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Free H&S rep training

Health and Safety at work law is changing from 4 April 2016. And it's important that you know how the changes affect you and your business.

To help businesses prepare for the changes, the government is offering free transition training for existing health and safety representatives (HSRs). Safety 'n Action Ltd is providing this training in collaboration with Work-Safe and MBIE, with 15,000 places available.

This transition training is:

- Free for HSRs who have already completed approved training under the current Health and Safety in Employment Act 1992
- Open for registration now through training provider Safety 'n Action Ltd
- Available from February to June 2016
- Available as an online course or as a half-day face-to-face course.

HSRs are an effective way of supporting worker participation in health and safety. The new Health and Safety at Work Act 2015 strengthens the role of HSRs and provides them with new functions and powers.

This government-funded transition training is a bridging course to help trained HSRs understand the changes to their role and prepare them for the new H&S law.

The transition training course is shorter than normal HSR training, and takes about four hours to complete. There are 12,000 places for the online course and 3,000 for face-to-face training. Face-to-face training will be held throughout the country at locations worked out to match the locations of those registering.

If you haven't yet been trained as an HSR, then you won't qualify for this particular training. You can either train to be an HSR under the current law to qualify for the free transition training, or you can wait till 4 April 2016 and train as an HSR then.

Register for the HSR transition training course, or contact Safety 'n Action by emailing hsr-training@safetyinaction.co.nz or phoning 0800 222 388.

Do I need a health and safety rep (HSR)?

Not necessarily. Under the new H&S law, all businesses have a duty to consult, engage and provide ways for workers to easily participate in health and safety. How you do this will depend on the needs of your business and workers, the size of your business and the type of health and safety risks your business creates.

HSRs are one way to support and encourage worker participation. Under the new H&S law, low-risk businesses won't have to agree to a worker request to have an HSR or a health and safety committee. However, low-risk businesses can still choose to have an HSR committee if they want to.

Any business classed as high-risk (as defined by the Act) will need to have an HSR or committee if asked to by a worker.

The new regulations will outline in detail exactly which high-risk business sectors will be subject to this requirement.

New rates announced

Inland Revenue Orders in Council signed on 23 November 2015 set the following new rates.

New rate for calculating FBT on low-interest loans

The prescribed interest rate used to calculate fringe benefit tax on low-interest loans provided by employers to their employees is 5.77% for the quarter beginning 1 January 2016 and subsequent quarters.

Minimum family tax credit increase for 2016-17 tax year

Low-income working families eligible for the minimum family tax credit (MFTC) will receive an increase for the 2016-17 tax year. The MFTC currently guarantees recipients an after-tax income of \$23,036 a year (\$443 a week). This will increase to \$23,764 a year (\$457 a week) for the 2016-17 tax year, starting on 1 April 2016.

Prep for tax time and avoid last-minute **PANIC**

You can't avoid tax time – but you can prepare for it. Follow these tips to make it easier for your business.

Get your records in order

Throughout the year keep receipts, as well as invoices you've received and copies of invoices you've sent out. Keep them tidy and in order. It helps to record on each receipt the reason for it, e.g. why you took that taxi or who you bought lunch for back in November.

Understand tax types

Know which ones apply to you and your business. Do you provide perks to your people? Was your turnover for the last year more than \$60,000. Want to pay your income tax in instalments?

Know when you need to file tax

Inland Revenue has a calendar of all the filing dates for 2015/2016. It shows the return and payment due dates for income tax and provisional tax, fringe benefit tax, GST and PAYE, based on a standard balance date of 31 March. You can also find the due dates just for your business.

Save regularly for tax

You should put aside money for tax each time you receive income. This means your tax bill won't come as a complete shock. This is

really important during your first year of business, so that you've got the money to pay your first year of tax in your second year, as well as paying provisional tax.

Get advice.



