
Business Transformation – final release

Changes for employers and businesses

October 2021

The information in the presentation is current as at October 2021

Purpose



The information in the presentation is current as at October 2021

Introducing the October 2021 changes

FOR

- Businesses and Employers

TOPICS

- Child support changes for employers
- Employment Information forms
- myIR upgrade
- Other

Welcome to this presentation where we talk through the key changes for employers and businesses in the final release of our businesses transformation programme.

For more than four years we've been transforming how we deliver services to make tax and social policy fit seamlessly into people's lives. This has included changes to policy, legislation and business processes, a new computer system, along with changes to the design and structure of our organisation.

Our final release includes implementing new child support legislation, moving child support into our new system and upgrading to the latest version of myIR, along with some other tax and social policy changes. Some of these changes will impact employers and businesses.



Child Support changes for employers

We'll start with what's changing for employers around child support.

Compulsory employer deductions



It will become compulsory for liable parents to pay their child support by deductions from their salary or wages.

You may start to receive child support employer deduction notices or see an increase in the number that you receive.

The Child Support Amendment Act was enacted in March 2021 and includes changes that are due to come into effect in October and November 2021.

The aim of the changes is to help us improve compliance, the administration of child support and to allow us to provide more certainty for child support customers.

The main legislative change that will impact employers is the introduction of compulsory payment of child support from the salaries or wages newly liable (paying) parents.. Currently it is only compulsory for child support payments to be made by deductions from salary or wages for a liable parent who falls behind in their payments.

Making it compulsory for child support payments to be automatically deducted from employment income will help to ensure that as many payments as possible are made, and made on time – giving liable parents confidence that they are meeting their obligations, and giving carers more certainty that they will receive their entitlements.

This will impact you if you have employees who become liable to pay child support, after go-live.

Compulsory employer deductions



If your employee requires child support deductions, we will let you know and will provide the information you'll need to make these deductions

The deductions will be automatically co-ordinated with your employee's pay period

We're aware that for some employers this will be a new process.

If your employee requires child support deductions, we will let you know and will provide the information you'll need to make these deductions, including:

- your employee's name and IRD number
- the payday you must start deducting child support , and
- the amount to deduct from each pay

The deductions will be automatically co-ordinated with your employee's pay period, whether it is weekly, fortnightly or monthly.

We'll also notify the employee and they will receive a copy of the deduction notice.

Compulsory employer deductions



Deduction notices will be sent electronically in myIR

- They will be consolidated
- Deductions will start in 14 days (currently 21 days)
- Where applicable, they will be automatically redirected to your tax agent

From go-live the deduction notices will be sent electronically, so you will need to ensure that whoever manages your employer deduction notices has appropriate myIR access to view them.

The notices will be consolidated, so if you have multiple employees who require deductions they will be included on the one notice. Child support deduction notices will still issue separately from other wage deduction notices.

If you have a tax agent who works on your behalf, currently, you need to redirect deduction notices to their tax agents – from go-live this will redirect automatically.

There will also be a change to the timeframe for deductions to start - deductions will start within 14 days of the notice being sent, instead of the current timeframe which is 21 days.

Compulsory employer deductions



It's important that your Employment Information forms are completed correctly and on time, including:

- Correct payday
- Cease codes (when required)
- Child support variation codes (when required)

We will be contacting liable parents about missing and/or short deductions so it's important that your Employment Information forms are completed correctly and filed on time, including making sure the correct pay date is recorded; or a ceased code is provided as soon as a person is no longer employed.

If a payday or pay period is specified on the notice and it differs from the employee's actual payday or pay period, you need to contact us so we can change our records. You can do this by sending us a web message from your myIR account.

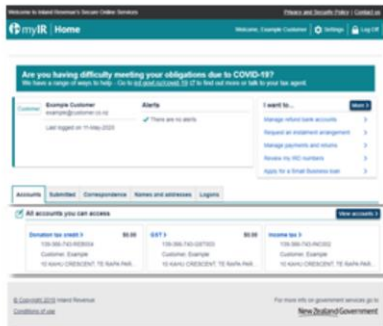
It will also be important for you to understand how and when to use child support variation codes correctly in Employment Information returns.



