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9am – 3pm

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Monday & Friday 10am-3pm

Steve's Corner - Death, Taxes + AI

As a society, we seem to have added another certainty to life - Death, taxes and now AI.

A rtificial **I** nsemination has been around for decades.

A rtificial **I** nformation has always existed too, disguised as little white lies and half-truths and now commonly labelled fake news.

Artificial **I** ntelligence is the newest of the three, and it has quickly become another certainty of modern life.

We probably couldn't go a day without interacting with some form of AI. Many applications are useful and clever: number plate recognition in parking areas, facial recognition on our phones, security cameras that identify people or vehicles and cars driving themselves. These everyday examples show that AI is already embedded in modern life.

There is no doubt these technologies bring real efficiencies. To me, though, the most useful description is automated innovation.

We need to embrace technologies that make life easier and work more productive, while questioning those that unnecessarily replace human effort rather than support it.

So much of the way we work has been shaped by technology over the 30-plus years I have been doing this. Back then, our first defense was simple: garbage in, garbage out. It still is.

The challenge then, is not whether we use AI, but how we use it. We need to recognise its benefits without losing our judgement, our expertise or our willingness to think for ourselves.

There is now so much information so readily available. We need to use it productively without getting lost in the overload - or mistaking a large volume of polished words for something useful or impressive.

Use AI to help undertake research efficiently and build knowledge. But treat it as another tool alongside your own expertise - not as a substitute for it. Give it clear direction, fact-check the result, question the integrity of the information and use it to support your own judgement and recall.

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LIFE CHANGES; HAVE YOU CONSIDERED THE FLOW-ON EFFECTS?

Changes in your lifestyle can have a bigger financial impact than you might realise. A change in your circumstances could affect your **tax, insurance, interest rates, loan repayments, KiwiSaver, investments and more.**

Have you recently:

- Upsized or downsized your home or business?
- Had a baby or had children leave home?
- Started or sold a business?
- Changed jobs or income?
- Changed your tax circumstances?
- Started or stopped investing?
- Changed your KiwiSaver arrangements?
- Taken on or paid off a mortgage?
- Started thinking about succession planning or retirement?
- Quit smoking?
- Married, separated or changed your relationship status?
- Received an inheritance?
- Changed your insurance needs?

If something significant has changed in your life, it may be worth checking what else needs to change with it. Not sure what the flow-on effects could be? Talk to us. We are here to help.

Steve's Corner *continued from page 1...*

One of my favourite analogies illustrates how AI can create work rather than save it. A person wants to send a note, email or document to someone else. They feed a basic outline into an AI program, which pads it out into paragraphs and pages intended to impress the recipient. The recipient then feeds the expanded document into another AI program and asks for a summary, which ends up closely resembling the sender's original basic outline.

Quite a waste of time, effort, energy and computing resources. Yet, for some reason, both people still feel pleased with themselves because they have interacted with AI - even though they have ended up back where they started.

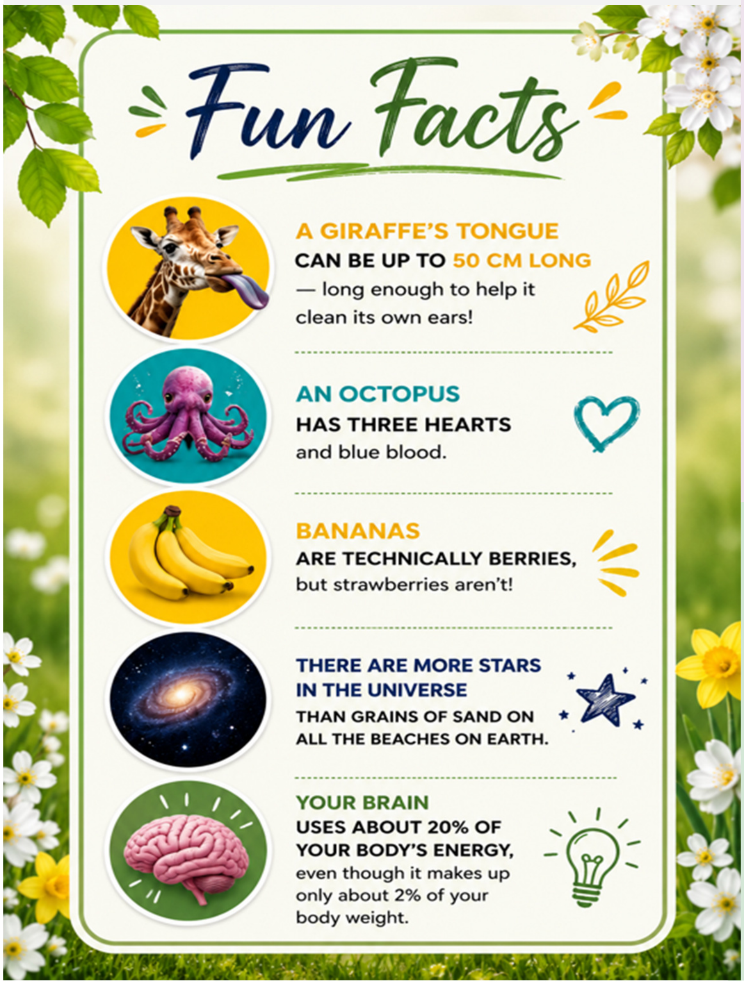
Look for genuine automation, efficiency and innovation - not technology for its own sake. Fact check the output. Watch out for artificial information. Ask the hard questions, have the difficult conversations and tell the truth. Always.

