



MARCH 2007 Newsletter

Dear Clients

Yet another year has rolled around and it is time once again to think about year end matters and turn our thoughts to what lies ahead. As we have a number of new faces on our staff we thought we would provide an updated photo. Yes the males are well outnumbered!!!!

STAFF



Left to Right – Mark Peters, Joanne Rainbird, Jo Beamsley, Julie Dolan, Rhianne Nicholls, Rebecca Grant, Melanie Kett, Alison Brook, Naomi Boon, Jeanette MacMillan, Michelle Soper, Jackie McKay, Sherie Gapper, Heather Wilson and Denise Andrell. (Absent – Owen Keenan).

NEW DUE DATES FOR GST

Your GST return and payment due dates will be changing for taxable periods ending on or after 31 March 2007. This means the next GST return you file will have a new due date. For most months, your GST return and payment due dates will fall on the 28th (or the next business day) of the month following the end of the return period, **except** for the periods ending:

- 30 November – your due date remains 15 January.
- 31 March – your due date will be 7 May.

GST RETURNS AND PAYMENT DUE DATES

<i>Return for Period Ending:</i>	<i>New Due Date:</i>	<i>Return for Period Ending:</i>	<i>New Due Date:</i>
31 March 2007	7 May 2007	31 August 2007	28 September 2007
30 April 2007	28 May 2007	30 September 2007	29 October 2007
31 May 2007	28 June 2007	31 October 2007	28 November 2007
30 June 2007	30 July 2007	30 November 2007	15 January 2008
31 July 2007	28 August 2007	31 December 2007	28 January 2008

FAMILY ASSISTANCE THRESHOLDS

Number of Children	Income Threshold		Number of Children	Income Threshold	
	2007	2008		2007	2008
1	68,000	69,500	4	108,500	119,000
2	80,000	84,500	5	120,500+	120,500+
3	93,500	98,000	6	120,500+	120,500+

If your income is below thresholds you should be entitled to receive family assistance from the IRD. However for closed companies, self-employed, rental owners, and partnerships the IRD requires that adjustments be made to your income. For example undistributed profits from a company may be included as part of a shareholders income depending on their percentage of shareholding.

If you presently receive family support you need to confirm with IRD that you are working more than 30 hours per week (for a couple) or 20 hours per week (single) to receive the in-work payment (IWP). Otherwise IRD will pay the child tax credit (CTC) which is a lesser amount. You can phone 0800 377 774 or do this online.

FAMILY ASSISTANCE ENTITLEMENTS WITH SHARED CARE

Care of a child for at least 122 days a year.

You may qualify for family assistance if you have care of your child for all of the school holidays (usually 12 weeks a year) and every second weekend because:

- 12 weeks (84 days) every second weekend (40 days) = 124 days, which meets the requirement for custody for at least 122 days.

CERTIFICATE OF EXEMPTION

This year IRD are introducing a new style certificate of exemption from withholding tax.

- This certificate is now a convenient credit card size.
- It has more security features.
- Exemption periods range up to five years.

The new certificate of exemption takes effect from 1 April 2007. Contractors who successfully re-applied for an exemption certificate from January 2007 onwards will receive their new certificate over the next few weeks.

Who Qualifies?

The eligibility criteria for a certificate of exemption remain the same. A contractor qualifies for a certificate if they have a good record of filing returns and paying their tax on time.

Exemption Periods

A contractor may qualify for an exemption period of up to five years. Under the withholding payment regulations, IRD has the discretion to determine the appropriate period in each case. They will make their decision after carefully considering the contractor's tax history.

Applying for a Certificate

Contractors can apply for a certificate on the IRD website. When applying for a certificate of exemption, contractors should also apply for a special tax certificate in case their application for exemption is declined. This will at least put them on a lower rate of withholding tax.

USE-OF-MONEY INTEREST RATES

Use-of-money interest rates for unpaid and overpaid tax has risen from 8 March 2007. The rate for unpaid tax will rise to 14.24%, while the rate for overpaid tax will rise to 6.66%.

BANKLINK (ACCOUNTING PROGRAM)

We have had some very favourable feedback from our increasing number of BankLink clients. The most popular of these are "very easy to use" and "saves me a lot of time". It has been a popular choice for preparing GST returns and sending us information for end of year financial statements.

If you have BankLink and feel that you would like a refresher or wonder what else you could use it for, phone us for an appointment. We can either visit your place or you can come into our office. E.g. Do you remember how to:

- Memorise an account
- Prepare a budget
- Print a graph of trading results
- Search for Cheque
- Backup your Data
- Beginning a new year?
- Hide Coded Entries
- Produce a Profit & Loss or Cash Flow Report

Are you backing up your data regularly?

