

Winter 2022 Newsletter



New Jargon...

Pandemic, sustainability, vaccination status, mandates, supply chain issues, conspiracy theories.

It is almost refreshing to see some old familiar phrases back, *inflation*, *recession*, *rising interest rates*.

Below are some key metric measures to help what is happening -

Subjects of interest	2022	2021
Inflation year to March	6.9%	1.5%
5 Year interest rate fix (2 major banks)	6.99%	3.6%
USD –v- NZD today	62.8cents	72.7cents
Minimum wage	\$21.20	\$20.00
Crude Oil (per barrel) – June	\$122.96USD	\$59.45USD
Fuel at the pump – 91 (per litre)	\$2.99	\$1.84
Fuel at the pump – diesel (per litre)	\$2.83	\$1.10
Our top tax rate	39%	33%

Talking with our kid's generation, they are facing the real economic effects of having to pay for rising interest and inflation for the first time.

In my opinion and explaining to our kids (who are all adults now), the quoted inflation rates are a measure of what has happened, it doesn't mean the Government have put the price of everything up.

Inflation is caused by a number of major things, some in our control, some outside of our control.

There is also a lot of imported inflation from

- the international cost of freight, moving shipping containers
- Cost of oil per barrel
- Imported consumable goods. USD –v- NZD **up** 13.8%
- Lack of access to supply, when supply is down and demand is up, **prices go up**.
- Grocery prices at the supermarkets
 - When there are shortages you hardly ever see products on sale or on special.
- The NZD –v- USD is down 0.13% = impact on imported goods.

Interest rates are a tool the Reserve Bank uses to try to curb inflation.

Some factors that may effect this over the next while

In the paper today oil inventory rose unexpectedly by 5 million barrels.

Anyone with a mortgage will have a whole lot less disposable income to spend so will have to cut back on spending.

We will just choose to not buy things that are perceived too expensive.

There will be way less government money spread around as support

Supply and supply chain issues will be resolved over time (who knows how long?)

Some factors that are inside our control

Household money that would have been spent on holiday overseas, spent in NZ.

Wage subsidies and other government help during lockdowns, rightfully given to businesses to keep them afloat and save jobs, but this resulted in extra money to go around local economies.

Major flow on effect of the increase in minimum wage.

Most businesses were/are faced with adjusting their whole wages structure up for all employees, as there is some real relativity in how employees are measured and rewarded.

NOT just those on the minimum.

NOT just in industries that only pay the minimum.

Businesses had to put their prices up to pass this cost on to the end user, who pay more for their goods, than they did say a year ago = **inflation**.



*Wishing all our farming clients
all the best for the upcoming calving season.*

Cost of Living Payment

As part of the Budget 2022 the government announced the introduction of a 'Cost of Living Payment' of \$350 to help the rising costs of inflation for eligible individuals, paid by Inland Revenue.

You'll get the payment if –

If you earn \$70,000 or less for the period from 1st April 2021 to 31st March 2022.

For salary and wage earners, the \$70,000 net income threshold is based on your income before tax, minus any expenses you can claim.

For business owners, the threshold is based on your gross income after expenses, but before any losses from earlier years are taken into account.

If you are not entitled to receive Winter Energy Payments by receiving the NZ Super or a qualifying benefit from Ministry of Social Development (MSD)

If you are aged 18 or older

If you are both a NZ tax resident and present here

If you are not in prison

If you get a student allowance, you'll get the payment if you meet the other eligibility criteria.

Key Points:

1. **There is no application process.** Once eligibility has been established Inland Revenue will make the payment by direct credit into the person's bank account.
2. **To allow Inland Revenue to establish eligibility and to make the payment people will need to :**
Have filed their IR3 Tax Return for 2021/2022 year,
Or have already received their individual income tax assessment from Inland Revenue.
Currently have a valid NZ bank account in their income tax account in 'myIR'.
3. **The final date is 31st March 2023** to be eligible for the Cost of Living Payment.
4. If a Tax Return is filed on or **after 1 April 2023 then you will miss out on this payment.**

Payment dates and rate:

The total Cost of Living Payment is \$350 which will be split into 3 monthly payments (\$116.66) **starting 1st August 2022.**

1st August 2022

1st September 2022

3rd October 2022

If IRD don't have your bank account, then they will NOT make payment to you if you are eligible.

Pay your provisional tax inline with your GST dates



Provisional tax will be calculated in conjunction with your GST Returns, based on the activity in that two month period.

Using the AIM method will make budgeting for tax far easier



**Te Kaporeihana Āwhina
Hunga Whara**
prevention. care. recovery.

Join the hundreds of thousands of businesses and self-employed contractors who have already made the move online.

ACC want to email your levy invoice this year, but you have to select this.

Update your levy communication to email by going to - [MyACC for Business](#).



**ACC
are going
paperless
21 June 2022**

- Update your contact and business details to get the correct invoice first time
- Download your invoices
- Check what you owe and pay by credit card, online payment or direct debit
- See your work-related employee claims and costs covered by ACC
- See subsidies your business is eligible for
- View a timeline of your transaction history

SGCA can help...

We will be sending a letter out to you shortly to request permission to access ACC on a person's behalf.

We will also be doing a review of ACC payments going back a few years as ACC have done major audits which have resulted with some people having been incorrectly charged.



Getting employees

Are you finding getting labour difficult?

In a tight labour market businesses from all industries including farming, hospitality, construction, vets, medical system, etc are struggling to attract and retain staff.

Perhaps an attractive way to provide additional benefits to help secure and retain talent.

