

Payroll News

Inland Revenue
Te Tari Taake

Employer monthly schedule amendment (IR 344)

Issue 86
June 2006

Welcome to Payroll News

In this issue we tell you about personal tax summaries, using *Employer monthly schedule amendment (IR 344)* forms and we'll answer some of your questions.

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 or email us at payroll.news@ird.govt.nz and we'll aim to cover the topic in a future edition.

Topics we've been asked to cover

Sometimes we receive feedback asking us to provide more information on topics we've covered in *Payroll News* or to provide more information on a topic that is of interest to you. Thank you for this feedback.

Paying employee arrears

From time to time you may receive a deduction notice from us, asking you to deduct money from an employee's wages. Normally, these payments are payable at the end of the month in which the wages were paid. Recently, though, we've been asked if these payments can be made on a more regular basis ie weekly or fortnightly, at the same time the wages are direct credited to the employee. You can do this as long as the total monthly deductions you make equal the amount shown on the notice.

An employee's arrears payments can be included on the direct credit/internet banking wage schedule, provided that the details shown in the deduction notice are included on the schedule.

Example

Russell has received a deduction notice for his employee Marcus for \$200 per month. Marcus' fortnightly net pay is \$1,500.

When Russell completes the direct credit schedule, he pays Marcus \$1,400. The \$100 deducted from Marcus' net wage is included in the direct credit schedule as a payment to Inland Revenue. In the particulars column of the direct credit schedule or the internet banking drop down box, Russell enters Marcus' IRD number under Particulars and puts ARR in the code box.

Particulars	Code	Reference
12-345-678	ARR	

Changes to the minimum wage

We've been asked to provide details on employment relation issues such as the recent changes to the minimum wage. Although we administer the taxation of salary and wages, the Department of Labour deals with employment relations. For information about the minimum wage, call the Department of Labour on **0800 209 020** or go to www.ers.govt.nz

How should health insurance be taxed?

If you pay health insurance premiums on behalf of an employee and the employee receives the benefit of the insurance, the amount you pay is subject to fringe benefit tax (FBT).

Note

If your employee pays their own premium which is deducted from their wages, there will be no FBT payable as PAYE would have been deducted from the wages before deducting the health insurance premiums.

Personal tax summary (PTS)

In the April edition of *Payroll News* we provided you with the 2006 income tax timetable. Once again we want to remind you that some of your employees may shortly be receiving a personal tax summary (PTS) for the 2005–06 tax year. The PTS is an end-of-year square-up which calculates a person's tax and shows if they have tax to pay or a refund due for the year. This form is pre-printed using income and tax deduction details from the employer monthly schedules you filed between 1 April 2005 and 31 March 2006. That's why it's important that your schedules are always accurate.

If an employee questions you about the details on their PTS, please confirm that their income and tax deductions match your wage records. If the PTS shows different income and/or tax deduction details from your wage records, this may mean that some adjustments need to be made to employer monthly schedules you've sent us in the past year. Where there are only a few changes required these can be made by calling us on **0800 377 772**. Otherwise, send us a completed *Employer monthly schedule amendment (IR 344)* form—see the following article for more information on making amendments.

Using the IR 344 amendment form

The *Employer monthly schedule amendment (IR 344)* form can only be used for amendments to one month's PAYE details. If changes cover more than one month you should use a separate IR 344 form for each month. At the top of the IR 344 enter:

- your name
- your IRD number
- the period you are changing.

You amend an employee's pay details by entering their name and IRD number, the figures you originally sent in, and the changes to be made.

You can amend up to three employees' details on each form.

The IR 344 form is an easy way of amending monthly PAYE details. However, if you prefer, you can write to us with the amendments required. Please make sure you include all the details listed above.

You can get an IR 344 from www.ird.govt.nz or by calling INFOexpress on **0800 257 773**.

Web tools for your employees

From time to time your employees may come to you with questions about their student loan, family assistance, child support or income tax details. Our website has a number of tools to help them.

Look at Account Information

The online Look at Account Information service lets individuals view their Inland Revenue account balances, transaction details, income details and due dates online. Currently, this service is only available to individual customers and tax agents. Before using this service, individuals must register for a userID and password.

To register for access to the service, go to www.ird.govt.nz under **Get it done online** you will find **Look at Account Information service**.

Customers can also apply for the secure email Send and Receive Mail service at the same time, as an alternative way of communicating with us.

Salary or wage earners

can visit our website at www.ird.govt.nz > **Work it out** > **Individual income tax** to use the calculator "Personal tax summary calculation for 2006" and find out if they are entitled to a tax refund. Your employees can also go to **Work it out** to see if they have to file an IR 3 return or will receive a personal tax summary for 2006.

Child Support customers

can view the details we hold about their relationships using Look at Account Information. These include:

- start and stop dates
- the names of paying parents and custodians
- names of all children in the relationship
- children's dates of birth
- assessments, entitlements, and liabilities
- payments received or due.

Student loan borrowers

can use Look at Account Information to track progress on their student loan repayments.

They can also go to www.owezero.govt.nz for helpful links to other information.

Note

The student loan repayment calculator is currently unavailable as it is being updated to include interest-free student loan calculations. We plan to have this available in July 2006. Our call centres are also unable to do these calculations at this time.

Family assistance customers

can view their weekly or fortnightly payments online using Look at Account Information.

Our website also covers many subjects relevant to family assistance customers. Go to www.ird.govt.nz > **individuals and families** > **family assistance** for a list of topics.

Payment due date for large employers

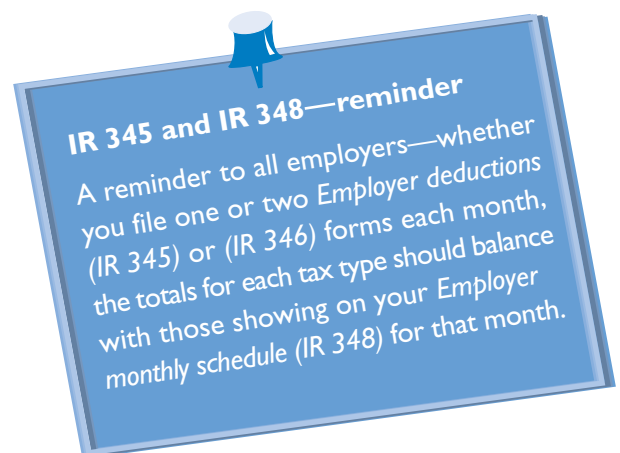
As 5 June falls on the Monday of Queen's Birthday weekend this year, your payment, *Employer deductions (IR 345) or (IR 346) form*, and *Employer monthly schedule (IR 348)* will be due on Tuesday 6 June.

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