Spring 2022 Newsletter

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From Steve,

It's nearly time to put away the skis and dust off the fishing rods and camping gear.

There are calves and lambs bouncing around now, especially on the sunny days, but it is spring and every now and then we are lured into the false sense of stable weather, then we get a period of cold, wet, windy, sunny all within the hour. It isn't that easy to plan for the weather, but it shouldn't be like that in business.

There is nothing more true,
than the old saying,

*'if you have nothing planned,
it is amazing how often you achieve
that – nothing'*

and with pin point accuracy.

One easy-to-follow process breaks down planning into lots of smaller plans.

Long term plan - strategic or high level

- where do we want to go
- what do we want things to look like

How do we get there? start with –

- Annual, monthly, weekly and daily plans
  Then focus on them in the reverse order. If you hit your daily actions, then your weekly, monthly and annual plans will be more easily achieved.

Annual – long term (in reverse order)

Make sure to use an **Action Plan**, and don't forget to celebrate the success.

If you can create a plan, for nearly everything then you can have some fun along the way.

This way you can then become the CEO of your own empire.
'Only you are responsible for the outcome'

Queen Elizabeth II Memorial Day

One-off Public Holiday
Monday, 26th September

Upcoming Tax Dates

28 September	GST returns and payments
30 September	Student loan repayments due
28 October	Provisional tax payments and GST returns and payments due
28 November	GST returns and payments due
15 January	Provisional tax instalments, student loan interim payments, GST & employers returns & payments due
28 January	GST returns and payments due

Inland Revenue
Te Tari Taake

myIR login change

Changes to the myIR login screen are coming.

You will not be able to use myIR between
1pm Saturday 8th October and 8am Monday 10th October.

IRD are updating the system.

The login page will have a new look and feel, but the login process will not change.

IRD delays

It's taking longer than usual for Inland Revenue to answer calls and myIR messages.

You may be able to use self-service options in myIR or simply call us to assist you.

IRD – Covid-19 Small business cashflow scheme (SBCS)

The Small Business Cashflow Scheme (SBCS) was introduced to support small to medium businesses and organisations struggling with a loss of actual revenue due to Covid-19.

Applications are open until 31st December 2023.

Initially this was announced in February 2022 at a limit of $10,000. As at 21st March 2022, this limit was increased to $20,000 plus $1,800 per full time equivalent employee (up to 50 employees). The loan repayment period is 5 years (60 months),

If your business or organization is eligible and you submit an application through myIR, you may be entitled to a loan.

Existing borrowers (at old rate of $10,000) may also benefit from this change.

The first 2 years of existing and new loans will be interest-free provided the loan is not in default. Interest will apply at a rate of 3% per year on the remaining loan balance from the first day of the third year of the loan period.

To give you an idea, some of what will be required…
You need to have **been in business for at least 6 months.**
Proof of 30% decline in revenue as per evidence required
Business must be viable, and provide evidence accordingly

If you have a SBCS loan already,
you are now required to start your repayments.

To find out more - www.ird/eligibility for specific requirements

PIR rate get it right

(Prescribed Investor Rate)

It is important that your PIR rate is correct and applies to your situation, as this helps you to pay the right amount

If Inland Revenue notice you are not using the correct PIR then they will let you know or advise your PIE (Prescribed Investor Entity) to start using the correct PIR.

If you do not provide your PIR to your PIE, then the default PIR rate of 28% will be automatically applied, which could be incorrect.

To find out more visit www.ird.govt.nz/PIR

The table shows the income amounts that qualify you for each PIR in a tax year.

Taxable income without your PIE income	Taxable income with your PIE income	PIR
$14,000 or less	$48,000 or less	10.5%
$48,000 or less	$70,000 or less	17.5%
All other cases		28%

Home-based businesses

What you can and can't claim

Running a business from home?

Did you know that your business can foot part of your heating and electrical bills? It can even cover a portion of your rent or mortgage interest payment. Believe it or not, you can even claim a percentage of the cost of toilet paper and handsoap as a business expense.

Household and vehicle expenses

If you use an area of your home for your business, whether you operate as a sole trader, partnership or company, you may claim a portion of your home expenses as business expenses, such as -

- Rates
- Telephone (if it's the landline)
- House and contents insurance
- Mortgage interest if you own the home
- Rent if you are renting the home

If you own a vehicle and use the vehicle solely for business purposes you may claim 100% of the running costs.

If you use a vehicle for both personal & business use you may claim a portion of the running costs proportional to your business use of the vehicle.

ACC levies are paid by everyone who works, or owns a business in New Zealand.

If you're self-employed or a contractor you have two options for your ACC cover, either the standard CoverPlus or CoverPlus Extra.

Inland Revenue provides ACC with a summary of your earnings from your income tax return (IR3). ACC use this information combined with your classification Unit (CU – what work you do and the industry type you are in), to calculate your levy.

CoverPlus Invoices are issued around September each year.

There are 3 levies which are charged.

- Work levy
- Earners' levy
- Working safer levy

CoverPlus Extra (CPX) is an optional cover product that allows you to choose how much of your income you want to be covered if you have an accident and can't work.

To know more about ACC, please visit
https://www.acc.co.nz/for-business

"Time is ticking"

For those of you that haven't provided us with your 2022 annual information
we now require this asap

Is it time to book a holiday?

