

Newsletter

December 2015

DB CHARTERED
ACCOUNTANTS LTD

Contents:

- Christmas Close Down Reminder
- GST Returns and Tax Payments
- ACC – Are You Paying Too Much?
- From the IRD – Undeclared Cash Jobs
- Important Tax Dates
- The Year In Review
- Book Review
- Health & Safety Reforms

Welcome to the end of another year. In this newsletter we have information on ACC, upcoming tax dates, a summary of our articles for the year and a reminder on the upcoming Health and Safety changes.

CHRISTMAS CLOSE DOWN REMINDER

Our office will be closed for the Christmas break from midday Wednesday 23 December 2015 and will re-open on Wednesday 13 January 2016.



GST RETURNS AND TAX PAYMENTS

The October/November 2015 GST Returns are required to be paid and filed with the IRD by 15 January 2016. If we complete your GST Returns on your behalf please ensure that you have your information to us so we can complete the return before the Christmas break.

If you wish to post or deliver your tax payment cheques to us (for delivery to IRD on 15 January), please ensure we have them by Tuesday 22 December.

ACC – ARE YOU PAYING TOO MUCH?

We recommend that you carefully check your ACC invoices before paying. While you want to make sure you have adequate income cover in case of an accident you do not need to pay more ACC than required. Two things to check:

- Is the classification code for your industry or business correct?
- If you are self employed does the invoice correctly state if you are involved in the business full-time or part-time? (Part-time being where you work on average less than 30 hours per week).

(Continued Page 2)

“It’s not what we do once in a while that shapes our lives. It’s what we do consistently.”

JOKE #1

Dear Santa,
I’ve been good all year.
Well, most of the time.
Once in a while!
Never mind, I’ll buy my own stuff.



ACC – ARE YOU PAYING TOO MUCH? (Continued from page 1 ...)

Additionally if you operate as a partnership where one partner is doing a labour intensive job and the other partner attends mainly to administration work (for example a wife and husband team) each partner can have a separate ACC category based on the work they do (with a Business Administration category being at a lower rate). The same scenario can apply to shareholder employees.

Feel free to contact us so we can check your ACC invoices before you pay them. We have had a number of clients who were being charged at a higher rate than needed. In these cases we have been able to get these reassessed and a refund for ACC overpaid.

ACC Cover – Plus Extra

This is available to individuals (and shareholder employees who do not receive a PAYE salary). It is a way of having a guaranteed level of income in case of an accident and avoids the need to prove loss of earnings before being entitled to ACC compensation. While this type of ACC cover does cost more it provides a good protection of guaranteed income until you are able to return to full-time work. This is particularly important if income levels fluctuate year on year.

JOKE #2

Who says men don't remember! ...

A couple were Christmas shopping. The shopping centre was packed and as the wife walked around she was surprised to discover that her husband was nowhere to be seen.

She was quite upset because they had a lot to do and hence, she became so worried that she called him on her mobile phone to ask where he was. In a quiet voice he said: "Do you remember the jewellers we went into about five years ago, where you fell in love with that diamond necklace that we couldn't afford, and I told you that I would get it for you one day?" The wife choked up and started to cry and said: "Yes, I do remember that shop." To which he replied: "Well, I'm in the pub next door!"

**FROM THE IRD – UNDECLARED CASH JOBS – IT'S A CRIME!**

The IRD is putting increased resources into prosecuting those who accept cash for work completed and do not declare the income in a tax return. This can include those who are already in business who are pocketing money from cash jobs and not including this as income in GST or income tax returns, as well as those earning income from cash jobs who are not registered as a business.

While restaurants and cafes have previously been a common focus, building and trades is another area the IRD is currently looking into.

IMPORTANT TAX DATES



15 January	2016 Provisional Tax due (2 nd instalment) October/November GST Return due
7 February	2015 Terminal Tax due (if no extension of time with IRD)
28 February	Provisional Tax due for GST ratio option tax payers
31 March	Final date for ratio option Provisional Tax applications
7 April	Final date for 2015 Terminal Tax due

THE YEAR IN REVIEW

If you need to look back, the topics we have covered in the past 12 months include:

October 2015

- Changes to the Residential Property rules (and taxable gains if sold within 2 years)
- Reduction in the Mileage Rate to 74c per kilometre
- New Cyber Bullying legislation
- An explanation of Mark Up vs Gross Profit
- Employer Obligations

July 2015

- Requirements of Company Directors to provide Date and Place of Birth to the Companies Office (and to have a NZ director)
- Increase in IRD Use of Money Interest Rates (to 9.21% and 2.63%)
- An update on changes to the Fair Trading Act
- Ideas on planning ahead for the future
- Details of the main changes from the 2015 Budget

March 2015

- An explanation of the minimum requirements of an Employment Agreement
- Confirming asset purchases, depreciation claims and the effect on cashflow
- Words of wisdom from current clients
- How a Farm Accommodation Allowance should be treated for tax purposes
- Ideas on how to regularly track business progress
- Details of the current minimum wage rates

All our previous newsletters are available on our website and can be downloaded at www.dbchartered.co.nz/newsletters.php

BOOK REVIEW

“Legacy – What The All Blacks Can Teach Us About The Business Of Life” – James Kerr



This book was first published in 2013 and having now won a third Rugby World Cup, it has been reprinted in 2015. Main themes in the book include creating character, adapting to change, having a purpose, taking responsibility, continuous learning, no dickheads, embrace expectations, keep a cool head, be authentic, be willing to sacrifice, communicate, create a culture, be a good ancestor, write your legacy.

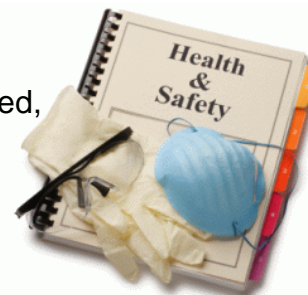
The book ties these themes back to the All Blacks, other sports and the business world with real-life examples in each area.

HEALTH AND SAFETY REFORMS – ARE YOU UP TO DATE?

The new Health and Safety at Work Act (HSW) is to come into force on 4 April 2016. The aim is to protect workers and other people against harm to their health, safety, and welfare by eliminating or minimising risk. The Act places obligations on businesses, officers, workers, and other people in a workplace. It also introduces the term PCBU, ‘Person Conducting a Business or Undertaking’ who must ensure the health and safety of its workers and other people under its direct or indirect control.

A good start is to:

- Check that your current policies and procedures are up to date and documented.
- Check that you are documenting the hazards that you have noticed in your work place and then ensure those hazards are either, eliminated, isolated, or minimised.
- Ensure you are documenting any work related accidents, incidents, or near misses and that you investigate and put in preventive measures where possible.
- Look at how you document the training and induction that you do with employees and contractors to make sure they know how to work safely.
- Write up emergency procedures for all situations you work in.



There are good resources available from the Worksafe NZ website under ‘Tools and Resources’ and these will be updated with additional information during 2016.

MERRY CHRISTMAS

Thank you for your support over the past year. From all of our team, we wish you a Merry Christmas and a safe and Happy New Year.



*David, Dianne, Emma, Gaylene,
Jo, Maree, Pam and Raywin.*

If you would like to discuss anything mentioned in our newsletter please contact us at:
DB Chartered Accountants Limited
9 King Street, PO Box 5594, Frankton, Hamilton 3242
E-Mail: office@dbchartered.co.nz
Phone: (07) 847 8154
Fax: (07) 847 8152

Thanks for reading.
You can read earlier copies of our newsletter at
<http://www.dbchartered.co.nz/newsletters.php>

You can also download our annual checklist and common forms from the website.