

# Summer 2023 Newsletter



**Weekly Office Days:** Tues, Weds, Thurs    **Ph:** 07 871 3430  
**Office Open Hours:** 8.30am – 3pm    **E:** admin@sgca.co.nz  
**Office Closed:** Friday    **W:** www.sgca.co.nz  
**Remote Days:** Monday & Friday  
**Address:** 8 Teasdale Street, PO Box 173, Te Awamutu (3800)



*“Tis the season to sit back, relax and enjoy the summer we missed out on last year”*



## SGCA Office Closing & re-opening dates

**Close:** Wednesday, 20<sup>th</sup> December at 2pm  
**Reopen:** Wednesday, 17<sup>th</sup> January 2024 at 9am

**The gift of TIME** another year down, another year older. The best part is we have another year starting in a few week's time.

Being in business can be tough, and when we ask the question 'why did you become self employed?', or 'buy your business in the first place?'

The common answers are –

1. Being in control
2. Being flexible with time
3. To make money

### How is this working out for you?

At times it is the worst job in the world, and you are the worst boss you have ever had.

We now have a much higher demand on our precious time than ever before, filling out and verifying compliance with over complicated rules.

### It is time we took the control back.

**Time is one of our most valuable resources.** We all have the same amount of it, every day, every week, every month, every year.

In today's world, we waste the most valuable resource of **TIME**.

Take control back and use it to enjoy as much of it, as you can.

- Be efficient, delegate if you can
- Use technology (properly)
- Plan
- Use

### USE it in a way to seek happiness and fulfilment.

Rediscover that feeling of excitement when you chose to become self employed in the first place, it's not too late, or if it no longer suits your purpose – change.

## Why did the scarecrow get a big Christmas bonus?

Because he was outstanding in his field!



## Ikigai – What is it?

This is made up of two Japanese words

'iki' means life

'gai' meaning effect, result, value, benefit or worth.

Below are questions as to what brings you joy and inspiration





Make sure you are paying the right tax and coding it to the right year.

**Code to the correct tax type**

If you get this wrong, you could incur penalties

[www.ird.govt.nz](http://www.ird.govt.nz)



**Due**

15<sup>th</sup> January (November 23 period)

28<sup>th</sup> January (December 23 period)

28<sup>th</sup> February (January 24 period)



**Due**

15<sup>th</sup> January - Sept, July, May, March, Jan, Nov

28<sup>th</sup> January – Oct, Aug, June, April, Feb, Dec



**Due 20<sup>th</sup> January**



**Due 20<sup>th</sup> January**

# Pay Day before Xmas



We recommend that if you can, to arrange your pay set up earlier in the week before Christmas.

There is a great guide to Public Holidays over the Christmas period for wages and planning.

Go to 'Employment NZ' site for further information.

**Filing employment PAYE information**

2 working days if you file electronically

10 working days if you file manually

## Christmas Expenses



The cost of **gifts to staff or clients** will generally be 100% tax deductible, unless they are food or drink.

**Food and drink, vouchers** for supermarkets, etc are caught by the entertainment rules and you will only be able to claim a maximum of 50%. Hardware, Beauty, Physical experience vouchers are 100% claimable.

**To avoid FBT on gifts**, you will need to keep the total amount under \$1,200 per employee, per year.

**If you file quarterly FBT Returns**, you are limited to \$300 per employee per quarter.

**Gifts that display your branding** such as cooler bags, glassware, clothing, etc are 100% claimable as advertising/promotional products.

**Xmas Bonuses for staff** must be included in the wages for the week and PAYE paid on them. Purchasing a voucher or present may be better value than a cash bonus.

**Christmas Staff Party**

The costs of food and drink and incidentals, ie: hireage, music, etc is a maximum of 50% deductible. This applies whether the party is held on or off the business premises.

**Christmas Lunch or Dinner**

The cost of taking colleagues or staff out is generally 50% deductible for companies and 25% deductible for sole traders.

Please let us know what your Xmas expenses are, so we can ensure the correct claims are made.

## Secondary Tax Rates

If you have more than one source of income, you need to pay secondary tax. This helps you pay the right amount of tax so you do not get a bill at the end of the year.

The amount of secondary tax you pay depends on the secondary tax code you give your employer.

Total income from all sources	Secondary tax code for the second source of income	Secondary tax rate (before ACC levies)
\$14,000 or less	SB	10.5%
Over \$14,000 & up to \$48,000	S	17.5%
Over \$48,000 & up to \$70,000	SH	30%
Over \$70,000 & up to \$180,000	ST	33%
Over \$180,000	SA	39%



## Electric Cars-road user charges

At present light electric vehicles are exempt from road user charges until 31<sup>st</sup> March 2024.

The exemption was put in place until electric vehicles hit around 2% of the light vehicle fleet, and are now apparently at that point. That would mean paying a rate of \$76 per 1000km, although petrol powered plug-in hybrids would be entitled to claim fuel excise duty refunds.