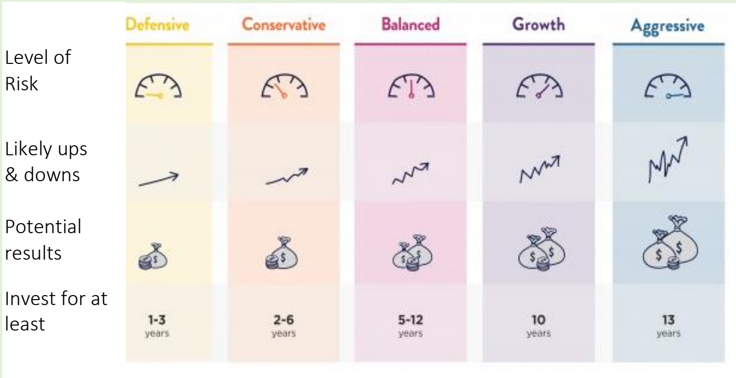
To name just a few websites

Airbnb.co.nz
Bachcare.co.nz
Bookabach.co.nz
Booking.com
Expedia.co.nz
Holidayhouses.co.nz
NewZealand.com
Trailfinders.com
Tripadvisor.co.nz
Trivago.co.nz
Wotif.co.nz

We can help

PAYE	Budgeting
Bookkeeping	Reporting
Debtors/Creditors	Management
GST	Targets/Goals
Succession Planning	Mentoring

Which Kiwisaver fund type suits?



Kiwisaver is voluntary savings scheme set up by the government to help New Zealanders to save for their retirement, & to also assist when purchasing your first home.

They are eventually managed funds.

If you are over 18 years and over, and start a new job you will be automatically enrolled in KiwiSaver.

How can I make my Kiwisaver grow faster?

1. Review what plan you are on.
2. Increase your Kiwisaver contributions percentage rate.
3. Make voluntary contributions to your Kiwisaver account.
4. Minimise your Kiwisaver account fees.
5. Make sure you receive the full member tax credit.

Contribution rates

You have a choice **of 3%, 4%, 6%, 8% or 10%** of your gross (before tax) wage or salary to your Kiwisaver Account.

Employer's rate (if you contribute)

Employers are required to contribute 3% of your gross salary

Annual Government rate

There is an annual government contribution as well, even if you're not an employee – as much as $521 each year until you reach the age of 65 years. This applies only if you have also contributed the minimum deposit required annually.

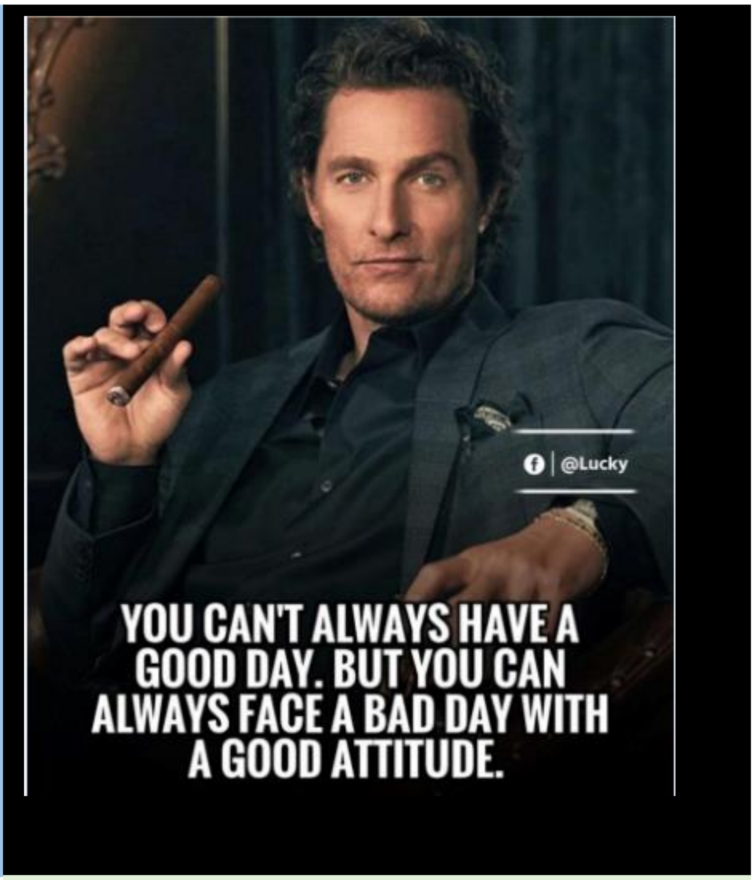
Important Dates

Queen Elizabeth II – One off public holiday
Monday, 26th September 2022

School Holidays
Start's Saturday, 1st October 2022 and end
Sunday, 16th October 2022.

Daylight Savings 2022
Put your clocks forward 1 hour, Sunday, 25th September

Labour Weekend
Monday, 28th October



"Why not pay monthly?"
know what you are paying for

Peace of mind
is much easier on the budget

We can customise accounting packages

Your services required are bundled together and divided into 12 equal payments, invoiced on the 28th of each month, and payable on the 20th of the following month.

Make life easier…

Contact Kelly
871 3430

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Loan-to-value ratio restrictions
(LVR ratio)

What to look for when taking a new loan out

LVR restrictions were first introduced in October 2013, in response to rapid house price growth, accompanied by a sharp increase in the use of low deposit loans.

A loan to value ration (LVR) is a measure of how much your loan is, compared to the value of that property.

LVR restrictions only apply to new loans.
They do not apply retrospectively to existing loans.

The restrictions will affect existing borrowers who take out a 'top-up' loan that takes the total LVR above the required threshold.

However, Banks will still apply their own lending criteria to individual borrowers & may choose to not provide finance in certain circumstances or to provide it only at lower LVR or provide lending to a higher LVR in certain circumstances.