



# Horton & Co Ltd

Accountants & Advisors



## MARCH 2020 Newsletter

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From Horton & Co

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Welcome back! We look forward to working alongside you again in 2020, and we also welcome our new clients to the Horton & Co team, it's going to be an exciting year ahead!

The past year was one full of changes and challenges. We've had to adapt quickly to new software with our switch from Banklink to MYOB Essentials for preparation of GST Returns, and not to mention keeping up with the gradual changes that the IRD are making to improve their systems. We welcomed two new faces, Jessie-May and Caitlyn to the office who are both Graduates of Massey University.

Despite all the changes we are well on our way to achieving another year of 100% filling rate with the IRD - so from the team here at Horton & Co we want to say a huge thank you for your cooperation during yet another busy but rewarding year!

## CLIENT QUESTIONNAIRE

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. Copies of questionnaires and stock sheets are available on our website [www.ljhorton.co.nz](http://www.ljhorton.co.nz) under the 'news' tab.

## MINIMUM WAGE

As of the 1st of April 2020 the minimum wage will increase to \$18.90 an hour. An increase of \$1.20 per hour.

The starting-out and training minimum wage will increase from \$14.16 to \$15.12 per hour, remaining at 80% of the adult minimum wage.

## IRD SCAM EMAILS

Please be aware of IRD email scams. They look very similar to IRD emails, but please remember the IRD will never ask for bank details or provide links to access secure mail. If you have any concerns please contact us first.

## CHANGES TO IRD PAYEMENTS

As of the 1st March 2020 the IRD are no longer accepting payments by cheque. Payment options include;

- **Pay online at myIR**

Using your credit or debit card. Clients can also set up direct debits in myIR and select the payment date(s).

- **Pay online through your bank**

Using your online banking facility you can make payments to the IRD - you can also post date your payment(s).

### Offline payment options:

- **Automatic payment authority form - IR586**

You can set up an automatic payment by completing the IR586 form. You simply fill out the form and hand it to your bank. This form is available on the IRD website, you can also contact us for a copy.

- **Cash or Eftpos at Westpac via barcode**

You can make cash or Eftpos payments at any Westpac branch. You will need an IRD barcode to correctly allocate the payment. The barcode will be printed on your return or statement. You can also get one from the IRD website. [ird.govt.nz/make-a-payment/paying-at-westpac](http://ird.govt.nz/make-a-payment/paying-at-westpac)

***If you have any questions regarding making payments please contact us - we are happy to help answer any questions and talk through the options with you.***

## **GST ON LOW VALUE IMPORTS**

From 1 December 2019 overseas businesses that sell low value goods to consumers in New Zealand may need to register for, collect, and return GST. A consumer is a person who buys low value goods delivered to New Zealand and is not registered for New Zealand GST. Or is registered for GST and uses the low value goods for personal use. A low value good is a physical good valued at \$1,000 or less (exc. GST). Examples of low value goods are books, clothing, sporting equipment etc. For more information head over to the IRD website. [www.ird.govt.nz/gst/gst-for-overseas-businesses/gst-on-low-value-imported-goods/what-low-value-goods-are](http://www.ird.govt.nz/gst/gst-for-overseas-businesses/gst-on-low-value-imported-goods/what-low-value-goods-are)

## **ACC PAYMENTS**

From the 1st of March 2020 ACC will no longer accept payment by cheque.

Alternative payment options;

- **MyACC for Business Online Service**

Register for MyACC and pay your invoices by credit card, online payment, or set up direct debit payments and monthly instalments.

- **Internet banking**
- **Cash or Eftpos at any Westpac Bank Branch**

For more information you can visit [acc.co.nz](http://acc.co.nz) and search 'ways to pay levies'

## **DID YOU KNOW?**

If you have an investment in Computershare or Link Market Services you can make an online login. Their online services allow you to view statements online, view transactions, payment history, and research the latest market data. You can also pay for an Annual Tax Summary - the Annual Tax Summary holds all the info we need to complete your tax return! No more paper statements with spilt coffee, no more digging in that 'safe place' - you could have it all in one easy to find place. Links below!

**<https://www-au.computershare.com/InvestorCentre/Login/Login>**

## **PAYE FILING**

From April employment information in myIR will look a little different to usual.

- Employer accounts will be combined into a single Employer Activities (Payroll) account which will include all deductions made. This will make it easier for you to track transactions and payments.
- There will be new payment options available, notifications will be grouped, and Employee details will combine IR346 and KS1.

Visit [ird.govt.nz](http://ird.govt.nz) or ask us for more information

## **OWN A RESIDENTIAL RENTAL PROPERTY?**

As per the tax bill released on the 5th of December 2018, Residential Property Investors will not be able to off-set excess rental losses against their income (salary/wages or business income). Losses will only reduce the residential rental income. Excess losses will be carried forward to reduce rental income in future years, or be used to reduce the taxable income on the sale of the property. If you own more than one property you can elect to use the property-by-property basis or use the portfolio basis. If you have any questions or concerns please call us.

