

2021 winter newsletter



T: 07 871 3430
E: admin@sgca.co.nz
W: www.sgca.co.nz

Weekly Office Days

Tues, Weds, Thurs
9am – 3pm

Postal Address

8 Teasdale Street, Te Awamutu

Remote Days

Monday & Friday 10am-3pm



With lots of changes happening with rules and regulations, we managed to get away from the office for a “strategy day”.

Rosenvale, Roto-o-rangi.

“Thanks” to Ken and Penny Diprose.

Such an awesome venue & would recommend it to anyone



Stocktake

due for
31st May
balance dates

31st March balance dates

(covering the period 1st April 2020 to 31st March 2021)

We are well underway for this processing season.

When you are ready please drop your information into the office, or deliver by courier or email.

If you require a checklist, then please contact us.

Changes in annual sick leave

The Government has introduced the new ruling that employees are now entitled to **10 days of sick leave** per year. This Bill once passed as a law, is estimated to **come into effect mid July**.

The Bill proposes:

The maximum amount of unused sick leave that an employee can be entitled to under the Act will remain at 20 days.

An employee would first become entitled to **10 days' sick leave** on their next entitlement date. That is, on the 12 month anniversary of when they last became entitled to sick leave.

Visit: www.mbie.govt.nz, for further information

Ensure your employment agreements, payroll systems and processes are updated.

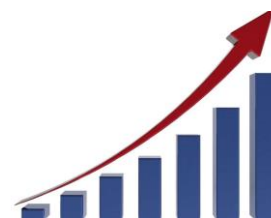
Minimum Wage

The **starting out and training minimum wage** rates have increased from 1st April 2021 from \$15.12 to 16.00 per hour.

The **adult minimum wage** increase increased from \$18.90 to \$20.00 per hour.

Hidden Impact

We have certainly seen the hidden impact of this in our business community as other employees needing to have their rates increased, and many charge out rates increasing to cover this.





We are able to facilitate and help you through a planning phase for any stage of your business.

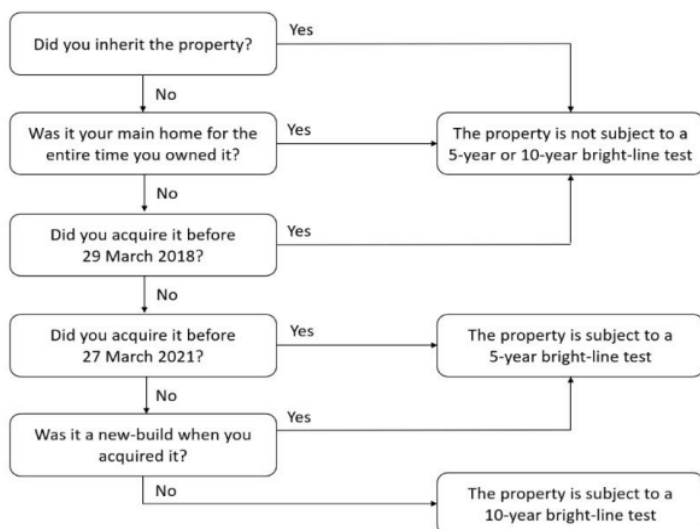
- **start-up, growth, success, succession, wind-up**
- **reviewing and setting goals**
- **Cashflow** management and various **scenarios**
- **Budgeting, financing options, refinancing, etc**

We are happy to provide a tailored quote to suit your needs

Bright Line test

The current bright-line period is 5 years. The government has announced it intends to extend the bright-line period to **10 years** for residential property except newly built houses (new builds).

Inherited properties and those which have been the owner's main home for the entire time they owned it will continue to be exempt from all bright-line tests.



If you are struggling to understand the changes, tax implications and deductibility of interest, then please make an appointment to discuss further.

Putting your past tax returns right

If you have left some income off your previous tax returns **did you know that you can declare it** using the Inland Revenue's voluntary disclosure form?, just ask us.

IRD Cash Jobs

The IRD are focusing the the construction sector and cash jobs.



It's a common misconception that small cash jobs can't be tracked, but actually, **that is not true.**

The Inland Revenue can see when supplies are being bought, such as paint or timber, and if there is no corresponding declared job. As a government department they can also request information from banks, loyalty cards, casinos and many other organisations to make sure that all income is being declared.

If two tradies work on the same job and one declares the tax, but the other doesn't, you can be dobbed in without realising it. There is also always the chance of a random audit, particularly if an audit of one company indicates that another should be audited.

It's fine to do work for cash, but make sure that you record all the details, no matter how small the job is.

