

## NEW PARTNER ANNOUNCEMENT



We are pleased to announce that **Hayden Syers** will be joining our practice as a Partner from April 2017.

Hayden is a qualified Chartered Accountant and has been working in the firm for the last year. Prior to this, Hayden has worked in both public practice and in various commercial roles.

Hayden's fifteen years of accountancy experience has seen him work in senior Finance roles in Publishing, Advertising, E Commerce and FMCG, both here in NZ and abroad. Drawing on his experience, Hayden is able to sympathise with business owners and enjoys helping clients understand the financial aspects of their businesses better.

Hayden provides practical consultancy advice relating to annual compliance work, tax planning, management reporting, forecast projections and cash flow management.

Hayden's spare time is mostly taken up by his Family, he is married with four children, two of which are twins.

With Hayden joining the practice as a Partner, the firms name will change to **Lee Coutts & Syers Chartered Accountants Limited**. This will see a few minor changes to our branding and an improved website being developed over the next few months.

Apart from this it is business as usual for the whole team.

## Financial Year End 31 March 2017

With the tax year end fast approaching, it is a good time to consider items that may require action before you close off your end of year financials. We have identified some key areas for you to consider in this regard.

### Bad Debts

In order to claim a tax deduction, bad debts must be written out of your ledger before the year end after all reasonable steps have been taken to recover the debt.

### Stock

A stock take should be undertaken at 31 March 2017, any obsolete stock should be written down to its net realisable value.

### Fixed Assets

Fixed assets should be reviewed. Where a fixed asset is no longer in use, it should be scrapped or sold. Once this action has been taken, the asset can be written off, and a tax deduction claimed.

### Low Value Assets

Low value assets, with a value of \$500 (GST exclusive) or less, can be written off immediately. This is providing that the asset is not an upgrade or part purchase of a wider asset.

### Creditors (money owed by you)

Include all amounts that you owe to suppliers as at 31 March 2017.

### Debtors (money owed to you)

Include all amounts owing to you by customers as at 31 March 2017.

### Repairs & Maintenance

Significant maintenance or repairs undertaken before 31 March may be eligible for a deduction as repairs and maintenance. Check with us if you are unsure whether your expenditure on an asset is deductible, or if it should be capitalised.

## Tax Payments - Due Dates

### Terminal Tax

Terminal Tax payments for the year ending 31 March 2016 are due on 7 April 2017.

### Provisional Tax

The third and final provisional tax instalment for the March 2017 tax year is due on 7th May 2017.

### GST

GST payable for the GST period ending 31 March 2017 is due for payment on 7th May 2017.

## Tax Changes

Effective from 1 April 2017, some tax changes are due to be introduced, which include the following:

- No use of money interest (UOMI) on first and second provisional tax payments for those who have used standard uplift method to calculate and pay provisional tax. UOMI will be charged on the difference between the third provisional payment and the residual income tax amount.
- The current residual income tax limit of \$50,000 will increase to \$60,000 before use of money interest is imposed, and this safe harbour rule will now extend to non-individual taxpayers.
- The self-correction threshold for GST errors will be increased from \$500 to \$1,000.
- Ability to elect own withholding tax rate for contactors subject to schedular payments. Inland Revenue is producing a new form, which is not yet available, for contractors wishing to select their own withholding tax rates on schedular payments. It will replace the IR330. The new form will also apply to contractors who start being paid by someone new. Those who are happy to continue having tax deducted at the normal schedular rates will not need to complete one of these forms.
- Contractors not on the schedular payments list can opt in for voluntary withholding tax.
- Labour hire firms will be subject to schedular payments.
- The 1% monthly incremental late payment penalty will no longer be charged on GST debts for the period ending 31 March 2017 onwards and income tax for the 2017-18 year onwards.

## Kiwisaver for New Employees

Employees who start a new job and meet the criteria for **automatic enrolment** must be enrolled in KiwiSaver. You must provide KiwiSaver information to all new employees and to any existing employees who ask for the information.

Start the automatic enrolment process by checking whether the new employee is eligible to join KiwiSaver, then provide them with the following:

- **Your introduction to KiwiSaver - employee information (KS3)** factsheet
- **KiwiSaver deduction form (KS2)** (which they can use to let you know whether they want 3%, 4% or 8% of their pay deducted), and
- **Opt out request (KS10)** form.

If they don't complete the form, make deductions at the default rate of 3%. You should keep the KiwiSaver deduction form (KS2) for your records.

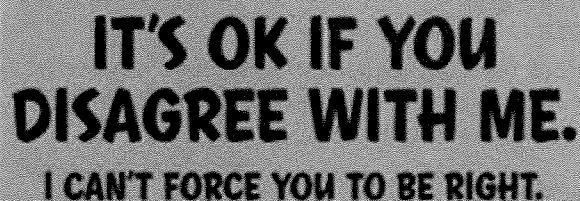
The KiwiSaver deduction form (KS2) lets you know your employee's details and their chosen KiwiSaver rate. The KS2 is to be completed by:

- all new employees that meet the automatic enrolment criteria
- existing employees who want to opt into KiwiSaver, and
- KiwiSaver members who want to change their contribution rate.

### What you need to do with the completed KS2

If the new employee is subject to automatic enrolment or an existing employee opts in, use the information on the KS2 to complete the KiwiSaver employee details (KS1) form.

Keep completed KS2s with your records for at least seven years following the last salary or wage payment you make to the employee.



**IT'S OK IF YOU  
DISAGREE WITH ME.  
I CAN'T FORCE YOU TO BE RIGHT.**