

2023 SGCA Spring Newsletter



Things are gloomy....

but we need to change how we view it, or deal with it in a way to take the control back.

Maybe it's –

- ...the interest rate
- ...the All Blacks losing their first ever pool game at the Rugby World Cup
- ...just coming out of winter
- ...the general state of the economy
- ...the constant messaging from all sources of media
- ...the dairy payout
- ...the grass growth
- ...the weather pattern
- ...dealing with compliance, or just simply lack of sunshine!



With so much going on

- Play what is in front of you
- Plan to be spontaneous
- Get Unwired
- Seek out the people whose company you enjoy and spend time with them.
- Take yourselves to a place or event that really gives you stimulation, ie... a walk in the bush, walk along the beach, watch a live sports game, or even pack a bag and get on a plane!

Find somewhere that makes you happy



Client List Update - IRD

We are updating our client list with Inland Revenue Department to ensure they have the correct information.

Because of the update, you may receive a letter saying you are now linked as a client.

If you are concerned, then please give us a call.

Provisional Tax Payments Coming up

Balance Date	Due:	Instalment Number:
31 st May	28 th October 2023	1 st Prov tax pymt
30 th June	28 th November	1 st Prov tax pymt
31 st March	15 th January 2024	2 nd Prov tax pymt

"We are here to help"



"Get the right advice"

What can I claim Working from home?

You can **claim a portion** of the household expenses, such as...

Expenses:

Rates
Power
House & contents insurance
Mortgage interest
(if you own the home)
Rent, if you are renting the home.



Example:

If your home is 100 square metres and your working space is 10 square metres – then you can claim 10% of expenses.

Vehicle expenses

You can claim the full running costs if the vehicle is used strictly for business.



If you use the vehicle for both business and personal trips you will need to work out how to allocate costs correctly.

Please note:

Travelling from home to work is classed as a personal trip.

Working out business use -

Record running costs

Keep a log book for at least 90 days, every three years, showing distance, date and business reason.

If you do not maintain a logbook or actual records then you may claim up to 25% of the motor vehicle costs as business use.

Carparking costs are treated the same as other vehicle expenses – deductible to the extent that they are incurred in business.

GST

Insurance premiums?

When claiming for GST, please note -

Owner occupied dwelling – 25% claim for GST

Tenanted dwelling – no GST claim allowed (including employees on a farm)

Personal contents – no GST claim allowed

Car Insurance -

If you are insuring a car that is used 25% of the time for personal tasks and 75% of the time for business use, then you can only claim GST on 75% of the insurance premium.

What expenses can I claim?



Expenses are the day-to-day running of your business, investment or rental property, as described below -

Business expenses

- Vehicle expenses, transport costs, travel for business
- Rent paid on business premises
- Depreciation on equipment, ie: computers, etc
- Interest on borrowing money for business
- Insurance premiums (some, but not all)
- Magazines, Journals that are work related
- Memberships of professional associations
- Home office expenses (as described on this page)
- Stationery
- Uniforms
- Tax agent fees

Investment property expenses

- Repairs and maintenance (not renovations)
- Professional service fees, ie accountants, lawyers, property managers
- Rates
- Insurance
- Mortgage repayment insurance
- Vehicle and travel expenses in relation to property
- Depreciation on capital expenses, ie whitewear, Heatpumps

Rental property expenses

- Insurance on rental property
- Rates
- Property Management
- Accountancy
- Fees for mortgage finance to rental property
- Legal fees for purchase of property
- Legal fees for action on unpaid rent
- Fees for eviction of tenant
- Depreciation on capital expenses
- Vehicle and travel expenses for inspection or repairs

Know your Income Tax Rate

We hear chit chat about high tax rates out in the community from various individuals at times, with people not really understanding how it is actually broken down.

Annual Income:	Tax Rate:
Up to \$14,000	10.5%
Over \$14,000 & up to \$48,000	17.5%
Over \$48,000 & up to \$70,000	30%
Over \$70,000 & up to \$180,000	33%
Remaining income over \$180,000	39%

and before you know it....



We work all our life ...

along the way there are those special moments in life, birthdays, first home purchase, weddings, children, business, holidays, grandchildren, etc.

BUT have you planned for retirement?