As part of an employee's overall employment package you could also including the following:

- Accommodation
- Shorter working week or daily hours
- Motor vehicles
- Taxable and non-taxable allowances
- Entertainment
- Kiwisaver – higher contribution levels
- FBT considerations
- PAYE considerations

Identification Required

This is now a part of our requirements as a result of **AML (Anti-money laundering) Act**.



If you haven't already done so, can you please provide us with a copy of your Driver's Licence or Passport.

For **new clients**, existing clients but with **new entities** or you are a **trustee**, you will also need to provide identification plus proof of address, now being a requirement.

Time is free, but it's priceless. You can't own it, but you can use it. You can't keep it, but you can spend it. Once you've lost it, you can never get it back.

Harvey Specter



SCAM ALERT!

The following IRD email is a scam.

----- Original Message -----
From: Do Not Reply <4049541@polito.it>
To: Undisclosed-Recipients;
Date: 03/06/2022 12:29
Subject: New letter from Inland Revenue

Look for correct sender address (ie: ird.govt.nz)



Kia Ora,

Incoming tax refund payment placed on hold pending account verification:

[Log in to myIR](#) to resolve this issue.

- Notice of direct credit

Thanks,
Customer Services Team

This email has been sent to this email address as it has been registered with Inland Revenue.
Please do not reply to this email as this inbox is not monitored.
Inland Revenue, 55 Featherston Street, Wellington, New Zealand.

If in doubt, please phone us.

Covid-19 Small Business Cash Flow Loan Scheme (SBCS)

Under the SBCS the government provides loans to small businesses including sole traders and self-employed, impacted by Covid-19 to support their cash flow needs.

If you've previously applied for SBCF and have fully repaid it, you can apply again.

If you received the SBCF loan in 2020 you will now be due for repayments to be made to Inland Revenue.

Applications are open until 31 December 2023.

You can apply through myIR.

The SBCS will provide assistance up to a maximum of \$100,000 to businesses employing 50 or fewer full-time employees.

Loan details

- **\$10,000** to be provided to eligible business
- An additional \$1,800 per equivalent full time employee
- Interest free if loan is paid back within two years
- Interest rate of 3% for a maximum of 5 years
- You must show at least a 30% drop in revenue due to Covid-19, measured over a 14 day period in the past six months compared with the same 14 day period a year ago. If your revenue from the same period a year ago was also affected by Covid-19, compare the same 14 day period two years ago.

www.business.govt.nz/covid-19/financial-support-for-businesses

Matariki Public Holiday (new)

Friday, 24th June

Matariki is an abbreviation of 'Nga Mata o te Ariki Tawhirimatea' ('The eyes of the God Tawhirimatea')

Matariki public holiday will be the first public holiday that recognises Te Ao Maori.

Matariki refers to a cluster of stars that rises in mid-winter, marking the start of the Maori New Year on the traditional Maori calendar.



A time for remembrance
honouring those we have
lost since the last rising of
Matariki.

Celebrating the present
gathering together to give
thanks for what we have.

Looking to the future
looking forward to the
promise of a new
year.

xero Price increase

As from 15th September the following plans will incur an increase -

(these are business software fees & are not accounting fees)

Starter Plans - \$2 per month

Standard Plans - \$4 per month

Premium Plans - \$6 per month

(Non GST & GST Cashbook subscriptions remain the same)

Annual Public Holidays (11)

Plus an annual regional anniversary day (1)

New Year's Day
Day after New Year:
Waitangi Day
Good Friday
Easter Monday
Anzac Day
Queens Birthday
Matariki
Labour Day
Christmas Day
Boxing Day



Plus regional anniversary day



Michael, Julie, Shirley, Kelly, Steve, Charlotte, Jeanette & Carli

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E: admin@sgca.co.nz

W: www.sgca.co.nz

Postal Address

8 Teasdale Street, Te Awamutu

Weekly Office Days

Tues, Weds, Thurs
9am – 3pm

Remote Days (from home)

Monday & Friday 10am-3pm

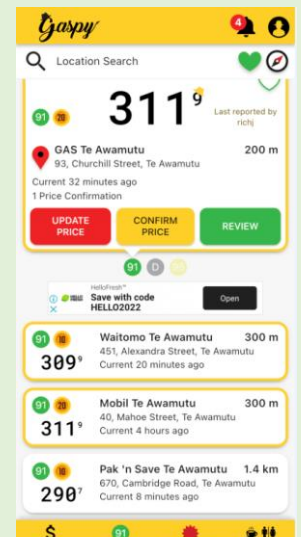
Petrol/Diesel prices



A handy phone
App to have!

This app gives you a price
comparison between all petrol
stations within a certain radius
from your mobile phone.

To download,
go to your App Store,
"Gasp"



Trust Changes

record keeping & reporting

Changes have been made to the annual reporting
requirements for domestic trusts to better understand and
monitor the use of trusts and their financial position.

Trustees will need to provide additional information about
a trust's earnings, financial position, settlements, settlors,
distributions, beneficiaries and powers of appointment.

We will require full names, dates of birth and place of birth
of all trustees and beneficiaries.

Any trust that derives assessable income in a year will be
required to provide these additional disclosures for that
year.

**The extra information is required for the 2021-2022
tax year and every year thereafter.**

Upcoming 3rd Provisional Tax Payments

28 June 2022 - May Balance Date

28 July 2022 - June Balance Date

28 Aug 2022 - March Balance Date

Field Days (change of date for 2022)

30 November – 3 December



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ACCOUNTING

CA
CHARTERED ACCOUNTANTS
AUSTALIA - NEW ZEALAND

Disclaimer

This publication has been carefully prepared, but it has been written in
general terms only. The publication should not be relied upon to provide
specific information without also obtaining appropriate professional advice
after detailed examination of your particular situation.