DID YOU KNOW?

Good record-keeping isn't just for tax time!

Well organised records give you a clearer picture of where your money is going, help identify unnecessary costs and make it easier to make informed business decisions throughout the year.

A little time spent keeping things tidy now can save you time and money later.



How sports injuries disrupt business - and what you can do.

Injuries can quickly impact your business, from time off work to finding someone else to cover. Most injuries happen outside work. Sport and recreation injuries cost New Zealanders 2.5 million workdays last year.

You can download ACC 'Have a Hmmm' posters or 'Have a Hmmm hints' at https://acc-connect.youtopiatechnologies.com

DON'T LEAVE MONEY AT THE PUMP: FUEL EXCISE DUTY REFUNDS

If your business uses petrol for eligible off-road commercial purposes, you may be entitled to a refund of the fuel excise duty paid.

This can apply to a range of equipment and vehicles, including farm bikes, agricultural machinery, chainsaws, generators, water pumps and commercial vessels.

For businesses using significant amounts of fuel, these refunds can add up to a worthwhile amount over the year.

Good record keeping is important. Keep your fuel receipts and records of how the fuel has been used. If you have a bulk fuel tank, you should also record the amount of fuel held at the end of each quarter. These records are required to support your claim and must be retained for at least seven years.

Don't leave it too late! Claims are made quarterly and should generally be submitted within three months of the end of each quarter. Late claims may still be accepted for up to two years, but the refund can be reduced by 10%. **Claims more than two years old will be declined.**

If you think you may be eligible, contact Fuel Rebates NZ or NZTA to find out more and check whether you qualify.

SCAM ALERTS – BE VIGILANT!

Email scams are rife, with scammers currently impersonating organisations such as **Inland Revenue, Mercury and ANZ.**

Scam emails can look remarkably genuine, so **never click on a link in an unexpected email**. Instead, hover your mouse over the sender's email address and check that it looks legitimate.

If you are in doubt, **don't click**, give our office a call and we can help you check it.

Retirement and Residential Care, What Happens to Your Savings?

One of the biggest myths about moving into long term residential care is that you have to spend **all** of your savings before the Government will help. In reality, that's not quite how the system works.

If you require long-term residential care, Work and Income carries out a **financial means assessment**. This looks at both your assets and income to determine whether you qualify for the **Residential Care Subsidy**.

The current **asset thresholds** are:

- Single person: your total assets must be $300,811 or less.
- Partner who is in long-term residential care: you and your partner's total assets must be $300,811 or less.
- Partner who's not in long-term residential care: you can choose whether to include the value of your family home and car in your assets. Your assets must be:
  1. $164,731 or less, if you do not want to include the value of your family home and car, or
  2. $300,811 or less, if you do want to include the value of your family home and car.

Work and Income will add back and include in your total assets any assets you and your partner have gifted (including to trusts) over the following limits:

- $8,500 in each of the last 5 years (from when you apply for the subsidy).
- $27,000 per year for longer than 5 years ago (from when you apply for the subsidy).

If you have a family trust, Work and Income will include income from trust assets when calculating your income for subsidy purposes.

Because the rules can be complex, it's important not to make decisions about selling assets or restructuring your finances until you've received professional advice.

📈 OCR rises to 2.75%

The Reserve Bank has increased the Official Cash Rate (OCR) by 0.25 percentage points to **2.75%,** as it continues to work towards bringing inflation back to its 2% target.

Inflation is currently at **4.1%,** with higher fuel and related costs contributing to the increase. The Reserve Bank expects inflation to ease back towards its target over the coming year as the effects of higher fuel prices fade.

The increase could see borrowing costs rise, including for mortgages and business lending.

IRD Payments – Getting It Right

Paying your tax is one thing, making sure Inland Revenue puts that payment against the **right account and tax period** is another!