2015 mileage rate for the expenditure incurred for the business use of a motor vehicle

A recent review of the Commissioner's mileage rate, results in a reduction to the rate to 74 cents per kilometre for both petrol and diesel fuel vehicles for the 2015 income year. The reduction is largely due to lower average fuel costs during the 2015 income year (petrol \$2.07 and diesel \$1.38) compared to the 2014 income year (petrol \$2.16 and diesel \$1.51) (and to some extent more efficient motor vehicles). The 2015 income year for business taxpayers with a standard 31 March balance date, runs from 1 April 2014 to 31 March 2015.

The Commissioner is required by statute to set a mileage rate for persons whose business travel is 5,000 or less in an income year. The mileage rate is set retrospectively for persons required to file a return for the business income. So that the rate reflects the average motor vehicle operation costs for an income year. Those persons who meet the criteria have a choice of using the Commissioner's mileage rate or use actual costs if they consider that the Commissioner's mileage rate does not reflect their true costs. Taxpayers that choose to use actual costs are required to keep records to support any expenditure claimed.

Employers may use an alternative estimate other than the Commissioner's vehicle mileage rate when reimbursing employees for use of their private vehicle for employment related use. It is accepted that employers may use the motor vehicle running cost data published by other reputable sources, for example the New Zealand Automobile Association Incorporated, as an alternative reasonable estimate for reimbursement of employees.

The mileage rate does not apply in respect of motor cycles, hybrid and/or electric motor vehicles as these modes of transport are not commonly used for business purposes. Any self-employed persons who use these forms of transport for business purposes will need to calculate their actual expenditure or in the situation of an employer reimbursement, they may make a reasonable estimate of the employee's costs.



Update on UK & OZ pension transfers to NZ

There have been so many legislation and tax changes for those of us with UK pensions that it has been, and continues to be, quite a minefield!

To try to make things simple and a little more understandable, I've attempted to encapsulate what is, or is not available now, to those with UK or Australian pensions.

Australia – Australian pensions can be transferred to Kiwisaver accounts only and these do not fall under the NZ Foreign Superannuation Tax Bill, so there is no tax to pay upon transfer to a NZ Kiwisaver account. There are tax differences however, between Australian Superannuation products and New Zealand Kiwisaver accounts AND, it is worth looking at the death benefits associated with some Australian funds and any other associated benefits that may have been included, that will be lost upon transfer.

UK – UK pensions remain complex. Anyone with a public sector unfunded defined benefit scheme can no longer transfer away from the UK – this was banned by the UK government when they introduced changes on 6th April 2015. So, for anyone who still has a 'final salary' pension left with the Armed Forces, Police, Fire Service, NHS, local civil service or Teachers schemes, for example, the 'ship has sailed'!

Other types of pension scheme however, still have the ability to transfer. It is worth noting though, that although it is still possible to transfer a private defined benefit scheme, consultation is still going on in the UK as to whether there should be a ban on anyone with these schemes too, just like the ban on public sector schemes now in place.

When transferring a UK pension to NZ, access to the pension fund will be restricted along similar lines as to what would have applied had the fund remained in the UK (prior to the April 2015 UK changes). Generally, no access is allowed before at least age 55.

In April, the UK changed its pension rules, now

allowing individuals to withdraw ALL of their fund at their scheme retirement age, albeit a maximum of 25% is tax free and the balance is taxable at their marginal rate. We have all been watching with baited breath, to see if this rule will be passed through to those here in NZ who have already transferred their pensions to a Recognised Overseas Pensions Scheme (ROPS), allowing us to withdraw the whole fund at scheme normal retirement age too, alas, this is not yet to be!

We are therefore left with having to ensure that 70% of our ROPS funds provides 'an income for life', inferring that the balance can be withdrawn as a lump sum. However, for the lump sum withdrawal, the amount available may depend upon whether the individual concerned has left the UK for 5 full tax years or not. Any withdrawals are reported back to the HMRC by the NZ ROPS provider and if the HMRC deem a withdrawal to be 'unauthorised', they are able to tax the individual up to 55% on the amount withdrawn – this being deemed as an 'unauthorised payment charge'.

