dated cheques. So if you want to set up future payments you can only do it using online banking.

Families Package

The mini budget families package includes:

- Increasing the Family tax credit by between \$575 and \$1,400 per year
- Increasing the Working for Families tax credit abatement threshold from \$36,350 to \$42,700
- Increasing the Working for Families abatement rate from 22.5% to 25%
- Reinstating the Independent Earner tax credit (IETC) of \$520 annually to individuals with incomes of \$24,000 to \$48,000
- Introducing a \$60 per week per child Best Start tax credit for families with children under 3 (if born on or after July 1, 2018)
- Implementing the Accommodation Supplement and Accommodation Benefit increases