

# Payroll News



Inland Revenue  
Te Tari Taake

Employer monthly schedule

Issue 92  
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## Welcome to Payroll News

In this issue we tell you about calculating holiday pay, employing seasonal or casual workers and our business hours over Christmas and New Year.

If you have an employer topic you'd like to see covered in this newsletter, please write to the Editor, *Payroll News*, PO Box 2198, Wellington 6140 or email us at [payroll.news@ird.govt.nz](mailto:payroll.news@ird.govt.nz) and we'll aim to cover the topic in a future edition.

## Calculating holiday pay

During the Christmas and New Year break some of your employees may take a holiday and be paid holiday pay. There are two ways to calculate this.

- **Use your employee's annual entitlement.**  
Currently, employees are entitled to a minimum of three weeks' annual leave after being employed by you for a year. For further information go to [www.ers.dol.govt.nz](http://www.ers.dol.govt.nz) or call the Department of Labour on 0800 20 90 20.
- **Use 6% of your employee's gross earnings.**  
You can only use this option if your employee:
  - has a fixed-term employment agreement
  - is a casual employee
  - ceases to work for you and has only accrued part of their leave entitlement.

If you give your employees three weeks' annual leave or 6% of their gross earnings, you can work out how much tax to deduct from holiday pay by visiting **Work it out > PAYE > Calculate tax on holiday pay – 2007.**

If you don't have internet access or give your employees more than three weeks' annual leave you can work out how much tax to deduct by using the *2007 Weekly and fortnightly PAYE deduction tables (IR 340)*.

You can order the IR 340 by calling INFOexpress on 0800 257 773.

## Employing seasonal or casual workers

At this time of year, some of you may be employing seasonal workers such as fruitpickers, shearers or casual workers such as in the entertainment and hospitality industry.

If you plan to employ seasonal or casual workers, you need to make sure all new employees complete a *Tax code declaration (IR 330)* form. You will also need to make sure that when these employees start and finish working for you, that you show the start and/or finish date for each employee on the relevant *Employer monthly schedule (IR 348)*.

If you need extra pages for your employer monthly schedule you can get an *Employer monthly schedule (IR 349)* from [www.ird.govt.nz](http://www.ird.govt.nz) or order a copy through INFOexpress by calling 0800 257 773.

## Do you pay withholding payments?

If you pay withholding payments it's important that you fill in all the necessary columns on your *Employer monthly schedule (IR 348)*. Please make sure that you:

- include details of the gross withholding payment paid to contractors in **both** the *Gross earnings and withholding payments* and the *Earnings and/or withholding payments not liable for ACC earners' levy* columns of the IR 348
- show the withholding tax deducted in the *PAYE and/or withholding tax deductions* column.

Completing an IR 348 incorrectly means that you or the person receiving the withholding payment may receive incorrect assessments.

If you have any questions about completing your IR 348, please call us on 0800 377 772.

## Payment due dates over the holidays

Your *Employer deductions (IR 345)* or *(IR 346)* forms and payments are due on 20 January 2007. As this falls on a Saturday, the due date will be Monday 22 January 2007.

If you pay your employer deductions once a month your *Employer monthly schedule (IR 348)* is also due on Monday 22 January.

Payment deductions for wages paid between the 16th and the end of the month that would normally be due on the 5th of the month are due on 15 January 2007.

## Paying early

If you're away around the time that PAYE payments are due, you can make your payments early by:

- paying online through internet banking. All major banks have the facility to let you set future payment dates
- sending us a post-dated cheque. Please highlight the date to draw our attention to it. This minimises the risk of a post-dated cheque being processed early.

Remember that you still need to send us your *Employer deductions (IR 345)* or *(IR 346)* form when you pay online or with your post-dated cheque.



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## Employing schoolchildren

Did you know that if you are employing schoolchildren they can earn up to \$2,340 a year (\$45 a week) before PAYE or withholding tax needs to be deducted.

### Weekly earnings of less than \$45

Schoolchildren who earn less than \$45 a week, or who expect to earn less than \$2,340 a year **from all employers** don't have to complete a *Tax code declaration (IR 330)*. You don't need to deduct PAYE or withholding tax from payments you make to them or include them on your IR 348. However, you still have to keep wage records for them.

### Weekly earnings of more than \$45

Schoolchildren who earn more than \$45 a week, or expect to earn more than \$2,340 a year **from all employers** need to complete a *Tax code declaration (IR 330)*. You need to deduct PAYE or withholding tax from the payments you make to them and keep wage records.

Schoolchildren are entitled to a rebate of \$351 if their income is over \$2,340 and they have had PAYE or withholding tax deductions made. Where the M tax code has been selected on the IR 330 you can reduce the PAYE you deduct by \$6.75 each week. **Schoolchildren under the age of 18 should not use the ML tax code.**

## Note

**PAYE must be deducted from any payments you make to university, polytech or any other type of tertiary student.**

## Business hours for phone enquiries over Christmas and New Year

Our business hours for phone enquiries over the Christmas and New Year break are:

Friday	22 December	8.00 am – 6.00 pm
Saturday	23 December	Closed
Sunday	24 December	Closed
Monday	25 December	Closed
Tuesday	26 December	Closed
Wednesday	27 December	8.30 am – 5.00 pm
Thursday	28 December	8.30 am – 5.00 pm
Friday	29 December	8.30 am – 5.00 pm
Saturday	30 December	Closed
Sunday	31 December	Closed
Monday	1 January	Closed
Tuesday	2 January	Closed
Wednesday	3 January	Normal

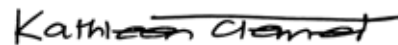
Our normal hours of service (8 am to 8 pm weekdays and 9 am to 1 pm Saturdays) will resume from 3 January 2007.

## Child Support's Christmas hours

Our Child Support employer freephone line will be closed over Christmas and New Year from 4:30 pm on Friday 22 December and re-open at 8 am on Wednesday 3 January 2007.

If you have internet access you can visit our website for general information about Child Support [www.ird.govt.nz/childsupport](http://www.ird.govt.nz/childsupport)

**We wish all readers a safe and enjoyable holiday break.**



Kathleen Clement  
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Customer Compliance Solutions