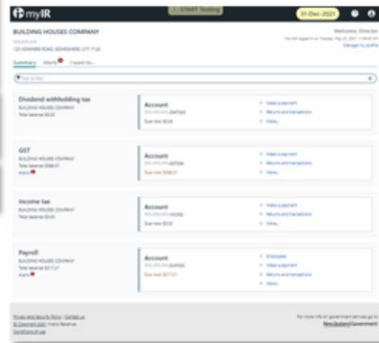
myIR upgrade

Now we'll look at the myIR upgrade

Changes include...



Current



New

Look, feel and navigation

- Cleaner and tidier
- Easier to see what's on screen
- Simpler navigation
- More information centralised
- Common tasks visible on the landing pages
- Supporting customers through the change

Later this month we will upgrade to a new version of myIR.

All customers who use myIR will notice a change - how much will depend on the extent you use myIR and the complexity of your needs.

The first thing you're likely to notice are changes to the look and feel.

The new version is cleaner and tidier making it easier to see what's on the screen.

Navigation will be simpler as more information will be centralised on the landing pages, including the most common actions a customer is likely to take on an account. This reduces the need to navigate through the system.

BLOGGS BUSINESS LTD
111-111-111
1 RAKE STREET, RAKETOWN 6011

Welcome, Joe Bloggs
You last logged in on Monday, May 17, 2021 8:42:13 AM
[Manage my profile](#)

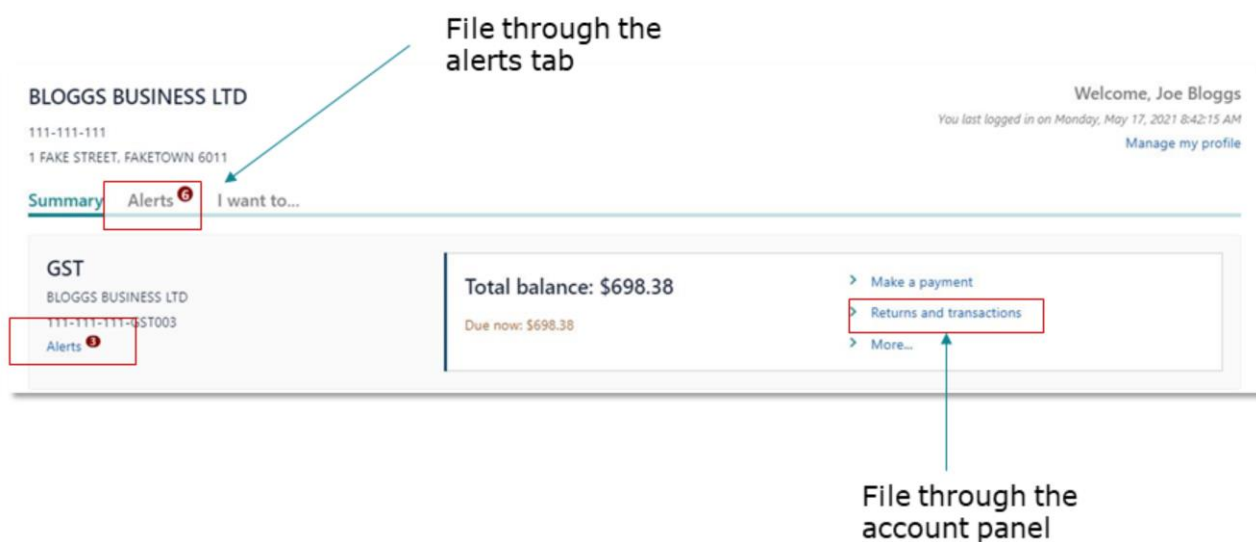
[Summary](#) [Alerts](#) [I want to...](#)

GST BLOGGS BUSINESS LTD 111-111-111-GST003 Alerts	Total balance: \$698.38 <i>Due now: \$698.38</i>	Make a payment Returns and transactions More...
Income tax BLOGGS BUSINESS LTD 111-111-111-INC002 Alerts	Total balance: \$50.00 <i>Due now: \$50.00</i>	Make a payment Returns and transactions Income summary More...
Payroll BLOGGS BUSINESS LTD 111-111-111-EMP004	30-Jun-2021	Express file transfer File or upload a return
	Total balance: \$0.00 <i>Due now: \$0.00</i>	Employees Make a payment Returns and transactions More...



One of the changes you'll notice is the panel format in the new version - rather than the busier tiles, tabs and lists in the current version.

This will make it easier for you to find and manage your account types – like GST and payroll.



One example of the simplified navigation, is the new navigation to file a return

From go-live you will be able to file your returns in myIR using either the new alerts tab or through your account panels.