Once the transfer is received in NZ, the Foreign Superannuation Tax Bill stipulates that if you transfer within 4 years of you arriving in NZ, there is no tax to pay. After this period, tax applies. The amount of tax increases the longer you leave it to transfer after you have left the UK, plus there are two tax methods that may apply, so tax advice is recommended.

Seek ADVICE is our message. Be prepared to pay a fee if you want to understand your choices and receive quality advice in order to ensure you are receiving guidance that is in your best interests.

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How well do you know your competitors?

Most businesses operate in a marketplace where there is competition. Sometimes it's fierce and you have to struggle to come out on top, so it's understandable you may look at your competitors as rivals. They could potentially take customers and dollars out of your pocket and put them into their own. But competition isn't necessarily a bad thing.

Perhaps there's another way to look at it. Maybe your competitors have something to offer you - a valuable resource that you have left untapped because of the "rival" glasses you've stuck at the end of your nose. Take them off. Look from a different perspective.

What happens when you add a little competitiveness to your game?

Someone running fast alongside, matching you step for step? You might pick up the pace a little, or decide at the last moment to run for a bit longer. This is how you get to see if your opponent can match you, or how much stronger they are becoming. This is all important information for the next time you race against them.

In business also, a bit of competition will help you lift your game and achieve things you wouldn't otherwise have done. You may invent new ways of doing things, or create one or more points of

difference between you and your competitor(s).

Become a savvy business owner

As a savvy business owner, you'll want to understand that there are better approaches to take than simply seeing your competitors as rivals.

If you can get to know your competitors, learn from what they are doing well, and what they are doing badly (or not doing at all), then you can use this information to grow stronger.

Why not build alliances with your competitors(s) - develop potential joint venture agreements that assist you in growing bigger and stronger?

Perhaps you can identify a gap in the market place and develop products or services to fill this gap.

If you want to better understand your competition, and use this to grow and improve your business, make sure you -

- Know who your competitors are
- Find out whatever you can about them
- Develop a relationship with them
- Are prepared to co-operate with them when necessary

Seek out your competitors and find out everything you can about them. It is important to know and understand them. You might be surprised at the valuable opportunities you'll discover.



Let staff take risks

The staff you should want are those willing to use judgement and take the risk of getting things wrong, occasionally. By taking risks, they will also get things right and this will be the case, hopefully, in the majority of circumstances. Avoid discouraging someone who has made a mistake. On the contrary, congratulate them for trying and encourage them to continue. These are the people with enthusiasm; the ones who will be capable of taking the load off you. Their sin would be repeating the mistake.

Travel in comfort

To make a comparison of possible aeroplanes and the comfort they offer try seatguru.com.



Trustees and Inland Revenue

Inland Revenue will hold a trustee personally responsible for all taxes until it has been notified he/she has resigned. Therefore, if you resign, make sure Inland Revenue knows, and keep evidence of this.

Got a bad debt looming?

Be quick and be persistent applies particularly to debt collection.

If you're offered a cheque and you don't like to suggest it might bounce, see if you can get two cheques for half each. Your debtor might have the funds to let \$500 through but not \$1000.

Changes to property tax rules

Property tax rules changed on 1 October 2015. If you are buying or selling a property, here is what you need to know.

New bright-line test

The bright-line test only applies to residential properties bought on or after 1 October 2015. Under this rule you will be taxed on gains on the sale of a residential property (which may include a bare land) if you buy and sell it within two years. There are specific rules as to how to determine the beginning and end of the two year period.

There are specific exceptions to this rule. If a residential property falls under one of the exception categories, you will generally not be taxed on gains even if the property is sold within the two year period. Exceptions apply to your main home, inherited properties and properties received or disposed of as part of a relationship settlement agreement. These rules are complex and there are specific conditions within the exceptions. For example, you can only have one main home - in other words, if you have two homes and split your time living between the properties, you will need to decide which one is your "main home". Typically this is the property where you spend most of your time or where your family resides.

