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Minimum wage to increase to \$16.50 per hour

If you have any staff on the minimum wage, next year your payroll will get a little larger.

The minimum wage will increase by 75 cents to \$16.50 per hour on April 1st, 2018.

It's the largest increase in the minimum wage since 2008.

The government has also promised to abolish starting-out rates within a year and will consider changes to the training wage.

Please contact us if you have any questions or queries on this change or any payroll issue.

This month we are celebrating five years as 'Southey Sayer'. The time has flown by and we thank all our clients for their continued support.

During the last five years we have moved twice, combined with Rural Ca and increased our staff numbers.

We also continue our support of Dairy Business of the Year through our involvement with NZ CA.

We encourage our Dairy clients to check this out at www.dboy.co.nz

*Leanne, Becks
& the Team*

Life Flight
Community
Partner 2018



Checklist for annual accounts

If you have a 31 March Balance Date your 2018 questionnaire will be with you shortly. Here are some tips to make sure we get everything we need:

- Answer all questions in our questionnaire.
- Make sure you have everything we have asked for in the questionnaire.
- Sign the completed questionnaire.
- Arrange for a stocktake if needed.
- Count cash in the tills and petty cash at the end of the last working day.
- Work out your debtor's balance as at the end of the financial year.
- Work out money you owe your creditors at balance date.



AIM – a new way to pay Income Tax

AIM (Accounting Income Method) is a new option for calculating provisional tax. It allows payments to be made with your GST, based on your actual profit in that period – so if you don't make a profit, you won't pay provisional tax in that GST period.

To use this method, you must have approved accounting software, not be trading as a partnership and have annual turnover of less than \$5 million. You are deemed opted in once you have made your first payment using this method. You must use this method for the full tax year. You can opt out at the start of a new tax year.

There are benefits of using this method and you might consider it if you are a new business, your sales are unpredictable and fluctuate through the year, you are a growing business or you just want to keep on top of your tax obligations.

Please talk to us first if you are interested in this method for the 2018 Tax Year.



Paying withholding tax

When paying withholding tax on dividends to Inland Revenue the payment account type is DWT.

When paying withholding tax on interest the account type is IPS. Please ensure you use the correct payment account types.

IRD into Stage Two of Business Transformation on their website

IRD's been trying to be easier to do business with. As you read this, its new tax system is kicking in, giving you new and simpler ways to manage your GST obligations through myIR.

From April, IRD will address more areas, including:

- Withholding Tax
- Gaming Machine Duty
- Fringe Benefits Tax
- Payroll Subsidy
- Employment information (PAYE) – see the next article for more information on Pay Day reporting.



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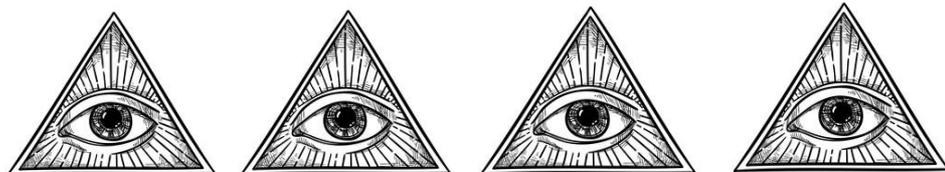
Pay Day reporting to Inland Revenue

In April, IRD will introduce payday reporting of PAYE information – that is, employers can report employee payments to Inland Revenue (IR) every pay run – PAYE payments remain the same - monthly.

To give you time to put systems in place, businesses will have a year before it becomes mandatory. But it is voluntary for the 2019 tax year.

If you pay staff and are not using payroll software this will become a very manual and time-consuming job.

Contact us for help with payroll – you do not want to get it wrong!



Business Bites



Payroll – good record keeping is mandatory

Focus on the rural sector

Labour inspectors have been focusing on primary sector employers and the reports are that most farmers are not compliant with current employment laws. They are not keeping good enough records.

No matter what industry you are in, if you pay employees a salary, you must keep timesheet records of all hours worked, leave taken and the type of leave taken for each employee.

If your employees work extra hours in a week it is very easy to inadvertently pay them less than the minimum wage.

Good record keeping protects you (the employer) and there are lots of options for timesheet recording available. It may seem like a lot of bother but not bothering could lead to an infringement notice and/or a very large fine.

We can help with payroll solutions to make record keeping easier. Please contact us if you have any questions.

New law will make dirty money easier to spot

Money laundering is big business in New Zealand. Every year \$1.35 billion of fraud- and drug -related money is laundered through seemingly legitimate businesses. In response, the Government introduced specific Anti-Money Laundering and Countering Financing of Terrorism legislation to address this risk.

Previously, only a few types of organisation had to comply with the legislation. Following amendments to this legislation passed last year, it is now confirmed that this legislation extends to these groups taking effect from these dates (or earlier if the Government legislates by an Order in Council):

1 July 2018: lawyers, conveyancers and businesses that provide trust and company services

1 October 2018: accountants who provide particular kinds of business services

1 January 2019: real estate agents

1 August 2019: businesses trading in high-value goods, sports and racing betting.

If you are in any of these categories, of course you must make sure that your business complies. We can point you in the right direction. But please also note that as your accountant we are in one of the categories that must comply with the changes. And to do this, be aware that we will sometimes need to ask you for more information than we have in the past. This is because we need to be able to document that we have verified your ID and that both you and your business entities are all above board.



Business Bites

Office News

Carissa and Donna employment milestones!

Carissa Price has recently celebrated 20 years of employment here at Southey Sayer. We had a team breakfast earlier in the month to celebrate this very impressive milestone. Donna Innes is approaching 10 years employment at Southey Sayer.

We would like to congratulate both Carissa and Donna on these achievements and thank them for all their effort and hard work over the years.

Congratulations Dayna!

Dayna Scott is now a qualified accounting technician (AT). This qualification was obtained through the vocational pathway which was a combination of three years part-time study provided by the Home Learning College in the UK in partnership with CAANZ, as well as practical experience.

Reminder – Parking is free on Dixon Street and beside us on Smith Street. Also directly outside our door is free for one hour.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended *as general information only*.

Southey Sayer Wairarapa Korus



The Southey Sayer Wairarapa Korus Cricket Team have impressed in what was only their second season back since re-establishing for the first-time last season in over a decade. The Korus pulled off an impressive victory over Hawkes Bay in their final 40 over game of the season, winning by 140 runs. This result meant they finished 3rd overall in the competition behind Taranaki and the champions Manuwatu (who they beat).

Overall it was an excellent season from the Korus. We would like to congratulate the Korus and everyone involved on a fantastic season, once again making us a proud sponsor.

One of our after-school employees, Ella Southey, made her debut for the team during the season (pictured above).

Client reminders!

All self-employed people are entitled to **paid parental leave** – to apply you need to complete the Paid Parental Leave (PPL) application (IR880) form prior to your expectant date. If this at any stage applies to you please let us know and we can do the application for you.

Kiwisaver - If you are self-employed you need to liaise directly with your Kiwisaver provider to setup a direct debit with them to ensure you pay the \$1040 per annum minimum. By doing this you are entitled to the government's annual \$540 credit. We recommend contributing \$100 per month as an effortless way to ensure you are maximising the government contribution.



SOSA Easter hours

We will be closed from 5pm on Thursday 29th of March and will reopen again at 8am on Wednesday 4th April.

