

# Payroll News

Inland Revenue  
Te Tari Taake

Employer monthly schedule

Issue 81  
December 2005

## Welcome to Payroll News

In this issue we tell you about the payment due dates over the holidays, how to calculate holiday pay and our call centre opening hours over the holidays.

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](mailto:payroll.news@ird.govt.nz) and we'll aim to cover the topic in a future edition.

## Payment due dates over the holidays

Large employers pay their PAYE deductions twice a month.

- For wages paid between the 1st and 15th of the month, the payment is due on the 20th of the month.
- For wages paid between the 16th and the end of the month, the payment is due on the 5th of the following month, except for January when the payment is due on the 15th.
- The *Employer monthly schedule (IR 348)* is also due on the 5th of the following month, except for January when it is due on the 15th.

This year 15 January falls on a Sunday. Your *Employer deductions (IR 345)* or *(IR 346)* form, payment and IR 348 for this period will be due on Monday 16 January.

## Need your employer monthly schedule early?

Your *Employer monthly schedule (IR 348)* is usually sent to you around the 4th of the month that your payment and forms are due. If you're going to be away or your business is closed when your next IR 348 is due you can get your IR 348 early by:

- visiting [www.ird.govt.nz](http://www.ird.govt.nz) > Forms and guides > Employers > Employer monthly schedule
- calling our automated phone service INFOexpress on 0800 257 773 to have one sent to you.

If you order your IR 348 early it will be blank and you'll need to add your details and your employee's details onto the IR 348.

## 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 your payment dates in the future
- sending us a postdated cheque. Please highlight the date to draw our attention to it. This minimises the risk of a postdated cheque being processed early.

Please remember that you still need to send us your *Employer deductions (IR 345)* or *(IR 346)* form when you pay online or with your postdated cheque.

## Child Support's Christmas hours

During the Christmas and New Year holidays our Child Support (employer) 0800 number will be closed. You can call us on 0800 220 222 until 4.30 pm on Friday 23 December 2005.

We re-open on Wednesday 4 January 2006 and are open between 8am to 5pm weekdays.

For information about making deductions from an employee's payments go to [www.ird.govt.nz](http://www.ird.govt.nz) > individuals and families > child support > information for employers making deductions from employee payments.

## 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.

- **Using 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 see [www.ers.dol.govt.nz](http://www.ers.dol.govt.nz) or call the Department of Labour on 0800 209 020.
- **6% of your employee's gross earnings.** You can only use this option if your employee meets one of the following:
  - they have a fixed-term employment agreement
  - they are a casual employee
  - they cease to work for you and have 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 [www.ird.govt.nz](http://www.ird.govt.nz) > Work it out > PAYE > Calculate tax on holiday pay – 2006.

If you don't have access to the internet or give your employees more than three weeks' annual leave you can work out how much tax to deduct by calling INFOexpress on 0800 257 773 to request either the *2006 Weekly and fortnightly PAYE deduction tables (IR 340)* or the *2006 Four-weekly and monthly PAYE deduction tables (IR 341)*.



## Holiday pay and child support deductions

If you make child support deductions from an employee, you need to deduct it at the usual rate from their holiday pay.

If your employee requests their holiday pay prior to taking the leave you will need to deduct child support—see the example below. On your *Employer monthly schedule (IR 348)* please complete the child support “CS code” box with an “A” to show that it is a deduction in advance.

### Example

#### Holiday pay paid in advance

Luca is paid a salary of \$1,600 a fortnight. He normally pays child support deductions of \$199.50 each fortnight. In December Luca is taking three weeks’ annual leave which is paid to him in advance.

Luca’s holiday pay and child support is calculated as follows:

Luca’s fortnightly salary	\$ 1,600.00
Divide the \$1,600 by 2 to get a weekly amount	\$ 800.00
Multiply by 3 for the amount of holiday pay	\$ 2,400.00
Less PAYE	\$ 524.82
Less child support (calculated below)	\$ 299.25
Net pay	\$ 1,575.93
Normal child support deduction each fortnight	\$ 199.50
Divide \$199.50 by 2 to get a weekly amount	\$ 99.75
Multiply \$99.75 by 3 for the amount to deduct from his three weeks’ holiday pay	\$ 299.25

## 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	23 December	8 am – 6 pm
Saturday	24 December	Closed
Sunday	25 December	Closed
Monday	26 December	Closed
Tuesday	27 December	Closed
Wednesday	28 December	8.30 am – 5 pm
Thursday	29 December	8.30 am – 5 pm
Friday	30 December	8.30 am – 5 pm
Saturday	31 December	Closed
Sunday	1 January	Closed
Monday	2 January	Closed
Tuesday	3 January	Closed
Wednesday	4 January	8 am – 8 pm

Our normal hours of service (8 am to 8 pm weekdays and 9 am to 1 pm Saturdays) will resume from 4 January 2006.

## Payroll News Index

With this edition of *Payroll News* you’ll receive a copy of the *Payroll News index*. In the October edition of *Payroll News* we informed you that the December *Payroll News index* would be the final paper index.

The *Payroll News index* will now be updated monthly and available at [www.ird.govt.nz](http://www.ird.govt.nz) > Newsletters and bulletins > Payroll News

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



*Kathleen Clement*

Kathleen Clement  
National Manager  
Delivery, Planning and Initiation



Inland Revenue  
Te Tari Taake