

## PTS only for salary and wage earners

Please do not file an IR 3 individual tax return for clients who are salary or wage earners. If your clients need or want an end-of-year tax square-up, a PTS must be requested if one was not automatically issued.

You may experience delays if an IR 3 return is filed for a salary or wage earner. Instead of processing the IR 3 we will issue your client with a PTS.

If an IR 3 is received but a PTS has already been issued, and the additional information does not change their entity type to that of an IR 3, we will add the newly supplied information from the IR 3 to the PTS and an amended PTS will be issued. However, an amended PTS will not be issued if the original PTS has become a formal assessment. In this case, you must follow the disputes process to make any changes.

## Save time with INFOexpress

Once again the busy tax season is upon us, and it's timely to remind you about some of the features our automated phone service INFOexpress offers.

Using INFOexpress you can request a personal tax summary (PTS) and/or a summary of earnings for your clients. You can also update interest and dividend details, confirm a PTS, and provide rebate information.

Phone 0800 456 678 between 6 am and 12 midnight, seven days a week. Our busiest time of the day is from 8 am to 12 midday. For quicker service, please call outside these times.

Step-by-step instructions for these services are listed at the end of this article.

### **Check that all information is correct**

You or your client must check that the information shown on the PTS is correct. If you need to make any amendments, you must do so before the date the PTS becomes a formal assessment.

A PTS becomes a formal assessment:

- on the due date shown for payments, or
- two months after the date of issue (if the PTS was issued less than two months before the due date for payments), or
- 30 days after the issue date, if your client has a refund of \$50 or less, or
- the day you confirm the refund amount, if it is over \$50.

Once a PTS becomes a formal assessment, you can only make changes by following the disputes process.

### **Updating interest and dividend details**

When providing this information, INFOexpress will prompt you to request a PTS if one hasn't already been issued for your client. If a PTS has already been issued, an amended PTS will be sent.

### **PTS with a refund**

Refunds below \$50 will be issued automatically within 30 days, or earlier if the amount is confirmed. If your client's PTS shows a refund over \$50, phone INFOexpress to confirm the information.

Once confirmed, we will issue the refund within five working days. If we have details of your client's bank account, it will be direct credited to them—otherwise we will send a cheque by mail.

### **Follow these simple steps:**

Phone 0800 456 678.

Enter your tax agent IRD number and press #.

For client enquiries press 1, enter your regular PIN and press #. Press 5.

To	Press
Request a summary of earnings	1
Request a personal tax summary	2
Confirm a personal tax summary	3
Update interest	4
Update dividends	5
Provide rebate information	6

Follow the voice prompts.

## E-File billboard

If you are an E-Filing agent you will already be familiar with our billboard message facility. This is where we place messages of particular interest or importance to E-Filing agents, such as target date reminders, planned outages and helpdesk numbers. It's vital that you read these messages regularly to ensure you don't miss out on any important information—this is especially relevant with a target date coming up.



## Business adjustments for family assistance

An FS 2B is no longer used for business adjustments for family assistance. There are two new forms for clients who file an IR 3 and receive family assistance payments:

- *Estimating your business income for family assistance (IR 214)*
- *Adjusting your business income for family assistance (IR 215)*

If a client receives their family assistance payments during the year, they receive both the IR 214 and IR 215.

If a client receives their family assistance in a lump sum at the end of the year, they will only receive the IR 215.

Clients who received fortnightly family assistance payments during the 2001 year received an IR 214 with their rollover letter in February. This letter shows what we believe their family income will be for the 2002 financial year. The IR 214 was designed to help you estimate their business income for the coming year (2002) by setting out the adjustments they may need to make.

All clients who file an IR 3 have been sent an IR 215 with their IR 541 family assistance end-of-year statement. If a business adjustment is required for the 2001 year, use the IR 215 to calculate it. To advise us of this figure, either transfer the figures to the IR 541 and send it with their IR 3 or phone us on the toll-free phone number on the form. This will ensure your client receives their correct family assistance entitlement.

Both these forms are available on the tax agents' CD Rom.

## Income equalisation

The Upper Hutt Processing Centre is responsible for administering the Income Equalisation Reserve Scheme.

