

Spring - September 2020 Newsletter

Blackburne Group have offices in Taupo and Whangarei



Mark Blackburne and Sonya Elmiger are based in the Taupo office along with a team of 17 ready to assist you.

The Taupo office phone number is 07 376 0092 or free phone 0508 376 0092 and is located at 74 Kaimanawa Street, Taupo



Kristy, Dawn and Yvonne are based in the Whangarei office, the phone number is 09 974 8800 and the office is located at 533a Kamo Road, Whangarei

Payroll Services

Here at Blackburne Group, we have a dedicated Payroll section; we process payrolls for those clients who wish to have that particular task taken out of their hands. Kath Clarke, our Payroll Administrator is responsible for ensuring that everything payroll is managed in a professional and timely manner - we can even personalise reporting to suit clients' needs.

The basis of every payroll stems from your employee's Individual Employment Agreement, and its contents, so it's imperative that all your employees have an agreement, giving them details of their hours, hourly rate, holidays, sickness and other leave, as well as notice requirements, should they decide to leave the business.

The expansion of our Payroll section means that we currently have space for clients who may wish to take advantage of this payroll service, or provide assistance with your Employment Agreements.

Please feel free to contact Kath for a chat. Kath's contact details are 0508 376 0092 extension 812 or email on kath@blackburnegroup.co.nz

The Covid-19 situation continues to be a stressful and challenging time for many businesses and employers:

Redundancy – if you must make employees redundant because their POSITION is no longer available, make sure you follow the process.

Changes to employee's pay or other Terms & Conditions – again there are processes in place, please make sure you follow them.

Kath can provide assistance and/or further information on these topics. Information can also be found on the following websites:

www.employment.govt.nz

www.ema.co.nz

www.mbie.govt.nz



Invoices coming soon

CoverPlus Extra invoices that are normally sent in April were instead all issued in July this year. If you have not received your invoice, please let us know so we can follow up on this for you.

From October, invoicing for ACC Cover Plus will begin. Employers can expect to receive their invoices throughout October while self-employed and shareholders will be closer to November.

To improve the accuracy of invoices, it's important that all customer details are up to date. Through September ACC will be sending customer communication to those who need to take action, or update accordingly. You will receive this communication OR Blackburne Group will if we are the primary contact acting on your behalf.

Updating liable payroll earnings for the 2020/21 period

From now until the end of September ACC are asking that all employers, who believe their 2020/21 liable payroll will be reduced due to COVID-19 provide ACC with an estimate to use for your provisional invoice. This will help ACC ensure your invoice is as accurate as possible.

If for any reason your final liable payroll (year ending 31 March 2021) is different to your estimate, this will be reflected when the final invoice is issued in 2021.

Please contact us here at Blackburne Group if you require assistance with the calculations.

Payment options

ACC recognise that the true financial impact of COVID-19 may not yet be felt for many of us in New Zealand, and that changes to businesses can happen quickly.

If for any reason you feel like you may not be able to meet your obligations to ACC contact them through MyACC for Business and you can manage your cashflow by setting up a payment plan over 3, 6, or 10 months.

The most important thing is letting ACC know before your due date. There are a number of ways to contact ACC:

- Live chat through [MyACC for Business](#)
- Email the business team on business@acc.co.nz
- Call the business team on 0800 222 776
- OR We are also happy to contact ACC on your behalf.



Manage your tax payments better with IRD-Approved Intermediary Tax Traders

Tax Traders brings together taxpayers from across New Zealand in a tax pool.

This allows us as your accountant to order your tax payments to match your tax needs.

This means you get to pay your provisional tax on the date you want, while IRD still gets paid in-full and on-time. Contact your client manager if you want to use tax traders to pay provisional tax -next due in January and May 2021 and terminal tax in April 2021.

The IRD are sending automatic letters to anyone receiving a pension who is not on the "M" tax code.

.... In most cases, we will ask you to ignore this letter from IRD as when we prepare your tax return, we do review your income and will include in our annual letter to you if we think you need to change your RWT rate, PIR rate or your pension tax code.

If you receive other income such as company salary, trust distributions, interest or dividend income, by changing the tax code, you could end up with a tax bill.

Please phone your client manager if you are unsure.



Covid-19 Leave Support Scheme

This is still available for employers, including sole traders, to pay their employees who can't work.

