



# IR56 workers

Information guide for:

- private domestic workers
- New Zealand based employees of overseas employers
- embassy staff
- United States Antarctic Program workers

## Introduction

This guide explains your tax responsibilities as an IR56 worker. You pay your own tax from your salary or wage. IR56 workers are not self-employed.

### [ird.govt.nz](http://ird.govt.nz)

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, find filing and payment dates, calculate PAYE and deductions for employees.
- **Forms and guides** - download forms and guides from our website at [ird.govt.nz/forms-guides](http://ird.govt.nz/forms-guides)

### Forgotten your myIR user ID or password?

Request these online from the myIR login screen and we'll send them to the email address we hold for you.

## Contents

<b>Introduction</b> .....	<b>2</b>
ird.govt.nz .....	2
<b>IR56 workers</b> .....	<b>4</b>
Types of IR56 workers.....	4
<b>Your obligations as an IR56 worker</b> .....	<b>5</b>
Register as an IR56 worker .....	6
Choosing your tax code.....	6
PAYE deductions.....	7
ACC earners' levy.....	7
ACC employer levy .....	8
Student loan repayments.....	8
KiwiSaver .....	8
Employer contributions to superannuation schemes or funds .....	9
Child support deductions.....	9
<b>Calculating your PAYE and other deductions</b> .....	<b>9</b>
Using our PAYE calculator .....	9
Using the monthly tax tables .....	10
Working out your PAYE using the self-calculating option.....	11
Non-cash benefits paid to employees by overseas employers .....	12
Employee share scheme benefits.....	12
Employer contributions to superannuation funds .....	13
Payroll giving .....	13
<b>Employment information returns</b> .....	<b>14</b>
Filing employment information in myIR .....	14
Filing employment information returns .....	14
Due date for filing employment information returns .....	14
Due date for paying your deductions.....	15
Employer workshops and seminars.....	15
<b>How to make payments</b> .....	<b>15</b>
Paying in myIR.....	15
Other ways to pay .....	15
<b>Records you need to keep</b> .....	<b>15</b>
<b>Penalties and interest</b> .....	<b>16</b>
Late filing penalties.....	16
Late payment penalties and interest.....	16
Non-payment penalties .....	16
Instalment arrangements.....	16
Failing to account for PAYE.....	16
<b>End of year income tax</b> .....	<b>16</b>
<b>Services you may need</b> .....	<b>17</b>
Need to speak with us?.....	17
Self-service options.....	17
How to get our forms and guides.....	17
Voice ID.....	17
Supporting businesses in our community.....	17
<b>Self-calculating IR56 summary form</b> .....	<b>19</b>

## IR56 workers

An IR56 worker is an employee who is paid salary or wages, but their employer does not deduct any tax (PAYE – pay as you earn) from their pay.

- If you are an IR56 worker, you're responsible for working out and paying your own PAYE tax and any other deductions from your salary or wage income.
- IR56 workers are not self-employed. If you're not sure whether you're an IR56 worker or self-employed, go to [ird.govt.nz/employment-status](https://ird.govt.nz/employment-status)

You can be an IR56 worker and also work for other employers who do deduct PAYE from your pay.

### Types of IR56 workers

- Private domestic workers
- New Zealand based employees of overseas employers
- Embassy staff
- United States Antarctic Program workers

You may also be an IR56 worker if you're working for an employer who has not deducted PAYE from your gross (before tax) pay. You may need to register as an IR56 worker and pay your own PAYE and any other deductions to us. Contact us if you're in this situation on 0800 377 772.

### Private domestic workers

Private domestic work includes:

- home help
- caregivers
- nannies
- gardeners
- other domestic odd jobs.

You're a private domestic worker if:

- you work in your employer's private home
- the work you do for the employer is not related to their business
- you are paid directly by the employer
- you do not work full-time for any 1 employer (less than 30 hours on average per week for 1 employer).

#### Note

If you work more than 30 hours a week for 1 employer, this is considered full-time. The person you work for is responsible for paying your PAYE and any other deductions to us.