From 1 August 2001, all correspondence relating to confirmations of deposits and refunds will be centralised and actioned at the Upper Hutt Processing Centre. Prior to this date, some of this work was actioned at service centres.

All correspondence relating to refund or deposit requests should be sent to:

Inland Revenue Department  
PO Box 39010  
Upper Hutt

Please continue to contact us by phoning the tax agents' 0800 number for any other income equalisation queries.

## Taxation of honoraria paid to school trustees

The Commissioner has issued a determination under section 7 of the Tax Administration Act 1994 in relation to honoraria paid to school trustees for attending board of trustee meetings. From 1 April 2001 part of this payment will be considered a reimbursement of expenses, so it will be exempt from income tax as follows:

- **Chairperson:** The first \$75 per board meeting will be exempt, up to a maximum of \$825 a year (11 meetings).
- **Other board members:** The first \$55 per board meeting will be exempt, up to a maximum of \$605 a year (11 meetings).

The effect of the determination means that, in most cases, withholding tax will not need to be deducted from honoraria paid to school trustees, unless the payment exceeds the exemption.

However, if the trustee receives any reimbursement for expenditure incurred in attending a meeting, in addition to the honorarium, then the amount exempted under this determination shall be reduced by the amount of the reimbursement received.

### Example 1

A chairperson receives a payment of \$75 per meeting. No payment is made in respect of any expenditure incurred, for example travel. The payer does not have to deduct withholding tax because the total payment does not exceed \$75.

### Example 2

A chairperson receives a total payment of \$95, made up of an honorarium of \$70 and a reimbursement for travel expenses of \$25. The payer must deduct withholding tax from \$20 (honorarium of \$70 reduced by the difference between the exemption allowed under the determination—\$75—and the reimbursement of \$25).

## Recently updated publications

The following publications have recently been updated. They are available from our website at [www.ird.govt.nz](http://www.ird.govt.nz) or they can be ordered through INFOexpress or StationeryXpress.

### **Relationship property dispositions (IR 183)**

Use this form to advise us of any dispositions made under the Property (Relationships) Act 1976.

### **Tax sparing disclosure (IR 486)**

A return for the disclosure of tax sparing credits claimed under double tax agreements.



### ***Student Loans – interest and calculations (IR 222)***

Information for student loan borrowers about interest and how it is calculated.

### ***Student Loans – going overseas (IR 223)***

Student loan pamphlet advising customers of their obligations and requirements before going overseas.

### ***Student Loans – making repayments (IR 224)***

A pamphlet advising customers how to make student loan repayments (including voluntary repayments), choosing the correct tax code, using a special tax code and end-of-year repayments.

### ***A faster, simpler way to claim rebates for childcare, housekeepers and donations (IR 525)***

Information sheet about claiming donations, childcare or housekeeper rebates.

### ***Family Assistance – financial help for working families (IR 204)***

Information regarding family assistance for working families with children, giving a brief outline about family assistance (including Parental Tax Credit) and how to go about applying for it.

### ***Family Assistance – financial help for working families (IR 691) – English version***

Fact sheet about family assistance. Also, available in five other languages: IR 692 Samoan, IR 693 Tongan, IR 694 Cook Islands, IR 696 Chinese, IR 697 Maori.

### ***ir-File – electronic filing for employers (IR 317)***

A reference summary sheet for electronic filing of employer monthly schedules.

### ***Fringe benefit tax guide (IR 409)***

Explains fringe benefit tax obligations of anyone employing staff, or companies that have shareholder-employees.

### ***Self-employed or an employee? (IR 336)***

Sets out Inland Revenue's tests for determining whether a person is a self-employed contractor or an employee. This determines what expenses the person can claim, and whether they must pay ACC premiums.

### ***Provisional tax (IR 289)***

People whose end-of-year tax bill is \$2,500 or more must generally pay provisional tax for the following year. This booklet explains what provisional tax is, and how and when it must be paid.

## **Update from ACC**

### ***Agents' Help Line***

ACC now has a dedicated telephone line for accountants, agents and business advisers to ensure that you get tailored service on a priority line. For questions and assistance on any ACC matter, or to order ACC brochures and forms, phone ACC's Agents' Help Line on 0800 222 991.