Have you started a new year since we last prepared your financial statements?

Contact: julie.dolan@petersdoig.co.nz

Other

If you are looking for an accounting package, contact us, we can discuss your needs and demonstrate BankLink and / or MYOB programs.

ACC

Please make sure you check your ACC invoices thoroughly especially your ACC business classification description.

EMPLOYMENT INFORMATION

Minimum Wage (Effective 1 April 2007)

	16-17 yrs	18 yrs or Over
Hourly Rate	\$9.00 per hour	\$11.25 per hour
Daily Rate	\$72.00 per day	\$90.00 per day
Weekly Rate	\$360 per week	\$450 per week

Sick & Bereavement Leave

Casual employees are not entitled to sick leave or Bereavement leave.

Part-time permanent employees are entitled to sick leave and bereavement leave after six months of employment.

Casual or Part-time Employees?

A true casual is an employee whose employment ends at the finish of each engagement. Casual employees have no expectation of ongoing employment and no pattern of work. Because their employment is casual in nature, such employees will not be continuously employed for six months by the same employer and will not qualify for sick or bereavement leave.

4 Weeks Holiday Pay

From 1 April 2007 employees will, by law, be entitled to a minimum of four weeks annual leave. This will apply from the employee's employment anniversary. It is not possible to contract out of this requirement. For the first 12 months calculations can become complicated, depending on the anniversary date.

For help when calculating holiday pay you can contact the Employment Relations Service 0800 800 863 or visit www.ird.govt.nz.

KIWI SAVER

A new voluntary, work-based initiative to make regular saving for retirement. Existing employees will be required to advise their employer that they wish to join the scheme, any new employees over 18 will be automatically enrolled but can opt out of the scheme between week two and eight of their employment. Exemptions apply to employees who are casual agricultural employees or anyone on a temporary employment contract for 28 days or less. Contributions can be either 4 or 8% of your gross wage/salary and are paid with PAYE to the IRD who forward on contributions to the scheme provider.

Key dates: May 2007 Mail-out of KiwiSaver employer and employee information packs – July 2007 KiwiSaver begins.

FINALLY

We trust that we are giving professional, capable and timely service to our clients and that a prosperous 2008 financial year lies ahead, despite the Reserve Bank doing its best to play "scrooge at Christmas" with its handling of interest rates and the resultant affect on the \$NZ.

JOKES

Hiring an Accountant

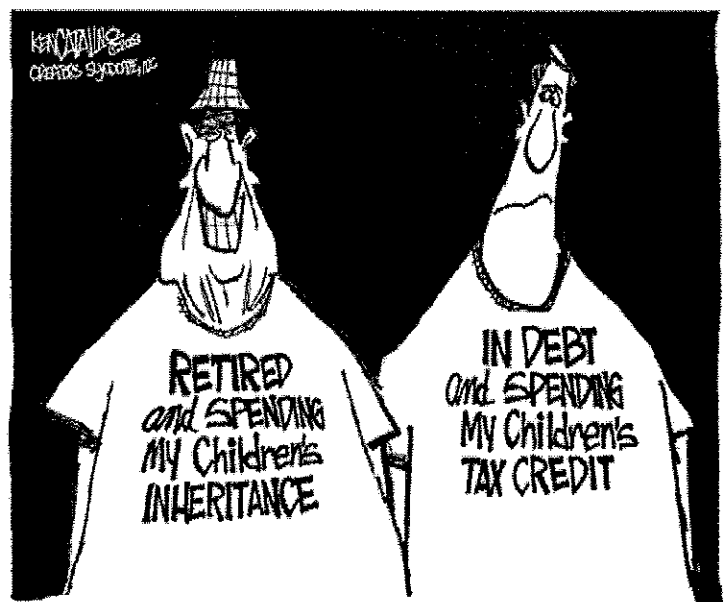
Kowalski, fresh out of accounting school, went to an interview for a good paying job. The Company boss asked various questions about him and his education, but then asked him, "What is three times seven?"

"Twenty-two", Kowalski replied.

After he left, he double-checked it on his calculator (he knew he should have taken it to the interview!) and realised he wouldn't get the job.

About two weeks later, he got a letter that said he was hired for the job! He was not one to look a gift horse in the mouth, but was still very curious.

The next day, Kowalski went in and asked why he got the job, even though he got such a simple question wrong. The boss shrugged and said, "Well, you were the closest".



PLEASE NOTE: This newsletter is only for general information and should not be taken as a substitute for specific advice. Consequently we accept no responsibility to any person who acts on information herein without consultation with us.