



This summary accompanies our webinar: *Introducing the other changes coming in 2022*

ird.govt.nz/2022-changes

Use of money interest extension

If you are unable to pay your tax on time because you have been significantly adversely impacted by COVID-19, you can ask us to remit penalties and interest.

The relief of use of money interest, or UOMI, is being extended. We will be able to remit penalties and interest for tax payments that were due on or after 14 February 2020 up until 8 April 2024 (including provisional tax).

Provisional tax: Safe harbour

The requirement for customers to pay provisional tax instalments in full and on time will be removed for customers using the safe harbour option.

Use of money interest, or UOMI, will only be charged if an amount remains unpaid after the terminal tax due date.

All other existing qualifications will remain, and late payment penalties will still apply.

Amending employment information



You will no longer be able to amend employment information if it has been 4 years since the return was filed.

Changes can still be made for student loan and/or child support deductions.

Rate changes

Here are some rates changes that will take effect from 1 April:

Provisional tax early payment discount (EPD)	2%
Employer superannuation contribution tax (ESCT) rate for past employees	33%
ACC earners levy (GST included)	\$1.46
Minimum threshold for ACC earners levy	\$42,465
Maximum threshold for ACC earners levy	\$136,544
Student loan repayment threshold	\$21,268

New interest limitation rules for residential property



Claiming interest on loans for residential property as an expense will be phased out.

Interest deductions may still be allowed if the main home is used as business premises.

FBT: New calculation

New fringe benefit tax (FBT) calculation:
Pooled Alternate Rate Option

Classify benefits as either attributed or non-attributed.

Attributed benefits are subject to a flat rate of either 49.25% or 63.93%, depending on the employee's pay and the value of benefits attributed to them.

All non-attributed benefits are subject to the flat rate of 49.25%, or 63.93% where one or more recipients is a major shareholder-employee.



FBT: Unclassified benefits

There will be clarification of the categories of unclassified benefits that employers may be liable for when providing fringe benefits.



Other changes

- A new penalty regime will be introduced to prohibit the sale, possession, or use of sales suppression software, which alters sales data in EFTPOS systems to facilitate tax evasion.
- The loss carry back key point will be removed from the 2022 income tax returns.
- Matariki will be recognised as a public holiday for tax purposes.



KiwiSaver: Returning employer contributions

There will be a new process for returning employer contributions to the employer account when an employee is no longer a KiwiSaver member.

If an employee has opted out of KiwiSaver or an invalid/incorrect enrolment, any employer contributions made will be refunded or offset against any amount outstanding.



KiwiSaver: Employee Contributions

KiwiSaver members who make contributions through deductions from their salaries and wages will have more ways to request changes to their KiwiSaver contribution rate.

They will be able to request a change to their contribution rate through their myIR account or by contacting their Kiwisaver scheme provider.

Employees can submit as many rate changes as they like – If they submit multiple in one week, we will only send employers the latest request received for the week.

Employers are not required to make a change more than once every 3 months unless they have agreed to a shorter timeframe.

Employees on a savings suspension can only choose a new rate directly with their employers.



THANK YOU!