## Cryptocurrency

Inland Revenue have recently confirmed that 1 in 10 New Zealanders currently hold Cryptocurrency.



American company 'Olliv' has established 10 ATM machines throughout New Zealand in the last couple months to include cryptocurrency cards.

Operating in the digital world doesn't absolve you from tax obligations. It also doesn't mean your activity is untraceable.

Cryptocurrencies are treated like property for tax purposes.

Just like property, when you acquire cryptocurrency for the purposes of selling or exchanging it, the proceeds you make from selling it are taxable.

Tax is applied when one cryptocurrency is swapped for another. You don't need to cash out to dollars to create a tax obligation.

If you receive a cryptocurrency as payment for goods or services, this is considered business income and is taxable.

Tax rules for foreign exchange do not apply when it comes to cryptocurrencies.

When filing income tax returns you need to use amounts in NZD. You may have to convert crypto assets into a foreign currency before you can convert them into NZD.

If you are investing in cryptocurrency, we recommend that you keep good records of your transactions as this information will be useful when filing a tax return.

## What if... then what?

What if....

I have an **accident**,  
I become **incapacitated**,  
I get a **medical condition**,  
I get stuck **overseas** or

**something lifechanging happens - then what?**

We don't like to talk about it...but you never know what's around the corner.

Who will be able to make important decisions about your affairs if you are unable too?



### Do you have a Power of Attorney?

Every person should have one **over the age of 18 years old**.

### Protect yourself, protect your loved ones

A Power of Attorney (POA) is just as important as a Will

There are two types of POA (Property and Personal Care/Welfare) You can have different people appointed for each type of POA

### Property

Your attorney will be responsible for managing transactions that involves property including finances, including household expenses, maintenance, engaging services and tradespeople. This also includes buying and selling property, etc.

### Personal Care and Welfare

Your attorney will be responsible for making decisions about your personal matters. This includes your medical care or deciding on care, and where and when, etc.

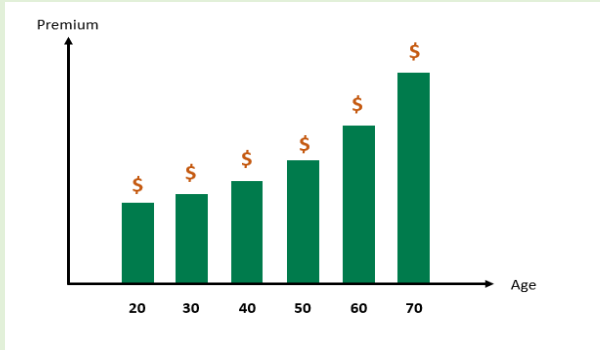


**If you lose mental capacity without a Power of Attorney**, then dealing with your matters can become very difficult adding emotional and financial stress to your loved ones.

**If nobody has the legal authority to act for you or sign documents**, then your loved ones need to apply to the Family Court to be appointed, making it very stressful.

# Different stages of life require different insurance cover. When did you last look?

Insurance premiums are calculated based on a range of factors, including age, gender, whether or not you smoke, your medical history and your job.



CPI (Consumer Price Index) adjustments are quite often overlooked, adding up and without realising on an annual basis.

It's a balancing act keeping to your budget and making sure you have the right level of protection in place to cover your mortgage repayments, family expenses, medical requirements, etc.

**Has your situation changed?**

**You could just be paying too much or too little.**

Please be aware that when changes are made, it doesn't happen immediately, and this can take a few months to be completed, especially if it is a reduction in cover required.

# 2023 Financial Statements

For those who haven't had their Financial Statements completed, now is the time to provide us with information.

Please go to [www.sgca.co.nz/news](http://www.sgca.co.nz/news) tab and download the checklist to assist you in what information we require or contact us for a check list.



This is a valuable asset, and it's important to keep your information up-to-date. This ensures that other businesses you deal with have the information they need to do business with you.

This is information that is made publicly available, and makes it easy for other businesses to connect and work with you by obtaining your address and phone number.

To find out more of what this is all about, or to check to see if you have a NZBN and that your business is up-to-date, visit - [www.nzbn.govt.nz/mynzbn/search](http://www.nzbn.govt.nz/mynzbn/search)

## Public & Stat Holidays

2023

**Xmas Day**

Monday, 25<sup>th</sup> December

**Boxing Day**

Tuesday, 26<sup>th</sup> December

2024

**New Year's Day**

Monday, 1<sup>st</sup> January

**Day After New Year's Day**

Tuesday, 2<sup>nd</sup> January

**Auckland Anniversary Day**

Sunday 29<sup>th</sup> January

**Holiday –**

Monday, 30<sup>th</sup> January

**Waitangi Weekend**

Tuesday, 6<sup>th</sup> February



## Congratulations Taylor!



Taylor Karl from Reform Fitness, won our competition in our 'Spring Newsletter' winning a \$100 voucher at Fahrenheit.



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**Office closed (work from home)**

Monday & Friday, 10am – 3pm

**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.