These paths are easy to follow and take fewer clicks than currently required to get to the return.

The simplest and quickest way to find returns for filing is through the alerts tab:

- This will be located on your landing page.
- If there is a return coming due (or overdue) it will show as an alert – you'll see a red dot on the account panel on the landing page. There will also be a red dot on the alerts tab indicating how many alerts – across all tasks - are awaiting attention, as shown on screen

You can also go through the 'Returns and transactions' link.

- You'll find this link on the right side of an account panel. The example on the screen is for a GST account panel.
- Remember that the links on the panel relate to the tasks for that account. So if you want to file a GST tax return, the 'Returns and transactions' link will take you to the screens for GST returns.

You can learn more about filing returns in a separate webinar called 'Filing, viewing and amending returns'.

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111-111-111
1 RAKE STREET, RAKETOWN 6011

Summary **Alerts** I want to...

Type to filter

GST

BLOGGS BUSINESS LTD
139-626-141-GST004

You have a payment due now

You have \$354.73 due for payment now. Make a payment now to stop any penalties and interest.

[Make a payment](#)

Your 31-May-2021 return was due on 28-Jun-2021

Your 31-May-2021 return was due on 28-Jun-2021. If your return stays unfilled this may mean a late filing penalty.

[File your return](#)

Income tax

BLOGGS BUSINESS LTD
139-626-141-INC002

You have a payment due now

You have \$50.00 due for payment now. Make a payment now to stop any penalties and interest.

[Make a payment](#)



Once you've clicked on the Alerts tab, you can find the GST return and click the 'file a return' link. This will open the return for you to complete.

We won't look at the detail of completing the return today as this process is the same as now. What I will mention though, is that the returns follow the same cleaner look and feel that you'll see throughout the upgraded version of myIR so on some screens there may be a slight change in the layout. The information required will stay the same though.

Changes include...



Mobile devices

- A fully dynamic design
- Seamless experience on any device
- All functionality available across all devices

www.ird.govt.nz/bt-webinars

In addition to a new look and simpler navigation, you'll also be able to access myIR using any mobile device – for example your phone, tablet or laptop – and the content will immediately resize on your screen for optimal viewing.

And unlike now, all functionality will be available across all devices.

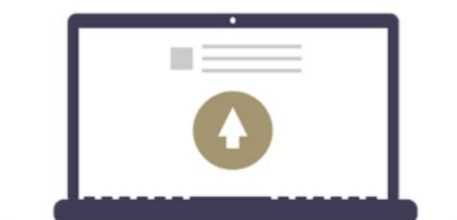
This could be particularly useful for small businesses, or even just for those who like to access myIR on the run.

If you want to find out more about the upgraded version of myIR including filing returns, using alerts and the new navigation, go to www.ird.govt.nz/bt-webinars



Other changes

Now we'll look at some of the other changes coming this year.



- Decommissioning an old system
- In myIR you will see letters from IR dating from 1 April 2017 onwards (statements, notices of assessments etc.)
- We still hold the older information - you can request it if required

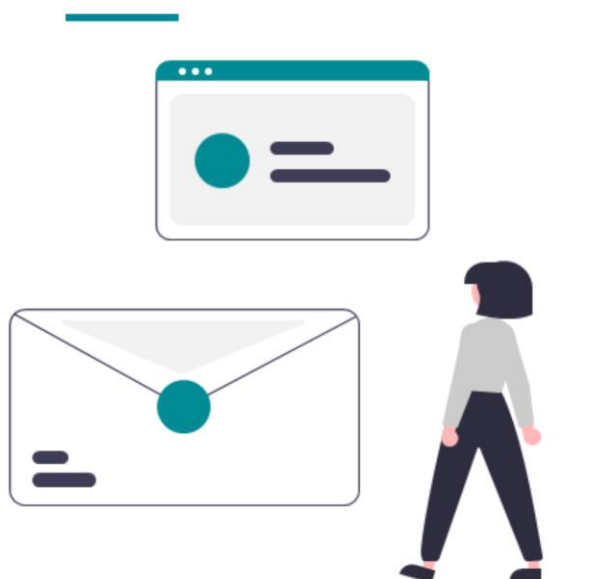
At the end of November this year we are decommissioning one of our old systems.

We will keep all the information from that system, within the parameters of information retention legislation, but will only bring more recent mail into our new system.

