

OFFICE HOURS

Our office has now closed, we will be working from home where possible. If you need to get hold of us in this period contact Maree on 021 2797440 and Ian on 021 2629308.



The big news is Covid-19. You have all probably been bombarded with information on how serious this pandemic is and how we need to be responsible in terms of our actions.

The Government has released packages to help those in business particularly if you employ staff. It is possible that further packages could be rolled out depending on what happens.

APRIL 2020

MINIMUM WAGE INCREASE

On 1 April 2020 the minimum wage will increase to \$18.90 for an adult and the Government is still targeting the rate to increase to \$20 by 2021.

WAGE SUBSIDY



If you are an employer, contractor, sole trader or self-employed you may qualify for the wage subsidy.

To be eligible:

- The business must have experienced a 30% decline in revenue over the period of a month when compared with the same month last year.
- The decline must be related to Covid-19.

- You must take responsible steps to mitigate the impact of Covid-19.

You must make best efforts to retain employees and pay a minimum of 80% of their normal income in the subsidised period.

What will you get?

A subsidy is available at \$585.80 for people working 20 hours or more and \$350 for those working less than 20 hours. The subsidy is a lump sum and covers 12 weeks per employee. The subsidy is only for wages.

LEAVE PAYMENT

Self isolation is an important way to slow the spread of Covid-19. From 17 March 2020 the Covid-19 Leave Payment will be available to support people financially if they need to:

- Self isolate.
- Cannot work because they are sick with Covid-19.
- Cannot work because they are caring for dependents who have to self-isolate or are sick with Covid-19.
- Employers can apply for this more than once.
- The leave payment is paid to the employer who must pass it on to employees in full.

The Covid-19 Leave Payment will be available for 8 weeks from 17 March 2020.

To qualify you must be required to:

- Self isolate and have registered with Health Line and cannot work from home.
- Self isolation is not due to leaving NZ from 16 March 2020 and having since returned.
- Cannot work because you have Covid-19.
- Cannot work because you are looking after dependents who have Covid-19

Payments are the same as the wage subsidy, but payments are for 14 days initially. If self-isolation is still required, you can apply again.

There are application processes and Work & Income will control the assessment and payment processes

Details of the Wage Subsidy and Leave Payments are available on the Work and Income website:

www.workandincome.govt.nz/eligibility/emergencies/2020/coronavirus.html

OTHER TAX MATTERS

With income taxes due 7 April and 7 May 2020, you may be experiencing cash flow issues due to Covid-19.

IRD will look at cancelling use of money interest on underpayments caused by the virus.

It is not law yet but we believe you will need to put a case to IRD as to why you could not pay all income tax as it fell due.

Other options include instalment arrangements or using Tax Pooling companies to buy tax payments now and pay later.



XERO AND HUBDOC

Xero was due to increase the monthly subscriptions of their plans but these have been delayed until 1 July 2020.

Hubdoc is a document management system that will be included with your Xero plan in most cases. It enables you to store copies of all documents relating to your business that also make them accessible by us.

If you are interested in setting this up on your existing Xero plan, let us know and we can advise or assist you.

WILLS & ENDURING POWERS OF ATTORNEY

New Zealand's population is aging. In 2016 15% of the population was 65 or older. It is estimated by 2036 that figure will be 22% or 500,000 more people over 65 years.

Retirement villages are becoming more popular.

People are living longer.

It is very important that your Wills and Enduring Powers of Attorney are up to date and reflect your current wishes.



IRD CHANGES

IRD are contacting all businesses about further changes to their reporting systems.

From 1 April 2020 anyone paying investment income must file monthly information to IRD electronically. This will include interest, dividends, PIE income, royalties and similar.

Where you have joint bank accounts your bank may only have one IRD registered. You need to make sure that they have all IRD numbers and the tax rate applying to you.

OTHER TAX PROPOSALS

The Government is looking at other tax measures including:

- Allowing depreciation on commercial and industrial buildings.
- The threshold for paying provisional tax to increase from \$2,500 to \$5,000.
- Low value assets costing less than \$5,000 can be fully claimed rather than depreciation for one year then back down to \$1,000.

These proposals will not take place until the 2021 tax year and only if Labour are the Government after the election and only if they pass legislation.

These proposals have been on the table a long time but may do little for most people now.

ANNUAL CHECK LISTS

These should be available as soon as possible to download. A separate email will let you know when they are available.