Their business hours are:

Monday – Thursday	8 am – 8 pm
Friday	8 am – 5 pm
Saturday	8 am – 2 pm

### ***Financial advisers on [www.acc.co.nz](http://www.acc.co.nz)***

A further recent initiative can be found on ACC's website [www.acc.co.nz](http://www.acc.co.nz) under Financial Advisers—a page set up to give information tailored to accountants, agents and business advisers.

### ***ACC roadshows – Working with Agents Seminars***

Following on from the success of the ACC roadshows held in March this year, a second series of Working with Agents presentations will be held in August—see next page for locations, dates and times.

Accountants, agents and business advisers working on ACC compliance and other matters are encouraged and welcome to attend.

The seminars will cover a number of topics including products and services, invoicing, ACC activity, and the Injury Prevention and Rehabilitation Bill. ACC will also report back on issues that were raised in the March seminars. This includes product queries about the use of ACC CoverPlus Extra, ACC Business Service Centre operations, upcoming invoicing, liable earnings, mixed earners and better access to forms.

In addition to the agents' seminars, ACC will also be hosting workshops on ACC Workplace Safety Management Practices for larger employers and workplace safety seminars for small to medium-sized businesses, which may be of interest to some of your clients. ACC premium consultations will be held in the main centres. For more information visit ACC's website at [www.acc.co.nz](http://www.acc.co.nz)

Early registration would be appreciated. To book, email [seminars@acc.co.nz](mailto:seminars@acc.co.nz)



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## ACC roadshows – Working with Agents Seminars timetable

The following table sets out the dates, times and locations for these seminars.

Centre	Date	Time	Venue
Auckland – Albany	23 August	11:30am–12:30pm	North Shore Events Centre, Silverfield (off Porana Rd), Glenfield
Auckland – Henderson	22 August	11:30am–12:30pm	Dalma Court, 252 Great North Road, Henderson
Auckland – Manukau	24 August	11:30am–12:30pm	Lakeside Convention Centre, Montgomerie Road, Airport Oaks, Manukau
Auckland – Mt Wellington	21 August	11:30am–12:30pm	Mt Richmond Lodge, 676 Mt Wellington Highway, Mt Wellington
Blenheim	28 August	11:30am–12:30pm	Blenheim Country Lodge, Cnr Alfred & Henry Streets
Christchurch	24 August	11:30am–12:30pm	Rydges Hotel, Cnr Oxford Terrace & Worcester Street
Dunedin	27 August	11:30am–12:30pm	Southern Cross Hotel, Cnr Princess & High Street
Gisborne	29 August	11:30am–12:30pm	Sandown Park Hotel, Childers Road
Hamilton	27 August	11:30am–12:30pm	Novotel Tainui, 7 Alma St
Invercargill	29 August	11:30am–12:30pm	Kelvin Hotel, 16 Kelvin Street
Lower Hutt	22 August	11:30am–12:30pm	Angus Inn Hotel, Waterloo Road
Masterton	21 August	11:30am–12:30pm	Solway Park, High Street
Napier	31 August	11:30am–12:30pm	Bluewater Conference Centre, 10 West Quay, Ahuriri
Palmerston North	20 August	11:30am–12:30pm	Palmerston North Convention Centre, Main Street West
Taupo	30 August	11:30am–12:30pm	Great Lake Centre, Story Place
Tauranga	28 August	11:30am–12:30pm	Bureta Park Motor Inn, Vale Street, Otumoetai
Wellington	23 August	11:30am–12:30pm	James Cook Centra Hotel Grand Chancellor, 153 The Terrace

Early registration would be appreciated. To book, email [seminars@acc.co.nz](mailto:seminars@acc.co.nz)

### Note from the editor

If our mailing details are incorrect, we have missed someone off the distribution lists, or you have suggestions for future topics please contact:

The Editor  
AGENTSanswers  
Inland Revenue  
PO Box 2198  
Wellington  
Email: [agents.answers@ird.govt.nz](mailto:agents.answers@ird.govt.nz)

AGENTSanswers is also on our website:  
[www.ird.govt.nz/business/tax\\_agents/index.htm](http://www.ird.govt.nz/business/tax_agents/index.htm)