If you do private domestic work 29 hours a week for 1 employer and 5 hours a week for another employer (34 hours in total), you must register as an IR56 worker. Even though the total hours are considered full-time, you have not worked more than 30 hours with 1 employer.

#### Example

Liz cleans houses for 5 different employers, working on average 8 hours a week in each household (40 hours). Although Liz works more than 30 hours a week, she is an IR56 worker because:

- the work is not full-time for any 1 employer
- the work is in the employers' homes
- each employer pays Liz directly.

Liz is responsible for paying PAYE and any other deductions that apply on her income from her domestic work.

### Example

Megan works 8 hours a day, Monday to Friday as a nanny for Amy. Megan is not an IR56 worker because she works more than 30 hours a week for 1 employer. Amy must register as an employer.

### ACC private domestic work

If you're paid direct by Accident Compensation Corporation (ACC) or by the person receiving ACC support (the ACC client), you're not an IR56 worker. ACC deducts tax from these payments before you get paid. ACC work includes attendant care, childcare, home help and attendant care services related to training for independence.

### New Zealand based employee of an overseas employer

If your overseas employer does not have an obligation to register as an employer in New Zealand, you'll need to register as an IR56 worker. You're responsible for paying your own PAYE, and any other deductions that may apply to you.

### Example

George who lives in New Zealand, is employed by a US based architecture company. All the work in New Zealand is emailed to the US company.

Apart from employing George, the company has no presence in New Zealand and does not need to register as an employer here. They do not deduct any PAYE from George's pay. George must register as an IR56 worker.

You do not need to register as an IR56 worker if your employer is registered with us in New Zealand or has arranged for another person to deduct and pay PAYE on your behalf. If you're self-employed with a contract for service with the overseas employer, you do not need to register.

### Embassy staff

If you're an embassy staff member working in New Zealand, the embassy or mission may not be registered as an employer with us. You'll need to register as an IR56 worker and pay your own PAYE and any other deductions that may apply to you.

### United States Antarctic Program workers

If you're involved in the US Antarctic Program and based in New Zealand, you're an IR56 worker. You'll need to register with us.

## Your obligations as an IR56 worker

Obligation	Description
<a href="#">Register as an IR56 worker</a>	You must register with us as an IR56 worker. You'll need an IRD number to register if you do not already have one.
<a href="#">Choosing your tax code</a>	You'll need to choose a tax code for deducting tax from your IR56 income.
<a href="#">Calculate your PAYE and other deductions</a>	<p>Pay your own tax and other deductions, from the income you earn doing IR56 work, to your payroll account. Tax and other deductions include:</p> <ul style="list-style-type: none"> <li>• PAYE (pay as you earn)</li> <li>• ACC earners' levy (included with PAYE)</li> <li>• student loan repayments if you have a student loan</li> <li>• KiwiSaver deductions if you're enrolled</li> <li>• child support deductions if this applies.</li> </ul> <p>Deductions are calculated on your monthly IR56 income. You pay deductions to us by the 20th of the following month.</p>

<a href="#">Employment information returns</a>	You must file monthly employment information returns within 10 days of the end of the month you're paid. You can file online in myIR if you're registered, or by sending us paper returns.
<a href="#">End of year income tax</a>	<p>If your only income is from IR56 work, salary or wages (with PAYE), Māori authority distributions, interest or dividends, and we have all your income details, we'll automatically complete your income tax assessment and notify you if you have more tax to pay or have a refund.</p> <p>If you received any other type of income, you must file an <b>Individual income tax return – IR3</b>.</p>

## Register as an IR56 worker

You must register with us as an IR56 worker.

To register, you'll need an IRD number. If you do not have an IRD number, you'll need to apply. You can start your application online at [ird.govt.nz/ird-number-nz](http://ird.govt.nz/ird-number-nz)

You can also apply by sending us a paper form:

- **IRD number application – individual currently in New Zealand – IR595**
- **IRD number application – offshore individual – IR742**

## Register in myIR

If you already have an IRD number, you can register as an IR56 worker online in myIR. For more information, go to [ird.govt.nz/register-ir56](http://ird.govt.nz/register-ir56)

To register for myIR, go to [ird.govt.nz/myir](http://ird.govt.nz/myir)

You can also register as an IR56 worker by sending us an **IR56 worker registration – IR359** form.