The new bright-line test applies only to residential

properties sold within the two years the purchase. If you sell a property more than two years after buying it, the bright-line rule will not apply to your property sale. However, all other land provisions still apply. One of the provisions in the rules is the "intention test" which provides that the sale of a property is taxable if you originally bought this property with the intention to resell it. The sale may also be taxable if you are a developer, a trader in land or a builder, or you are associated with any of these.

New information requirements

When buying, selling or transferring New Zealand property, excluding your main home, you will need to provide your IRD number and a taxpayer identification number (TIN) from any overseas country where you have to pay tax on your worldwide income (if you have one).

If you would like further information regarding the new property tax rules, or thinking of purchasing or selling a property, please get in contact with your accountant.

Source: RSM NZ

Tax calendar

April 7 2016

2015 Terminal Tax
(March balance date)

May 7 2016

3rd instalment of 2016
Provisional Tax
(March balance date)

May 30 2016

1st Instalment 2017
Provisional Tax
(December balance date)
GST for April 2016

May 31 2016

Deadline for Fringe
Benefits Tax returns



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10 essential steps to protect your data

There are various ways to calculate the cost of losing work stored on computers. Perhaps the easiest way to get a gut feel for the cost is to think for a moment about how long it would take to replace lost work. How many people would have to spend how many days to create everything from scratch?

Here is a simple 10-step plan for making sure they do not have to.

1 Have a strategy

You will not know what approach is right for you until you have answered these questions:

- How long can you go without the lost data?
- Will you be making full backups or incremental or differential backups?
- How quickly will you need data restored?
- What devices will you use?
- How secure do your backups need to be?
- How long do you need to keep the data for?

2 Prepare for the worst

If the building burns down, your onsite backups might go the same way as your primary systems. You should think about offsite or cloud backups as part of your plan

3 Get help

You might not have all the answers or even all the questions. Speak to the backup providers you are looking at. Talk to the other companies that work on your IT infrastructure.

4 How much can you afford to lose?

Catalogue which data would have the biggest impact if you were to

lose it. Break data into categories and work out how old you are happy with the backups being in each category.

5 How long can you go before your data is restored?

The answer to this question will be different for each of the categories of data you identified. And it will inform your decision about what backup systems you need.

6 Consider your applications

Not only does your solution need to fit your business needs, but it also needs to suit the applications you run.

7 Choose your device

What will you backup onto? This is an area where it is worth taking advice.

8 Set up your file backups

If you are working with someone, you should be able to borrow their expertise to make sure you set up correctly. If not, look for vendor tutorials that walk you through the process.

9 Take a picture

Do not just set up to backup data. Image backups capture your whole system so that you can restore everything. That includes your operating system, applications, settings, bookmarks and file states right before disaster struck.

10 Check and double check

Your system is no good to you if it is not working. Check and check again that you are capturing usable backups in the format you are expecting.

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Changes in Particulars

Please remember to let us know of any changes in:

- Physical address • E-mail address • Phone and/or fax numbers
- Shareholdings • Directorships • Trustees

Or anything else that may be relevant.

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Advertising for profit

Do you measure your responses from advertisements?

How many of those responses turn into sales? Don't know? Then ask your new customers, every time, why they came to you.

Further, have a look at the quality of customers you're attracting, in other words, whether they're serious about what you offer. There's no point in advertising for poor quality business.

Above all, keep figures to see if the advertising is earning its keep. The revenue you derive from your advertising is not just what you get from the first sale. It's the earnings over the lifetime of that customer. So if the average customer stays for five years, measure the expected sales you're going to make over this time. The profit on those sales needs to exceed the cost of the advertising.

Advertising is expensive. Some people advertise, get responses but never follow up. Perhaps they have more business than they can handle! If this is you, why advertise? Examine your return on your advertising. Keep records. If your advertising works, that's fine. If it doesn't, save your money.