

Payroll News

Welcome to Payroll News

In this issue: Our compliance plans, business guides moving online, fringe benefit tax update, ceasing to employ, independent earner tax credit, online services, recognised seasonal employer (RSE) scheme.

If you have a topic you'd like to see covered in this newsletter, please email us at payroll.news@ird.govt.nz and we'll aim to cover it in a future edition.

Our compliance plans for the coming year

Every year, we address areas that pose a risk to the government's revenue base. We undertake a mix of assistance, education, and enforcement activities.

This year, you can get a heads-up about what we're doing. Our plans are set out in the document *Helping you get it right: Inland Revenue's compliance focus 2009–10*, which is available on our website.

We hope that by being open and transparent, businesses and people will have a greater understanding of the areas we are targeting and it will help them, and their advisors, manage their tax affairs more effectively—resulting in lasting improvements in compliance.

The document has sections for different community and business segments and there's one for employers.

During 2009–10, we'll be encouraging all employers to file their employer monthly schedule (EMS) electronically using our online service, ir-File (see following page). This system is secure, accurate and reduces the time it takes to complete and file schedules. We'll be working with payroll software providers to make your EMS easier to file and faster to process.

Issues we'll be targeting include:

- employers who haven't registered with us
- KiwiSaver—employers will receive regular updates and assistance as required.

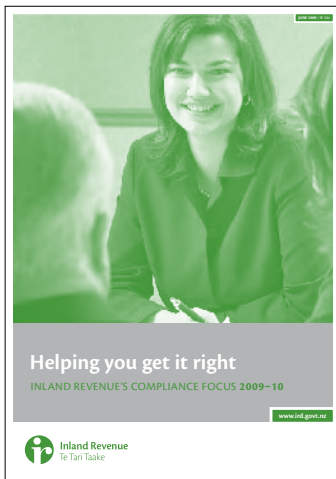
Why not go to our website and get the full story? You'll find the document on our website at www.ird.govt.nz (keywords: compliance focus).

Thank you from Child Support

A lot of families depend on you to deduct child support payments from parents' salaries or wages so we can pass on the payments. At Child Support, we recognise the complexities that may be involved and we appreciate how you assist with the collection of child support.

In the 2009 tax year you helped collect more than \$225 million through deductions from your employee's wages to help financially support their children.

We're committed to working with you to help make the collection of child support payments as easy as possible. If you'd like to speak to us or arrange an advisory visit, where we can go over any questions you may have about the child support deduction process, please call us on 0800 220 222.



Business guides moving online

We know how important it is for businesses to receive timely information from Inland Revenue. To fast-track this information for you we will be publishing most of our guides online only at www.ird.govt.nz. This means we can keep the information current.

We'll also be providing more online options for you to interact with us. Check out our **Tool for business**, go to www.ird.govt.nz (keyword: tool business).

Here is the current list of guides that will only be available on our website:

- IR 260 Depreciation – a guide for businesses
- IR 289 Provisional tax guide
- IR 320 Smart business guide
- IR 335 Employer's guide
- IR 340 Weekly and fortnightly PAYE deduction tables
- IR 341 Four weekly and monthly PAYE deduction tables
- IR 375 GST guide
- IR 409 FBT guide.

Or you can read everything you need to know about business and tax on our website, go to www.ird.govt.nz "Businesses & employers".

Due date on a weekend or public holiday?

If your due date for any tax type falls on a weekend, or public or provincial holiday, we'll accept the payment as in time if received on the next working day. This also applies to electronic payments credited to our bank account or the "postmark" date if you're posting your return or payment.

Fringe benefit tax (FBT) update

FBT prescribed rate on low-interest loans

The prescribed rate used to calculate fringe benefit tax on low-interest, employment-related loans dropped from 8.05% to 6.41% on 1 July.

FBT and motor vehicle multi-leases

The public ruling BR Pub 04/03 *FBT and motor vehicle multi-leases* has not been reissued due to a legislative change for calculating FBT on leased motor vehicles.

There is more information in the July 2009 *Tax Information Bulletin* which is available on our website www.ird.govt.nz "Newsletters and bulletins".

Ceasing to employ

We've had some queries about what you should do if you stop employing staff.

If you cease paying wages permanently, you need to call us on 0800 377 772 and tell us.

On your final IR 348 (employer monthly schedule) you need to show the finish date for all your employees. We will then cease your account and stop sending your IR 348 and IR 345 (employer deduction form).

Sometimes, before we can cease your account, your next employer forms have already been sent out. If you receive these after you've told us you've ceased, you do not need to send them back to us.

If you start employing again, please call us to restart your registration.

Independent earner tax credit reminder

If you have employees earning between \$24,000 and \$48,000 a year, they may be eligible for the independent earner tax credit.

Any eligible employees will need to change their tax code by completing a *Tax code declaration (IR 330)* form to start receiving the tax credit. They'll be able to claim any entitlement they've missed out on after the end of the 31 March 2010 tax year by requesting a personal tax summary.

Employees can find out if they're eligible by going to our website at www.ird.govt.nz/ietc or phoning us on 0800 257 700.

Online services registration and ir-File

Did you know that if you are registered for online services you can file your *Employer monthly schedule (IR 348)* and *Employer deduction forms (IR 345)* electronically using ir-File?

Ir-File:

- is secure and accurate
- reduces the time to complete and file an employer monthly schedule
- doesn't require additional software
- provides online screen-specific help and an online interactive demonstration
- is designed to interact easily with and be supported by payroll software packages
- lets you file both the *KiwiSaver employee details (KS 1)* form and the *KiwiSaver new employee opt-out request (KS 10)* electronically.

Go to our website www.ird.govt.nz to:

- find more information in our fact sheet *ir-File – filing electronically (IR 317)*, under "Forms and Guides"
- register for ir-File or view a demonstration, under "Secure online services".

Recognised seasonal employer (RSE) scheme

NSW (non-resident seasonal worker) tax code

In April 2009, a new tax code NSW was introduced for recognised seasonal workers. These workers are employed by RSE scheme employers who are registered with the Department of Labour. The NSW tax code provides workers with a flat tax rate so they don't need to file a return.

An employee can only use the NSW tax code when:

- the employer is registered with the Department of Labour under the RSE scheme, and
- the employee holds a limited purpose visa or permit specifically to work under the RSE scheme.

For more information on RSE workers go to our website www.ird.govt.nz (keyword: RSE). If you have any questions please call us on 0800 377 772.

To find out more about the RSE scheme and to register, go to the Department of Labour's website www.dol.govt.nz (keyword: RSE).

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We're no longer printing our *Payroll News* and *GST News*.
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