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### SOSA New Website

Check out our new website at  
[www.sosa.co.nz](http://www.sosa.co.nz)

Don't forget to follow us on  
Facebook and Instagram

# Business Bites

December 2023

## Merry Christmas



We wish you all a very  
Merry Christmas and Happy New Year.

We would like to thank you all for your  
continued support over a very busy 2023.

Leanne, Becks and the team

## SOSA Strategy Day

A few pictures of our wonderful firm strategy day held at the Carterton Events Centre





Proud to Sponsor  
Shear4U

## Quick Briefs

### Don't waste your audience's time

If you're writing or presenting a seminar or webinar, respect other peoples time. Don't waste it with rambling opening remarks, which add no value to what you are about to say.

### Donations – rebate not permitted

Sometimes a charity will organize tickets for a show to raise funds. Your payments for the tickets are not donations for tax purposes. The reason for this is you can get a donation rebate only if your payment doesn't provide you with any significant benefit.

## Tax rate for trusts to go to 39%

Tax distortions in New Zealand are increasing. The top tax rate for individuals and family trusts used to be 33 percent, but it was raised to 39 percent for individuals, creating an incentive to keep income within trusts.

The previous government proposed a 39 percent tax rate for trusts starting April 1, 2024. The new government appears to retain this rate for Trusts (at least in the first term).

This means that if the individuals taxable income is under \$180,000, it makes sense to distribute trust income to beneficiaries with lower incomes. However, this approach has a drawback, as you must eventually pay out the money to the beneficiary.

One challenge is that family trusts are primarily set up to protect family assets from creditors. Distributing income annually to beneficiaries, and beneficiaries not spending it, puts those savings at risk from legal claims.

Accumulated income from family trusts could raise concerns with the Inland Revenue, as it might appear as tax avoidance. Predicting when the Inland Revenue will apply their avoidance provisions is challenging, but it's a risk to be aware of.

Companies in New Zealand are taxed at 28 percent, which is lower than trusts. While companies lack the asset protection of trusts, they offer tax advantages. But there is also the potential disadvantage of fringe benefit tax issues with a company.

The only time you'd pay more than 28 percent tax is when you withdraw money from the company by declaring a dividend. When you retire and your income decreases, company distributions might end up being taxed at a lower rate, possibly resulting in a tax refund, depending on your overall income.

It's unlikely the government will raise the company tax rate, as it would reduce the competitiveness of New Zealand businesses internationally.



## Making a decision on the most productive social media channels

When you chose the social media platforms on which to advertise your business, how did you decide?

We've all heard of Facebook, Instagram, LinkedIn, YouTube and TikTok, but there are so many options out there! Some of the alternative social media platforms offer more niche followers such as Neighbourly and Pinterest.

Here are Digital Boost's top three tips to think about when choosing a social media platform for your business:

1. **Customer personas.** To reach your customers, you need to know who they are. Once you've narrowed down who you're targeting, find out what platforms they use and focus your efforts there.
2. **You don't have to stick to mainstream channels** if your offering is more niche – you could save by advertising on social media platforms that aren't Facebook and Instagram. For example, if you're selling jewelry, Pinterest could be a good alternative. If you're in TV and film, you could benefit from Reddit's huge communities.
3. **Does it have a dashboard?** Today, having good real-time data means you can adjust your spend and focus your efforts where it matters the most. So, ask yourself: what can each social media channel offer me in terms of reporting? Being able to monitor and measure how well your posts and ads are performing allows you to make better decisions and refine your strategy as you go.

Find out more at [digitalboost.co.nz](https://digitalboost.co.nz)

## Christmas and New Year Hours

Our office will close at  
2pm on Friday 22<sup>nd</sup> December  
and  
reopen at 8.30am on Monday 8<sup>th</sup> of January  
2024.

# Business Bites

## Sorry to be the Christmas Grinch...



Don't forget that **January 15<sup>th</sup> 2024** is the due date for the second instalment of 2024 provisional tax (March balance date except for those who pay provisional tax twice a year).

You also need to pay your GST for the period ended 30 November 2023 on this day as well.





# Business Bites



## Assess your cyber risk

Taking your business online comes with many rewards, such as greater reach, rising profits and efficiency gains. But it also comes with risks.

Here are five steps to performing a cyber security risk assessment so you can ensure your business is prepared to get online.

- 1. List your important systems** and whether they're inside or outside your organisation. Note the kind of data they hold.
- 2. Identify threats.** Consider how valuable your data is and how easily your systems could be attacked
- 3. Evaluate the risks.** Think about what could go wrong with your data or systems – like if they're no longer private, correct or available.
- 4. Understand the impact.** Figure out how each risk might affect your business, such as operationally, reputationally, financially or technically.
- 5. Take action.** Implement measures to reduce, transfer or accept risks. Share your plan with your team and create a response plan for incidents. Regularly review your risk assessment as things change.

## No need for cards – go digital to pay

You've gone out and forgotten your payment cards, unless you have cash, you're stuck when you need to pay for something.

Fortunately, technology allows us to carry a digital wallet, which can contain all your cards – including loyalty cards with your smart phone. It works much the same way as paying by card but instead of swiping or tapping your card at the store, you open the wallet on your phone, hover it over the stores machine and pay by verifying its you with a security code or fingerprint scan.

Loading your cards into a wallet is surprisingly easy. iPhones have Apple Wallet and there's also a Google Wallet.

To load cards, simply open the wallet and add the cards you want. It makes things easy by asking to use your camera to scan your card and load the details. Then you're ready to use it at the supermarket, in stores or online!



### 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 circumstances, as they are intended *as general information only*.