For you this means:

- Letters from IR from 1 April 2017 onwards will continue to be available in myIR. This includes statements, notices of assessments etc.
- For older information, you will need to request this from us, eg through a web message, if you require it.

Historic audit correspondence



Audit correspondence from 2017 onwards in myIR

Visible to anyone with Owner and Administrator logons

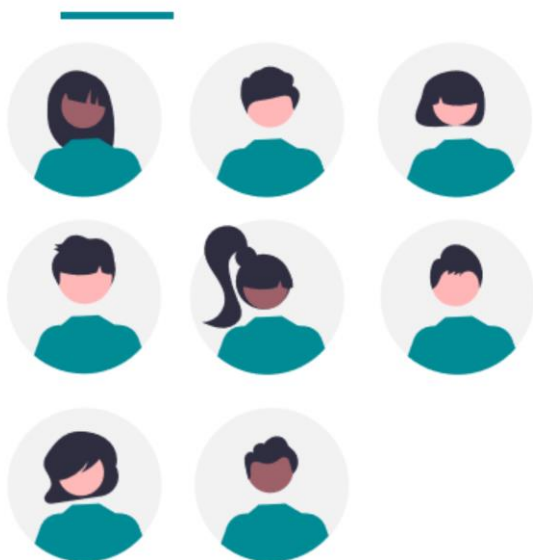
Reduce who can see this by changing access rights to Restricted Administrator

From go-live audit correspondence will be visible in myIR.

Audit letters that were sent as far back as February 2017 (when our system gained the capability to send things electronically) will become available in myIR.

These letters will be visible to anyone with an Owner or Administrator logon, and tax agents who have a customer master link.

If you don't wish for your staff with Administrator logons to see these letters you can change their access to 'Restricted Administrator'.



The way we manage payroll employee/employer relationships (EER) will change.

This will reduce:

- Open-ended relationships
- Duplicate relationships

To do this we will:

- Clean up this information when we go live in October
- Automatically cease relationships that appear to be open but where there has been no activity for three months

myIR stores Employee / Employer Relationships (EER) indicating whether the employee is still actively employed by that employer, or if that relationship has ceased. This is important for a number of reasons including:

- ensuring we have the correct tax code status for employees (primary and secondary tax codes), and
- ensuring the correct treatment of employees' KiwiSaver and Child Support contributions.

With our upcoming release, we are making some changes to reduce:

- open-ended relationships - when an employer doesn't provide a cease date on their employee's EI, and the employee has left; and
- duplicate relationships - for example when an employee has more than one period of employment with the same employer and new relationships are set up each time.

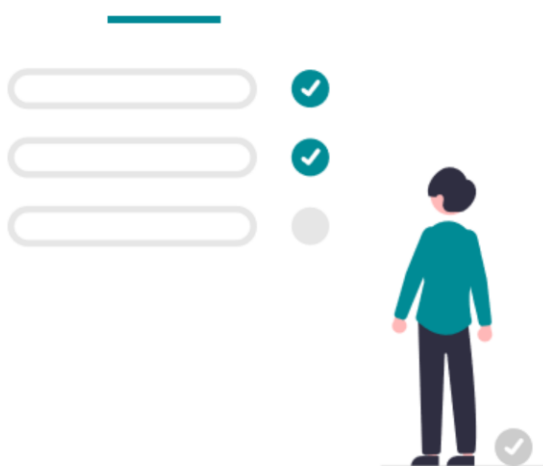
This will help ensure the information is clean and accurate.

To do this we will:

- Clean up this data when we go live in October.
- Automatically cease relationships that appear to be open but where there is no activity for three months.

This means our system will only store one EER relationship for each employee but will have the ability to have multiple 'sequences' if there are multiple periods of employment for that employee with the same employer.

Ceasing employer/employee relationships



Cleaning up EER

Before go-live we are invalidating relationships that meet certain criteria – e.g. name and IRD numbers not matching up, or IRD numbers don't exist or are invalid.

Automatic cessation going forward

We will automatically cease an employer/employee relationship where there has been no activity for 90 days.

We will cease the relationship automatically, without notifying employers.

That this does not impact people on Paid Parental Leave.

When we clean up the information before go-live we will invalidate relationships that meet certain criteria such as name and IRD numbers not matching up or where IRD numbers don't exist or are invalid.

If your employee returns to paid employment, include their payroll information on the EI return as usual.

