

We wish everyone a successful year ahead.

Please remember you still have time to send us your 2019 questionnaires so we can complete your tax returns on time. Please contact us if you need further copies.

Does your employee use their personal phone for work?

If your employee uses their device/usage only for your business and you pay the actual bill, then this is fully deductible to your business, and is not classed as income or wages for your employee.

If the device/usage is used partly for business and partly for personal use, or you pay an allowance to the employee, then there are a few things you should be aware of.

- A general allowance is taxable and PAYE should be paid on the amount given to the employee
- Or the amounts can be classed as a reimbursement and no PAYE to be paid.

What do you need to be aware of for the cost to be a reimbursement?

The amount paid needs to be a reasonable estimate on the amount historically paid by the employee. As an employer you must retain evidence to prove the amount is accurate, such as from an employee survey.

Do you need to reduce the amount paid to account for personal use?

- Yes
- If the employee needs to use the phone principally for their employment, then 75% of the estimated bill is payable
- If an employee uses the phone for work and personal then only 25% is claimable.

There is also a de minimis option available. This will be classed as exempt income to the employee but only if the levels paid are no more than \$5 per week and \$265 per year.

Paying Tax Options

IRD are no longer accepting cheques for paying tax from 1st March 2020. We know this will inconvenience many of you.

It's best to consider your alternative ways to pay IRD now. Below is a list of options. Please also consider contacting your bank to see which is easiest for you:

- Visit a Westpac branch and pay by cash or eftpos
- Pay online via your bank's online portal
- Pay via direct debit payment as a one off payment when you file the return through myIR.
- Pay your tax via credit card by following the link on IRDs website. Please note additional bank fees will apply.
- Set up an automatic payment authority with your bank either online or using IRD's IR586 form to pay a regular amount to IRD

Do you use Xero and need to know more?

Please contact us to have an up to date one on one catch up meeting. Alternatively we can send you 'How To' information notes on certain problems you may be having.

Xero update:

If you use Xero there are always features that are changing which it's good to be aware of. The recent updates include:

- Automatic payment reminders for your customers
- Automatic online credit card payment options
- You can now add a copy of a receipt or invoice to a draft bill through your mobile Xero app
- Xero projects now have new quoting functions available
- Starting 5th February, Xero has a series of small webinars such as mobile app tips and healthy eating.

Xero Assistance Programme (XAP) Wellbeing counselling

Xero have recently announced a free service for 12 months for clients who currently subscribe to either a starter, standard or premium xero ledger. You can have 3 free and confidential counselling sessions for either yourself, your staff or your/their family to cover physical, mental, social or financial issues. This is using a service called Benestar. Please contact Sally if you would like to sign up so we can send you the email and token codes to use.

Motor Vehicle mileage claim

The new IRD mileage rate of 79 cents only applies to the vehicle's first 14,000km travelled in each financial year. So up until the 14,000km level, if you have travelled 10,000 km for business and 4,000 km for personal trips plus an extra 3,000 km for business after the first 14,000kms. Then only 10,000km can be claimed at the 79 cents rate and the remaining 3,000km is at the lower 26 cent rate. Please bear this in mind when you prepare your claim each year.

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Payroll & Pay Day filing

Please let us know if you need any help with payday filing.

From 1st April 2020 IRD will start sending notifications of any employee who is close to repaying their student loan or any other IRD debt. This is aimed at making the final repayments easier.

Minimum wages increases

The adult minimum wage will increase from \$17.70 to \$18.90 from 1st April 2020.

The starting-out & training minimum wage will also increase from \$14.16 to \$15.12

Upcoming Tax Payments

The next income tax payment dates are:

- 4th April 2020 to pay your 2019 tax
- 7th May 2020 to pay your third 2020 provisional tax payment

The parking space at the back of the office is available when you come to see us.

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