💻 Use your bank's "Pay Tax" or "Pay IRD" function

Most New Zealand banks have a dedicated **Pay Tax** or **Pay IRD** option through internet banking or their mobile app. This helps ensure the correct payment details are provided to Inland Revenue.

🔢 Get the payment code right

You'll need your **IRD number** and the correct **payment code** for the type of tax you are paying.

Some commonly used codes include:

- **INC** – Income and provisional tax
- **GST** – Goods and Services Tax
- **EMP** – Employer deductions, including PAYE

Always check that you have selected the correct payment type for your particular payment.

📅 Get the tax period right

This is an easy one to get wrong.

When a payment requires a period, enter the **period ending date** that the payment relates to and **not the date you are making the payment**.

For example, if you are paying GST for the taxable period ending **31 August**, the payment should be allocated to that period, even if you're making the payment in September.

⚠ Why does it matter?

If payment details are entered incorrectly, your payment may not be allocated to the correct tax account or period. This can result in an apparent unpaid balance and the IRD may charge **interest and penalties** if they think you have not paid.

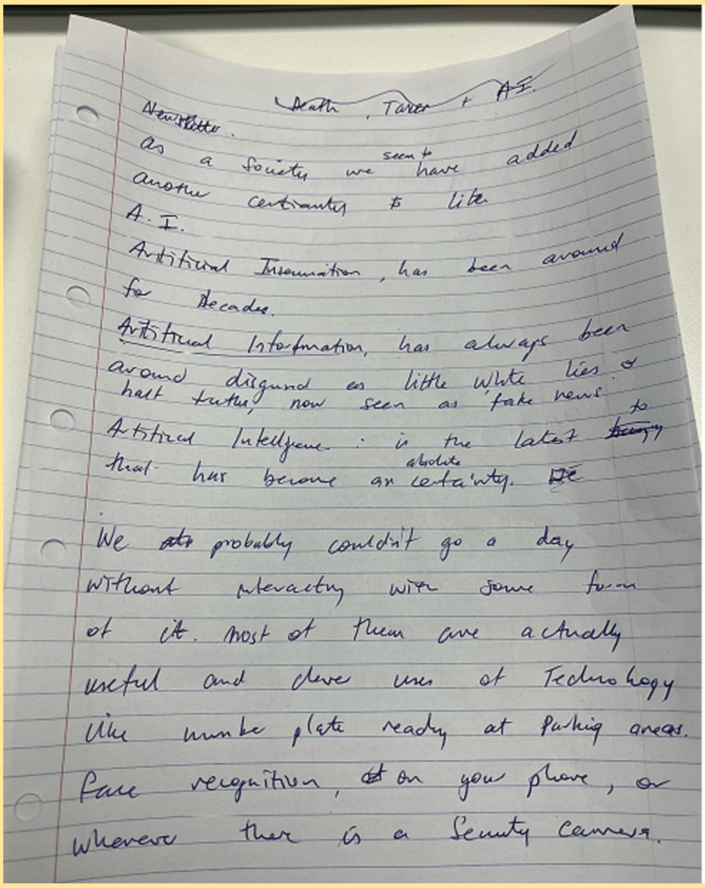
Not sure where a payment has gone?

If you have a missing or incorrectly allocated IRD payment, contact Julie@sgca.co.nz. Julie can help locate a missing payment or advise on the steps needed to correct a payment allocated to the wrong tax type or period.

Impressed with Steve's Corner on the front page?

You might be surprised to know that this was made with the help of AI from these scratchy note pages. No translation or typing was required, AI somehow deciphered it all and turned it into typed text!

Proof that even Steve's handwriting is no match for modern technology.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Computer Tips: Give Your Computer a Break.

What's best for your computer at the end of the day - sleep or shut down?

For short breaks during the day, sleep mode is a convenient option. It uses very little power and lets you get back to work quickly.

At the end of the day, shutting down your computer completely is a simple way to save power and gives your system a fresh start.

A few simple tips:

- Save your files before shutting down or restarting.
- Keep your operating system and security updates up to date.
- If your computer has been running for a while or starts behaving strangely, a restart can often help.
- If you won't be using a laptop for an extended period, hibernate or shut down will use less power than sleep.

HAVE YOUR DETAILS CHANGED?

Have you recently renewed or updated your Passport or Driver's Licence?

Have you changed your address, phone number or email address recently?

If so, please pop into the office with your updated details or identification so we can keep your records up to date and meet our Anti-Money Laundering (AML) requirements.

We get audited too, so unfortunately, "she'll be right" isn't an approved compliance procedure! 😉

Whether you're in the office, on the farm, or out in the field, we're here to help whenever you need us.


Carli Jeanette Charlotte Steve Kelly Julie Michael

Disclaimer
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