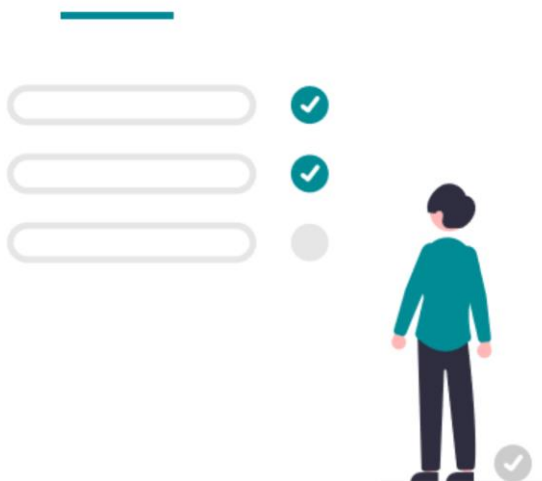
To reduce the number of open-ended relationships in our system, from our next release we will automatically **cease** an employer/employee relationship where has been no activity for 90 days.

The definition of 'inactivity' is when:

- no EI line items have been received for that employee/employer relationship, or
- EI line items have been received but contain nil earnings.

We will cease the relationship automatically, without notifying employers.

This does not impact people on Paid Parental Leave.



We appreciate that some employees may be incorrectly ceased, for example your employee might be:

- a casual employee
- on leave without pay
- on unpaid parental leave

When they return to paid employment, include their payroll information on the EI return as usual.

Depending on when you recommence paying the employee, you may need to provide more information.

We appreciate that some employees may be incorrectly ceased, for example they might be:

- a casual employee
- on leave without pay
- on unpaid parental leave

When our employee returns to paid employment, include their payroll information on the EI return as usual.

Depending on when you recommence paying the employee, you may need to provide more information around personal information and KiwiSaver status again. We'll summarise some of the key points on the next slide.

If employee is paid within 30 days of automatic cessation:

What happens

- KiwiSaver and KiwiSaver opt out information is retained
- Employment relationship is maintained

What to do

- Process the employee's pay as usual

If employee is paid after 30 days of automatic cessation:

What happens

- KiwiSaver and KiwiSaver opt out information is not retained
- Employment relationship is ceased

What to do

- For employees who have opted out of KiwiSaver and who wish to remain opted out - confirm the employee's KiwiSaver status via the Employment Details function
- For all other KiwiSaver scenarios, process the employees' pay as usual

For employees who are paid within 30 days of automatic cessation:

- KiwiSaver and KiwiSaver opt out information is retained
- The employment relationship is maintained
- Employment Information for the new payday is all that is required to be filed.

For employees recommencing after 30 days of automatic cessation:

- KiwiSaver and KiwiSaver opt out information is not retained
- The employment relationship is ceased.
- Confirming an employee's KiwiSaver status via the Employment Details function is required only for employees who have opted out of KiwiSaver and who wish to remain opted out.
- For all other KiwiSaver scenarios no action is required. Employment Information can then be filed for the employee.



Negative adjustments to be made via the prior period adjustment field on the Employment Information return.

Can only be used to adjust gross earning and PAYE payments.

The negative adjustment is limited to the amount in the corresponding field.

From go-live we will allow negative adjustments to be made via the prior period adjustment field on the Employment Information return only. These fields can only be used to adjust gross earning and PAYE payments, any adjustments that affect Child support, KiwiSaver, Student loan or other social policy payments must always be made by amending the original return.

The negative adjustment is limited to the amount in the corresponding field(s) on the line item, the net of these cannot be below zero. For example, if an employee has \$1000 of gross income and \$300 PAYE deducted, then the gross income prior period adjustment field can be up to -\$1000 and in the PAYE prior period adjustment field can be up to -\$300.



- Bankruptcy customers will no longer be allocated a new IRD number
- SPK2IR services will be expanded

There are a couple of other small changes which you may notice:

From go-live customers who go through the bankruptcy process will no longer be allocated a new IRD number.

And lastly, our automated phone line service, SPK2IR, will be expanded this will reduce the need for some customers to engage with Inland Revenue staff.

Thank you



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If you have any questions about our webinars you can email us at: webinar.questions@ird.govt.nz

- This webinar has provided information about some of the key changes in our final transformation release.
- If you want to find out more go to www.ird.govt.nz/bt-webinars
- Remember, if you have any questions about our webinars, please send them to webinar.questions@ird.govt.nz.