



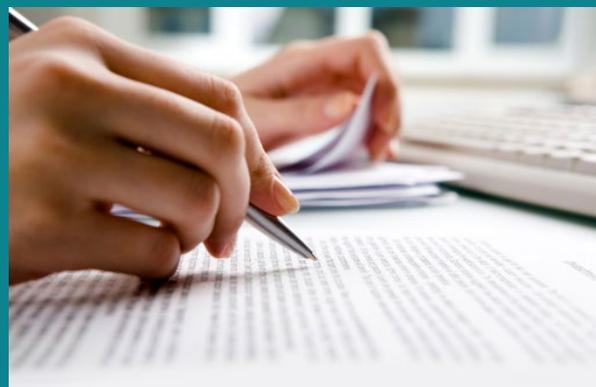
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Email IRTransformation@ird.govt.nz for further information.

BUSINESS TRANSFORMATION

January 2020

Latest news about Inland Revenue's transformation



Upcoming seminars

We will be running seminars to help employers, tax agents and bookkeepers prepare for the changes coming in April. These include changes to investment income, PAYE including student loans and KiwiSaver, automatic assessments and myIR.

The seminars will be held around the country over the following dates:

- **Employers** 23 March – 3 April
- **Tax agents and bookkeepers** 1 April – 8 April

You'll be able to find the link to register on our website shortly, so keep an eye out for more information.



Student loan changes

From April, student loan transactions will be fully administered in our new system. As a result, it will be easier for student loan customers to manage their loan and find the relevant information.

In April student loan customers will see changes in their myIR accounts including:

- A clearer view of their total student loan balance and repayments made
- A breakdown of any assessments, including amounts due and due dates
- Departure and arrival dates if they travel overseas
- New calculators to work out how long it will take to repay their student loan or when interest will be charged when they go overseas

New payment options are being introduced to make it easier for customers to repay their loan. Customers in New Zealand, Australia, United Kingdom, Europe (SEPA – Single Euro Payments Area),

Canada and the United States of America will be able to make payments, including extra payments on their loan, from within their myIR account. New Zealand based customers will also be able to make credit card payments by phone 24/7.

There will also be some student loan changes for employers. The new employee onboarding process will identify if a new employee should have a student loan tax code and advise the employer to update this before their first pay.

When an employee's loan is expected to be repaid within three months, we will write to the employer to let them know how much is left to deduct. This will significantly reduce the likelihood of employees having unnecessary over deductions from their pay.

For more information on the upcoming changes for student loan customers visit ird.govt.nz/changingforyou.

KiwiSaver changes

KiwiSaver is a work-based savings initiative designed to help New Zealanders save for their retirement. From April, KiwiSaver will be fully administered in our new system. This means the processing of KiwiSaver information will be more streamlined and there will be improvements for KiwiSaver members, employers and scheme providers.



From April, KiwiSaver members will have:

- better visibility of deductions and contributions in myIR
- more self-service options in their KiwiSaver account
- more information to determine their correct PIR rate on our website
- their employer contributions invested sooner

As KiwiSaver is a work-based savings initiative for most people, employers play an important role. In April our enhancements will bring further changes for employers. Employers will:

- receive new notifications specific to KiwiSaver contribution rates and enrolments
- see improvements to the onboarding process for new employees

For more information on the upcoming changes for KiwiSaver members visit ird.govt.nz/changingforyou.

Updating investment income allocations in myIR

From 1 April investment income reporting is changing.

If you receive investment income, you will need to ensure that your investment income payer (eg their bank) has your IRD number to avoid being charged the **non-declaration rate of 45%**.

If you have a joint account, we will split any investment income reported equally across all the joint account holders who have provided a valid IRD number to the payer.

If this allocation isn't correct, you can update it in myIR using the following steps:

1. Select your **income tax** account
2. In the **Earning summary section**, select **view details**
3. Select the **income period dates** for the period the investment income was earned
4. Select **Update investment percentage**
5. Next to the payer you have received investment income from, select **view detail**
6. All accounts listed with that payer will show, along with an account identifier (as provided by the payer) and ownership percentage. Select **View detail**. Note: If an account identifier hasn't been provided by the payer, it will show "not identified". You can continue with the below steps if this shows
7. The table shows the dates the income has been received. Select **Add ownership period**.
8. Complete the **From** field and the **Ownership percentage** field. Then click **next**. Note: If the To field is left blank, the updated percentage will remain until you advise us otherwise
9. Review the details and select the **Confirmation checkbox**. Click **Submit**.

The percentage and income received in the dates provided will be updated instantly. The update will only be made to the individual's ownership percentage. Other account holders will need to update their details separately.

For more information about investment income reporting changes visit ird.govt.nz/investment-income.

Income equalisation schemes

The income equalisation schemes allow farmers, fishers and foresters who are eligible taxpayers to even out fluctuations in income by spreading their gross income from year to year. From April we will manage income equalisation schemes in our new system.



This will mean:

- You can tell us about deposits, and request withdrawals for income equalisation in myIR – the paper form (the IR155) will be discontinued
- You can make deposits electronically in myIR or via internet banking. Use the new account code when making payments via internet banking: **EQU** – Income Equalisation
- All withdrawals will be paid out by direct credit
- You can see scheme balances and other transactions, such as interest, at any time in myIR under the new accounts (Income Equalisation)
- Deposits and withdrawals will be shown in your income summary and pre-populated into the "other income" field on your income tax returns in myIR.

Once the income equalisation schemes move into our new system you will no longer need to use cheques for deposits or withdrawals. Deposits can be made using an alternative payment method and you can supply your bank account details for withdrawals.

For more information about alternative payment methods visit ird.govt.nz/payments.

New Inland Revenue Tax Technical website coming soon

A new and improved Tax Technical website is on the way, with the first release available in the next few

months. This first release will make it easier to browse and search our tax technical publications, public consultations, and the Tax Information Bulletin.

Further features will be added later in the year including:

- The ability to browse for keywords e.g. motor vehicles, depreciation rates
- Filters to narrow your results
- Better linking between publications and to other websites
- Better interlinking of TIB issues and their individual publications.

We'll share more about the site and the first release in upcoming editions of Transformation News and other Inland Revenue channels, so keep a look out for updates.

Join our next webinar

We are continuing our webinar series to help you prepare for the upcoming tax changes.

Our next webinar is on **5 February** from 2:30pm to 3:30pm. This session will provide an overview of the upcoming changes for **Māori Authorities**, and includes taking a closer look at the investment income changes.

On **19 February** we invite **employers and not-for-profit organisations** of all sizes to join us at 2:30pm to learn more about the changes related to KiwiSaver and Student Loans.

To **register**, find out more, or watch a previous webinars On-Demand, visit our website ird.govt.nz/webinars.