Not declaring earnings

There are heavy penalties for not declaring all your earnings. Failure to meet your obligations can not only result in a hefty fine, but it can also include criminal penalties.

- Record every job, no matter how big or small.
- Declare all your income when you file a tax return.
- Register as an employer if you're employing staff.
- Register for GST when your turnover is more than \$60,000.
- If you are registered for GST, you must charge it and pass it on to the Inland Revenue.
- Keep your tax records for at least 7 years.



More than **70%** of New Zealanders drink at least one cup of coffee a day, with **24%** consuming three or more cups daily.



2 – Step Authentication for users from 1st June



Users will have to go through a 2nd step of authentication after entering their password.

This is a randomised rolling number sequence generated by an App (symbol above) called **"Xero Verify App"** which you will need to download.

This is for your protection against hackers.



I DON'T HAVE
DREAMS,
I HAVE GOALS.

Crypto, Bitcoin, Doge....



There is a lot of talk and interest in **crypto** (crypto currencies, crypto-assets) at the moment.

Lockdown for Steve was a great time to invest in research into the mechanics of the blockchain & crypto..

To understand crypto (there is a lot to learn) you first need to **understand the blockchain**.

People can buy, sell and exchange crypto. The trading exchanges are very similar to the stock exchanges but are **open 24/7, day and night**. It doesn't stop.

There are **quick gains and quick drops (or losses)**. Some crypto currencies are intended to be used purely as a currency, and others have a real business model behind them.

Essentially crypto are treated as a form of property for tax purposes. **You will pay tax on your gains** and the beauty of the blockchain is it is very transparent, even Inland Revenue can trace the activity.

Instead of a Visa Card on a bank account, **you can have a Visa Card on a Crypto Wallet**. This is accepted where Visa is accepted and instead of gaining airpoints you receive crypto points to invest.

Automatic Income Tax Assessments for salary & wages

Inland Revenue will be issuing automatic income tax assessments **between June and end of July**.
(this was previously known as a 'Personal Tax Summary')

Is your rental up to scratch?

From **1st July 2021**, all rental properties will need to meet the healthy homes standards. Use this checklist as a simple guide to see if you need to do some work on your property.



Heating



Insulation



Ventilation



Moisture ingress & drainage



Draught stopping



These conditions need to be met before:

1st July 2021

All boarding houses

Private landlords must meet the standards within 90 days of any new or renewed tenancy.

1st July 2023

All Kainga Ora and Community Housing Provider houses

1st June 2024

All rental homes

Unfortunately

Cheques are no longer accepted by us

Fortunately

We have eftpos (not credit card) and accept internet banking.

Biometrics

Facial recognition technology are more embedded in everyday life than you may think.



Biometrics is the process of measuring a person's physical characteristics to verify their identity. Some examples...

Passports

Since 2005 passports have included a chip that contains the holder's digitized photo and other passport details. When a passport holder approaches customs, a camera scans your face and completes a biometric match against the information in the passport chip. If the scan matches, the holder is waved through.

This prevents people from applying for passports under different names or identities.

Social media

Have you ever wondered how Facebook and other social media sites identify who's in a group photo?

It all comes down to facial recognition. Sophisticated algorithms compare the profile image you provided for your page with other profile shots and then tags people. The system gets smarter the more photos you load into Facebook. This is because the more data that machine learning can access, the more accurate it becomes.

Typing

It's no secret that we're traced online, with cookies and other identifiers following us across the web. It's possible for websites to identify people by the rhythm of their typing. Keystroke dynamics is just one behavioural biometric and can confirm your identity.

IRD Scams

Scammers prey on the 'refunds' to lure you in. **Do not** provide any details.

Contact us, if in doubt.



KiwiSaver
Proud to be KiwiSaver



Do you need to top up to get the full government contribution?

For every \$1.00 you put into KiwiSaver, the Government puts in .50c up to a maximum of \$521.43 each year.

If you are a member of the KiwiSaver Scheme and are over 18 years of age and want to maximize the \$521.43 government contribution for the year ending 30 June 2021, you may need to top up your account.

To receive the maximum government contribution you must have contributed at least \$1,042.86 to your Kiwisaver account.

Want to pay us monthly?

This is all your required services bundled together and divided by 12 equal payments.

yes!

Contact Kelly@sgca.co.nz

Oxfam 2021 Walk New Plymouth



We sponsored a local team,
Brogen McBeth, Ashley VanderPoel, Jorja Tarrant, Sam Clarke

Fieldays^{NZ}
16-19 JUNE 2021
IT'S ON SITE AND ONLINE

sgca
ACCOUNTING

CHARTERED ACCOUNTANTS
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W: www.sgca.co.nz

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