



Horton & Co Ltd

chartered accountants



NEWSLETTER

March 2014

This has been another busy and rewarding year for the team at Horton & Co. We would like to thank our clients and also welcome new clients who have joined us this year. The following are a few things we would like to inform you about.

Minimum Wage

From 1 April 2014 the adult minimum wage rate will increase from \$13.75 to \$14.25 an hour. The starting-out wage and training minimum wage will also increase from \$11.00 to \$11.40 an hour.

ACC Earners Levy

From 1 April 2014 the ACC earners levy that is deducted with PAYE will decrease from 1.7% to 1.45%, meaning there will also be a small change to PAYE rates to incorporate the reduced rate of ACC earners levy. If you do your wages manually, please make sure you start using the new Tax Tables from 1 April 2014. You can use the IRD website PAYE/Kiwisaver deductions calculator at the following link:

<http://www.ird.govt.nz/calculators/tool-name/tools-p/calculator-payee.html?id=homepage>.

Those using a payroll software package should receive an upgrade from their provider.

Statutory Holidays

The new legislation for Mondayising Waitangi Day and Anzac Day holidays is now in effect, which means that if they fall on a weekend and the employee does not usually work on the weekend then the holiday is observed on the following Monday.

PAYE Return - EMS

For those that file their own PAYE Returns, please note that from this year changes will take place in the way child support is calculated. The IRD will be basing calculations on income earned in the previous calendar year, so they need all employers to file their EMS on time to ensure income details are as accurate as possible. The IRD will also be taking into account both parents incomes when they calculate child support.

Excise Duty Refunds

Do you purchase on farm petrol? If you do, have you ever thought about claiming back the excise tax?

Excise duty on petrol is the NZTA's way of getting the public to fund roading projects. As at 1 July 2013 this payment increased to 63 cents per litre. If your business uses petrol that is not used on the road (farm bikes, chainsaws, generators etc) you may be eligible for a refund on the excise tax. Please get in contact with us if you would like further information on this.



Annual Account & Client Questionnaire

We find the accounts that take us the longest to complete are the ones that we stop half way through because of missing documents. These are usually Fonterra dividend or fertiliser rebate statements. Please make sure you have read your client questionnaire and checked through the list on the second page. Bear in mind most banks are now charging you, the client, when we require any missing bank statements.

At the time of your balance date you will receive a Client Questionnaire which needs to be completed to assist with the preparation of your Financial Statements and Income Tax Returns. Attached to the questionnaire is a copy of your asset schedule. Please take a look at this and let us know if any changes or updates are required.

To comply with the New Zealand Institute of Chartered Accountants requirements for account preparation, it is essential that the Client Questionnaire is **signed and returned to us**.

GST Information

Please note that GST is not able to be claimed on repairs and maintenance expenditure in respect of your employee's dwelling. Also clothing must be considered protective to be claimable.

The other important information for GST is deposit descriptions. When you are depositing money at the bank please write a description on the deposit slip of what the deposit was for.

BankLink Invoice Plus & Payables Plus

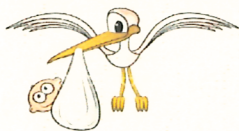
Are you finding it time consuming managing your invoicing and debtors? BankLink's Invoice Plus product can greatly reduce the paperwork for you. Invoice Plus is very simple to operate and allows you to create invoices and quotes with ease.

Payables Plus is the BankLink product to manage your incoming invoices. Again, very easy to operate - no more hunting through cheque butts to see if you have paid an account or not.

If you are interested in using either of these products please talk to our staff.



IRD Numbers for Children



You can now apply for your baby's IRD number when you register the birth with the Department of Internal Affairs. You will need IRD numbers for your children to be able to receive Working for Families Tax Credits (WFFTC). It is now as simple as ticking a box on the birth registration form.

If the baby's birth has already been registered, you will need to apply for an IRD number in the usual way by completing an IR595 from the IRD website. Please advise us of any IRD numbers you obtain for your children so we can update our records and any WFFTC due.

Scam E-Mails

A reoccurring issue - Please beware of scam e-mails sent by people posing as the Inland Revenue Department. Inland Revenue **will not** e-mail you directly, so **do not respond** to any such e-mails. Ensure that you delete the e-mail completely from your computer.

Tax Dates

Provisional tax dates for March balance date clients:



GST Filing Frequency	Number of Provisional Tax Instalments	Payment Due Dates
One or two monthly	Three Instalments	28 th August 15 th January 7 th May
Six monthly	Two Instalments	28 th October 7 th May

Provisional tax dates for June balance date clients:

GST Filing Frequency	Number of Provisional Tax Instalments	Payment Due Dates
One or two monthly	Three Instalments	28 th November 28 th March 28 th July
Six monthly	Two Instalments	28 th January 28 th July

Income Tax Rates for Individuals

The tax rates below apply from 1 April 2014 to 31 March 2015.

<u>Income tax rates</u>	<u>Tax Rate</u>
\$0 - \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30%
\$70,001 and over	33%
No notification (No Tax code declaration - IR330)	45%

De-Linking

Please do not de-link yourself from our agency with the Inland Revenue Department. If you have tax concerns please talk to us first. When you are de-linked we do not receive any tax data, and you will also will lose your extension of time.

Donations

Avoid getting involved in scams, even if you think they might be helping someone. This includes assisting a charity to dodge GST. For a donation rebate to be allowed, the charity must be approved by the IRD. Make sure your donation is legitimate. Go to <http://www.ird.govt.nz/doncc-organisations/> for a list of approved charities.

Staff Casual Attire Friday

We have decided as an office to adopt casual dress Fridays. In return for this we all make a fortnightly donation to the Blind Foundation's Red Puppy Appeal.



The team at Horton and Co Chartered Accountants
look forward to working with you to help you achieve your business goals in 2014.

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