

Payroll News

Issue 96
May 2007

Welcome to Payroll News

In this issue we tell you about your employer responsibilities for KiwiSaver, *Summary of earnings*, advising changes on your *Employer monthly schedule (EMS)*, and employees with no IRD number.

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 – employer responsibilities

The following information outlines your responsibilities as an employer for KiwiSaver, the work-based saving scheme that starts on 1 July 2007.

Starting enrolment

You will start the enrolment process by:

- giving new employees a *KiwiSaver employee information pack (KS 3)*, within seven days of them starting work. (A new employee doesn't include casual and temporary employees that are employed under a contract of service that is for 28 days or less, aged under 18, an election day or a private domestic worker.)
- sending us the completed *KiwiSaver employee details form (KS 1)* this shows the employees name, IRD number and address. You can also supply this information online if you are ir-File registered
- giving employees investment statements from your chosen KiwiSaver scheme provider, if you have one.

Making KiwiSaver deductions

KiwiSaver contributions are calculated on the employees' gross pay and forwarded to us along with PAYE deductions. To make it easier for you we have added KiwiSaver deduction calculations to the PAYE deduction tables.

NOTE

New employee deduction contributions must start from their first pay.

Opting out of KiwiSaver

If a new employee decides to opt out of KiwiSaver they must do this within 2–8 weeks of starting work with you by completing a *New employee opt-out request (KS 10)*. You need to send the opt-out form to us no later than the due date of your next EMS and stop deducting KiwiSaver contribution deductions from the employees next pay. If you have made contribution deductions but not yet passed them on to us, you can either refund them directly to your employee, or you can send them to us and we'll refund them to the employee directly.

Questions about KiwiSaver

If your employees ask you questions about KiwiSaver, and you don't feel comfortable answering them you can either refer them to their information pack, the KiwiSaver website or they can call 0800 549 472.

Employees' Summary of earnings

Shortly we will be issuing *Summary of earnings (SOE)* to employees who are required to file a tax return. The information shown is taken from the *Employer monthly schedule (EMS)*. In some instances the information shown on the SOE may be incomplete / incorrect.

Where this has occurred, please call us on 0800 377 772, or complete 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

Payroll packages

If you use an IRD approved computer package (and print your EMS from your computer) you can send this to us in place of the pre-printed EMS we've sent to you. Please don't send the pre-printed EMS to us as well.

Ceasing to employ

If you cease paying wages permanently, you need to call us on 0800 377 772 and tell us. On your final EMS you also need to show the finish dates for all your employees. We will then cease your account and stop sending you EMS's and pay-in slips.

In some instances before we can cease your account, your next EMS has been sent. If you receive an EMS after you have told us you have ceased, you do not need to send this to us.

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

Changes to information on your EMS

When you file an EMS and show changes to the pre-printed information please note it will take two months before the changes appear. The reason for the delay is generally due to timing, as we will have already created your next EMS, prior to receiving your current EMS.

Example

On your June EMS you notify us of changes to be made for two employees and that the contact details are incorrect. You amend them as required and file your EMS on 20 July.

On 1 August we will send you your EMS for July, the pre-printed information shown will have been taken from your May EMS.

Incorrect gross earnings/PAYE on EMS

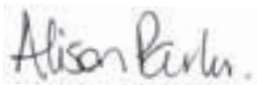
If you need to make amendments to an employee's gross earnings/PAYE details they **should not** be made on your EMS.

If you find you have made a mistake on your EMS after you have filed it, you can correct it by either:

- completing an *Employer monthly schedule amendments (IR 344)* form or,
- if you have less than three corrections, call us on 0800 377 772 and we will make the adjustment over the phone.

Employees with no IRD number

Where an employee doesn't provide you with their IRD number, you are required to deduct PAYE at the no-declaration rate (46.3%) until they provide their IRD number to you.



Alison Parks
Manager
Customer Operations



Inland Revenue
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