



Seasons greetings

We've had a very busy year and we appreciate all the support and feedback you've provided.

We wish you and your families a safe and happy break and we look forward to working with you next year.

Katrina Williams
Manager Customer Insight



Our services over the holiday season

0800 tax agents number availability

Saturday	20 December	9 am – 1 pm
Monday	22 December	8 am – 8 pm
Tuesday	23 December	8 am – 8 pm
Wednesday	24 December	8 am – 5 pm
Thursday	25 December	Closed
Friday	26 December	Closed
Saturday	27 December	Closed
Monday	29 December	Closed
Tuesday	30 December	Closed
Wednesday	31 December	Closed
Thursday	1 January	Closed
Friday	2 January	Closed
Saturday	3 January	Closed

Our normal hours (8 am to 8 pm weekdays and 9 am to 1 pm Saturdays) resume from **Monday 5 January 2009**.

E-File availability

The E-File system and helpdesk will be unavailable from midday **Wednesday 24 December 2008** to 8 am **Monday 5 January 2009**.

Availability of L letters

Just a reminder, we'll be "turning off" L letters at the end of January 2009. They'll be available again from early August 2009 which means you won't be able to request an L letter to be sent to your client during that period.

If you have any clients who haven't given you their records and you would like us to send them an L letter, you'll need to make your request through INFOexpress before the end of January. Remember, when using INFOexpress you don't need to wait for the voice prompts before you move onto the next step and it is only available until 10 pm on the last working day of the month—Friday 30 January.

By issuing an L letter, the client is removed from your performance statistics until the return is filed.

Accident Compensation Corporation (ACC) employer invoices

Inland Revenue supplies information to ACC which they use to invoice employers for their ACC levies. Inland Revenue gets this information from the *Employer monthly schedule IR 348 (EMS)* for the year ended 31 March.

The information supplied to ACC is the total for all employees for the 12 months (or less, if the employer started or stopped employing part-way through the year) and consists of:

1. Total gross earnings
2. Earnings not liable for earner premium
3. Schedular payments
4. Earnings in excess of the specified maximum.

1. Gross earnings

Gross earnings are the total gross earnings for all employees and include:

- employees who haven't provided an IRD number
- EMS that haven't been fully processed due to unresolved issues.

2. Earnings not liable for earner premium

This figure has been reduced by the amount of schedular payments shown as earnings not liable for earner premium.

3. Schedular payments

The total of gross earnings for all employees with a WT tax code.





4. Earnings exceeding the specified maximum

This is the total of all earnings exceeding the specified maximum. The specified maximum for the year ended 31 March 2008 was \$99,817 and for 2009 it will be \$102,922.

Earnings in excess of the specified maximum are calculated by:

- totalling the gross earnings for each employee
- reducing that total by any applicable earnings not liable for earner premium
- applying the specified maximum.

Monthly schedules	Tax code	Gross (\$)	Earnings not liable for earner premium (\$)
April 2007			
John Brown	M	27,000	
Tom Smith	M	2,000	
Peter Young	WT	1,000	1,000
May 2007			
John Brown	M	37,000	200
Tom Smith	M	5,000	
Peter Young	WT	5,000	5,000
June 2007			
John Brown	M	50,000	
Tom Smith	M	3,000	100
Peter Young	WT	5,000	*
Totals		\$135,000	\$6,300

The information Inland Revenue would provide ACC would be:

- Total gross \$135,000
- Earnings not liable \$300* (\$6,300 less the schedular payments of \$6,000)
- Schedular payments \$11,000 (sum of payments with a WT code)
- Earnings over maximum \$13,983 (sum of payments to John Brown, less earnings over maximum and earnings not liable for earner premium)

* In this case the employer failed to show the schedular payment to Young in June as earnings not liable.

Workings

Sum of payments to John Brown		\$114,000
Earnings not liable	\$ 200	
Specified maximum	\$ 99,817	\$100,017
Earnings over maximum		\$ 13,983

In its invoicing, ACC is showing each of these components as part of the calculation of the liable earnings. The liable earnings are the total gross earnings, less the sum of the other components.

Please remember earnings not liable need to be correctly shown. All directors' fees must be shown as WT tax code, and gross and earnings not liable need to show as the same figure. However, staff who are on a normal tax code (eg, M or S) who have a special tax code (STC) do not qualify for earnings not liable being the same as their gross figure.

Clients leaving New Zealand

If your client permanently leaves the country please ensure you complete a *New Zealand tax residence questionnaire (IR 886)*. The information provided in the questionnaire means we can advise you of your client's tax residence status and if they have any further New Zealand tax obligations. It also includes the *Elect someone to act on your behalf (IR 597)* form so your client can elect you to act on their behalf (and you may want to remain linked).

We've had some agents calling us to advise that their client has moved overseas but we do need you to complete the IR 886 because there may be economic, family ties or other reasons why they stay a New Zealand resident.

Remember, if your client leaves the country part-way through the tax year you cannot request a personal tax summary for them—you'll have to file a part-year IR 3 and complete a IR 886. If your client has been overseas for part of the year and returns to New Zealand, you'll need to complete an IR 886 if they believe they were a non-resident for the time they were away.

Note from the editor

If your mailing details are incorrect, we have missed someone off the distribution list or you have suggestions for future topics, please contact:

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