## NEW TEAM MEMBERS



In July 2019 we welcomed two new faces to the Horton & Co team.

Jessie-May Moore, and Caitlyn Horton are well into the swing of things now and are enjoying working alongside our clients.

Jessie-May is a recent graduate from Massey University, completing a Bachelor of Business Studies majoring in Accounting and Management in 2018 through Distance study. She is currently working towards the requirements to become a Chartered Accountant.

Caitlyn spent three years in Palmerston North at Massey University completing a Bachelor of AgriCommerce graduating in 2017, while also on the Massey Academy of Sport Scholarship. She then returned home to Taranaki and worked with Farmlands Co-operative before joining the team here.

For more information about Jessie-May and Caitlyn you can find their staff profiles on our website under the Firm Profile tab.



## PROVISIONAL TAX DATES 2020

March Balance Date Clients:

<b>GST Filing Frequency</b>	<b>Number of Provsional Tax Instalments</b>	<b>Payment Due Dates</b>
One or Two monthly	Three Instalments	28th August 15th January 7th May
Six Monthly	Two Instalments	28th October 7th May

June Balance Date Clients:

<b>GST Filing Frequency</b>	<b>Number of Provsional Tax Instalments</b>	<b>Payment Due Dates</b>
One or Two monthly	Three Instalments	28th November 28th March 28th July
Six Monthly	Two Instalments	28th January 28th July



## INCOME TAX RATES FOR INDIVIDUALS

From 1st April 2019 to March 2020:

**\$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%)

## IRD INCOME TAX LETTERS

The IRD puts the total income tax due in these letters and marks the total as DUE SOON. This can be confusing as these totals can be different to our letters. In our letters we break down the total income tax due into Provisional tax instalments and Terminal tax if and when applicable. As your tax agent we email out Tax letters for each IRD number when the payments are due for: 1) Provisional tax instalments - that is per instalment and when it is due. 2) Terminal tax letters separately if applicable - normally due 7th April each year.

So you can safely ignore these IRD letters unless you have missed a tax payment, in which case we will contact you.

## RESIDENT WITHHOLDING TAX

As of the 1st of April 2020 if you have not given your interest payer your IRD number you will be charged RWT at the 'non-declaration' rate of 45%. If you have not provided the RWT rate you will be charged at a default rate of 33%.

Please see the advised RWT rates at the top left of this page. Where there are joint investments you can only have one IRD number assigned. If you would like any help regarding which RWT rate to choose please contact us to speak with a member of our staff.

## GST RETURNS 2020

A reminder that to complete your GST Returns we need all invoices and receipts. A lot of companies are now emailing receipts, we welcome you to forward these on to us as an electronic copy. There are also a few apps such as Receipt Bank that allow you to store and send all of your receipts to us electronically. So whether you want to continue dropping your paper invoices to us, or start sending electronic copies - just make sure you're not a bad Santa.



## OUR WEBSITE

You can find us online at

**[www.ljhorton.co.nz](http://www.ljhorton.co.nz)**

Please make use of our calculators, tax information, and key dates. You can find client questionnaires there too!

## **PAYE & WAGE PAYMENTS HAVE YOU STRESSED?**

Here at Horton & Co we understand the pressures of being a business owner, we know payroll can be confusing and all too time consuming. It can take your attention away from other areas of your business that really need your attention leaving you feeling stressed as a business owner.

Horton & Co provide a comprehensive and confidential payroll service that includes:

- Customised payslips
- Administration of PAYE, statutory sick pay, and annual leave
- IR-filing to the IRD
- Summaries and analyses of staff costs
- Administration of incentive schemes, bonuses, and termination payments

Get in touch with a member of our staff today to find out more about our payroll services.

**FIND OUR FULL LIST OF  
SERVICES ONLINE AT  
[www.ljhorton.co.nz](http://www.ljhorton.co.nz)**

**OR VISIT US AT THE  
OFFICE TO SEE HOW WE  
CAN HELP YOU ACHIEVE  
YOUR BUSINESS &  
FINANCIAL GOALS**

## **WE DON'T JUST CRUNCH NUMBERS!**

### **Strategic Planning**

We're not just here to file your tax returns, we love helping businesses of all shapes and sizes succeed and grow.

Every business needs a strategic plan but sometimes it takes a back seat as you try and navigate every-day business. We can help your business establish a strategic plan to help take that pressure off you so you can focus on the matters right in front of you.

Figuring out where you want your business to be in 3-5 years and implementing strategies to get you there can be daunting but we'll be with you every step of the way. Get in touch with one of our staff, or jump on our website to find out more on how we can help your business grow and thrive.

(Don't worry we'll still file those tax returns).

### **Budgeting**

We can also prepare budgets enabling you to set financial targets and measure your performance. We can help you design the right budget for your requirements.

Let us show you how a budget and a cash flow forecast can provide feedback that enables you to prepare for the future of your business!

# CONTACT US

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*Disclaimer: All information in this newsletter has been carefully prepared and to the best of our knowledge is true and accurate. This newsletter has been written in general terms only and is not intended to provide specific information without also obtaining professional advice for your situation.*