This means your employees:

- can't come into work because they are in one of the affected groups and Ministry of Health guidelines recommend they stay at home, and
- can't work from home.

A reminder you must have employees who either:

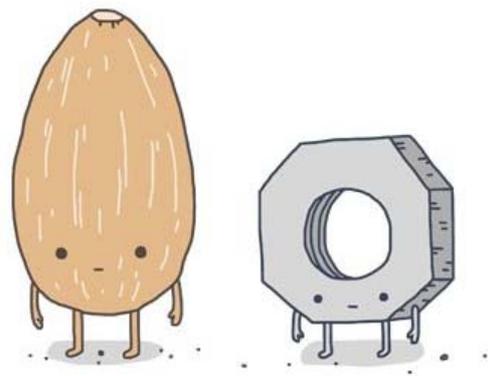
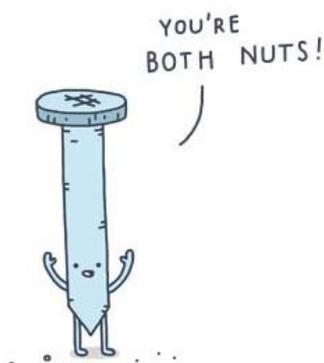
- have tested positive for COVID-19 and are required to remain off work until they've been cleared by a health professional to be released from self-isolation, or
- have come into contact with someone who has COVID-19 and must self-isolate for 14 days (as required by Ministry of Health guidelines)
- are at higher risk if they get COVID-19, and Ministry of Health guidelines recommend they stay at home while public health restrictions are in place
- have household members who are at higher risk if they get COVID-19 and the Ministry of Health recommends the employee also remains at home to reduce the risk to them.

COVID-19 RESURGENCE WAGE SUBSIDY

You can no longer apply for any wage subsidies. The latest resurgence wage subsidy finished on 3 September.

We have heard that IRD are phoning company's that have made use of the wage subsidies and reminding them that if company directors have received the subsidy then this is to be returned in the income tax return.

If you receive a phone call from the IRD, advise them that we as your Accountant will look after this on your behalf. If you are at all concerned, do not hesitate to phone your client manager and they will follow up with IRD on your behalf.

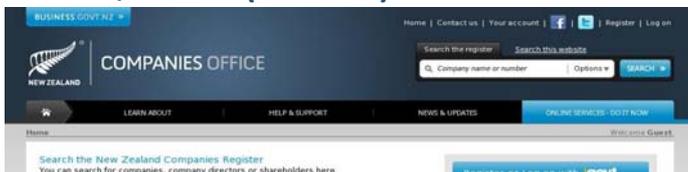




NEW ZEALAND COMPANIES OFFICE

From 1 August 2020 the Companies Office have increased their fee for filing the company annual return by \$9.66.

Our annual invoice to you for this service will include this increase, thus bringing the fee to \$192.67 (incl GST)



The Government introduced a temporary change to the Companies Act earlier this year to ease pressure on company directors facing significant liquidity problems as a result of COVID-19. Company directors who have made use of the safe harbor are encouraged to start preparing for their insolvency related directors' duties resuming on 30 September 2020. Any company director who has concerns about meeting these duties is encouraged to contact us.

THE NEW TRUSTS ACT – ARE YOU READY?

The most significant change in New Zealand trust law in more than 60 years is almost here with the Trusts Act 2019 to come into effect in January 2021. The main changes this new Act brings are:

- Clarification of the role and duties of trustees, so those who are appointed as trustees know their obligations
- Clear requirements about providing information to beneficiaries about the trust so that beneficiaries can enforce their rights. This includes some basic information that all beneficiaries must be provided, with a right to request additional documentation about the trust
- Practical and flexible trustee powers that allow trustees to manage and invest trust property
- More streamlined and cost-effective mechanisms for removing and appointing trustees, especially where trustees have lost capacity
- Updated dispute resolution procedures
- Changing the maximum lifetime of a trust to 125 years

A major change for Trustees is that they will be required to advise adult beneficiaries that they are beneficiaries and are entitled to basic information (including financial statements) about the Trust (sufficient for the Trust to be enforced). There is no such provision in the old legislation. This makes it desirable to review who are beneficiaries and entitled to such information.

We are currently reviewing Trust Deeds and will be in contact with you if we need further information about any beneficiaries of your Trust and to discuss what the changes mean for you. If you have concerns in the meantime, please contact your client manager.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.