- Wills (executors, guardianships, beneficiaries, etc)
- Powers of Attorneys (property and personal welfare)
- Gifting (beneficiaries, etc)
- Trusts (trustees)
- Business Succession (Successor or sale)
- Business Cessation
- Relocation or downsizing

We can help with your planning



Is coffee the highlight of your day?
You'll be glad to hear that it's good for you!

The two main components in coffee are caffeine and antioxidants which can help support brain health.

The caffeine found in coffee has a number of positive effects-

1. **Increased alertness.** Caffeine keeps your brain alert by blocking adenosine, a chemical messenger that makes you feel sleepy.
2. **Improved mood.** Caffeine may also boost some of your 'feel good' neurotransmitters, such as dopamine.
3. **Sharpened concentration.** One study found that caffeine consumption led to short term improvements in attention and alertness in participants completing a cognition test.

Drinking coffee over the long-term is also linked to a reduced risk of neurological diseases such as Parkinson's and Alzheimers. The largest risk reduction was seen in those adults who consumed 3-4 cups daily.

From Healthline

A wee update on lending requirements



Interest Rates

People should be preparing themselves, especially if coming off fixed terms for higher renewals.

First Home Lending

10% deposit is still available for first home lending.

For lending you must show affordability, clean credit report and good conduct of accounts.

Mortgage Applications

Did you know that when lenders assess applications, they use a "stress rate" which is above the current rates you see advertised.

What's your investment risk



What can affect the value of your investment fund?

Investment return risk

Past performance is no guarantee of future performance.

Market risk

This includes supply and demand in the market and economic and regulatory conditions.

Interest rate risk

Investments can change due to changes in interest rates.

Credit risk

If the issuers ability to meet its payment obligations, the value of the debt security may decrease.

Equity risk

If an unexpected change in the company's operation or business running.

Currency risk

Investments offshore may be affected by movements between the other currencies and the NZ dollar.

Liquidity risk

Insufficient availability of buyers, suspension of trading, fund outflows, or market disruptions.



Thinking of travelling?

“Polarsteps” Travel Tracker

This is free and is a great ‘Stay in Touch’ APP to have whilst travelling.

Plan, track and relive your travels. It records your route automatically.

It’s an easy way to update everyone that you choose, staying in touch with them much easier.



Important dates coming up

School Holidays – Term 3

Saturday, 23rd September – Sunday, 8th October 2023

Daylight Savings Starts

Sunday, 24th September – ends 7 April 2024
2am – move your clocks/watches forward 1 hour.

NZ Election Day

Sunday, 14th October
From 9am – 7pm

Labour Weekend

Saturday, 26th – Monday, 28th October 2023

Are you interested in paying a monthly flat fee for your required services, totalled and spread throughout the year?

Contact Kelly@sgca.co.nz or phone (07) 871 3430

Xero Monthly Subscriptions



The new monthly fee for the following subscriptions takes effect from 13th September 2023, which will be reflected in your September invoice.

- \$33+ GST - Starter Plan
- \$71+ GST - Standard Plan
- \$94+ GST - Premium Plan

Weekly Office Days: Tues, Weds, Thurs
Office Open Hours: 8.30am – 3pm
Staff Remote Days: Monday and Friday
Address: 8 Teasdale Street, Te Awamutu, 3800
Postal Address: PO Box 173, Te Awamutu, 3840
Email and Website: admin@sgca.co.nz / www.sgca.co.nz

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



Competition



\$100 Restaurant Voucher

Question:

Where did SGCA go for their 2022 Xmas do?

Clue:

www.sgca.co.nz website

Email or phone the answer before Wednesday, 25th October
kelly@sgca.co.nz or 871 3430



Watch out for Scams!

Bargains are a feel good thing, **BUT** if it looks too good to be true then it usually is!

- Inland Revenue never ask for your account details online.
- Check first before providing account details online.
- Watch out for spelling and grammar inconsistencies.
- Watch out for different reply emails.
- Give the provider a phone call to check that what you believe to be receiving is correct.
- Cancel your card immediately if in doubt.
- Check your bank statements regularly
- Change your passwords



Carli, Jeanette, Charlotte, Steve, Kelly, Julie and Michael



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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.