

Payroll News

Issue 95
April 2007

Welcome to Payroll News

In this issue we tell you about KiwiSaver, 2007 individual income tax timetable and 2008 PAYE deduction tables.

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 and we'll aim to cover it in a future edition.

KiwiSaver and you

KiwiSaver is the new work-based savings scheme that starts on 1 July 2007. As an employer you have an important role to play in its introduction. Your role includes giving new employees a KiwiSaver information pack, and deducting contributions from their first pay. Existing employees can also join the KiwiSaver scheme. Any contributions you deduct and pass to us are transferred to a scheme provider.

By now you should have received a letter and brochure which explain your responsibilities as an employer. If you didn't receive a letter or would like more brochures please email us at communications@kiwisaver.govt.nz

Information packs

In May and June we'll send you your comprehensive employer guide which gives more information about your responsibilities, along with initial supplies of employee information packs.

Tax Information Bulletin

Inland Revenue's *Tax Information Bulletin* Vol 19, No 1, February 2007 includes some useful information about KiwiSaver. To get a copy go to www.ird.govt.nz under "Newsletters and bulletins".

Payroll changes for KiwiSaver

Payroll specifications for KiwiSaver were sent to all payroll providers and payroll software developers in January this year. The payroll specifications incorporate the specified superannuation contribution withholding tax (SSCWT) and KiwiSaver changes applying from 1 April 2007 and 1 July 2007. The payroll specifications are available at www.ird.govt.nz/payroll-employers/software-developers

Updates about KiwiSaver

To make it easy for you to keep up-to-date with what KiwiSaver means for you and your business, you can get the latest information emailed to you. Go to www.ird.govt.nz/kiwisaver/employers and complete the subscription process.

Tax code declaration (IR 330) updated

In previous editions of *Payroll News* we've told you about extending our IRD and GST number range to 9 digits. As a result, we've recently updated the *Tax code declaration (IR 330)* to include an additional box for employees with a 9 digit IRD number.

Your employees can use either versions of the IR 330, so if you are holding the previous version of this form please continue using them.

The 2007 individual income tax timetable

Over the next few months, we'll be sending out rebate claim forms, tax returns, summary of earnings information and personal tax summaries for the tax year ended 31 March 2007. The following timeline shows when we'll be sending these out.

APRIL

Rebate claim form (IR 526)

We'll automatically send a rebate claim form to anyone who claimed for donations, childcare or housekeeper rebate last year. When making a claim all receipts must be attached. Anyone who hasn't received an IR 526 by the end of April and wants to claim, can get an IR 526 from www.ird.govt.nz or call INFOexpress on 0800 257 773. They'll need to have their IRD number handy.

Individual income tax return (IR 3)

Anyone who receives income from self-employment, a rental property, withholding payments, a partnership, or other income that hasn't had tax deducted, needs to complete an *Individual income tax return (IR 3)*. We'll send these out during April and May.

MAY

Summary of earnings

Anyone who has been sent a tax return and also received salary, wages or withholding payments, will be sent a summary of earnings during May.

JUNE

Personal tax summaries

Anyone whose only income is from salary and wages and we think they need an end-of-year tax square-up will be automatically sent a personal tax summary during June.

JULY

Personal tax summary requests

Anyone who doesn't automatically receive a personal tax summary in June and thinks they may need an end-of-year tax square-up can visit our website or contact us for more information.



Deducting overdue tax from an employee's earnings

In some instances, to collect outstanding tax, we ask an employer to make deductions from their employee's earnings and pay them to us. These deductions are in addition to PAYE and any other deductions, eg child support, student loan.

We are shortly going to issue deduction notices to some employers. If you receive a deduction notice for an employee it will set out the amount you're required to deduct and pay to us by the end of each calendar month.

If you're required to make more than one payment you need to either photocopy the payment slip, or request more payment slips by calling INFOexpress on 0800 257 773 and asking for IR 901s—they come in pads of 100.

You should only stop making deductions where you have received a letter from us confirming you are no longer required to deduct them, or when you have deducted the amount shown on the notice.

Note

These payments should not be included with your PAYE, they should be sent to us with a payment slip.

File your *Employer monthly schedule (IR 348)* on time

We'd like to remind you that your schedule for the period ending 31 March is due to be filed by 5 April or 20 April, depending on how often you pay your deductions to us.

It's important that your monthly schedules are accurate and filed on time. The information you provide is given to your employees on their end-of-year summary of earnings and personal tax summaries.

If you need to make any changes to a schedule you've already filed, you can do this by calling us on 0800 377 772. Or, you can send us an *Employer monthly schedule amendments (IR 344)* form. You can get a copy from www.ird.govt.nz or by calling INFOexpress on 0800 257 773.

2008 PAYE deduction tables

- *Weekly and fortnightly PAYE deduction tables 2008 (IR 340)*
- *Four-weekly and monthly PAYE deduction tables 2008 (IR 341)*

By now you should have received your PAYE deduction tables for pay periods ending on or after 1 April 2007. If you haven't received them they are available from www.ird.govt.nz or you can order a copy of the tables you require by calling INFOexpress on 0800 257 773. Alternatively, you can use the online PAYE calculator under **Work it out>PAYE>PAYE calculator 2008**

Reminder

If you have either "bookmarked" or added the tables to your "favourites", remember to update the link to the 2008 PAYE deduction tables from 1 April 2007.



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