## Choosing your tax code

You'll need to choose the right tax code for your IR56 income when you complete the **Tax code declaration – IR330** form. The tax code is used to work out how much PAYE you need to deduct and pay from your IR56 income. If you have a student loan, the tax code also works out what you need to deduct for your loan repayments.

For help working out the right tax code to use, go to [ird.govt.nz/tax-codes-individuals](http://ird.govt.nz/tax-codes-individuals)

## Main or highest income

If your IR56 work is your main or highest source of income, use one of the M tax codes. If you have a student loan, make sure you use a code with SL.

No student loan	With student loan
M	M SL
ME	ME SL

## Independent earner tax credit (IETC) – ME and ME SL tax codes

You may be entitled to IETC if your annual income is between \$24,000 and \$70,000. IETC reduces the amount of PAYE you need to deduct.

To use either the ME or ME SL tax codes you:

- or your partner must not be entitled to receive Working for Families or an overseas equivalent
- must not receive a main benefit, New Zealand superannuation (NZ Super), Veteran's pension or an overseas equivalent.

If you're entitled but do not use an IETC tax code, we'll work out your entitlement after the end of the tax year. For more information, go to [ird.govt.nz/ietc](http://ird.govt.nz/ietc)

## Secondary income

If your IR56 work is not your main source of income, choose the secondary tax code based on what you estimate your annual income from all sources will be (including income from your main job and any other secondary job you may have). If you have a student loan, make sure you use one of the tax codes with SL.

Income thresholds	No student loan	With student loan
\$0 – \$15,600	SB	SB SL
\$15,601 – \$53,500	S	S SL
\$53,501 – \$78,100	SH	SH SL
\$78,101 – \$180,000	ST	ST SL
\$180,001 upwards	SA	SA SL

If you expect to earn more than \$15,600 from all your income sources, you may pay more tax than you need to. To work out a more accurate amount, you can use the self-calculating option or a tailored tax code.

### Self-calculating option for secondary income

If your IR56 work is secondary income, you can use the self-calculating option instead of using a secondary tax code. When your IR56 work is not your main job, the secondary tax code you're required to use may mean you pay more tax than you need to during the year.

The self-calculating option takes into account both your income and the PAYE already deducted from your main job (salary, wages or benefit income). This helps you accurately work out how much PAYE to deduct from your IR56 income, so you do not pay more tax than necessary.

For more information, go to [working out your PAYE using the self-calculating option](#) on page 11.

If you choose to self-calculate, complete your tax code as STC.

### Tailored tax code

If you have multiple sources of income and/or jobs, you can apply for a tailored tax code that uses the tax code STC. This may help you avoid being over-taxed or getting a bill at the end of the year. We work out how much you need to deduct based on all your income sources and tell you the rate you need to use for your deductions.

You need to apply with us for a tailored tax code. For more information, go to [ird.govt.nz/tailored-tax-code](http://ird.govt.nz/tailored-tax-code)

Use the tailored tax code we give you to complete your **Tax code declaration – IR330** form for your PAYE and other deductions you need to make.

Tailored tax codes apply for specific time periods, usually up until 31 March of the tax year. You'll need to reapply each year to continue using this option.

### Complete your Tax code declaration – IR330 form

Fill out an IR330 using the tax code you have chosen, or the one we provide for you. Keep this for your records.

## PAYE deductions

PAYE deductions go towards the income tax you are required to pay on your total income from all sources each tax year. If you're an IR56 worker, you're responsible for deducting and paying your own PAYE from the payments you receive from your employers.

The PAYE you deduct is paid to us. After the end of each tax year, if we have all your income information, we work out how much tax you need to pay for the year, less the PAYE you've already paid to us.

For more information, go to [end of year income tax](#) on page 16.

## ACC earners' levy

ACC earners' levy covers the cost of non-work-related injuries. The earners' levy is included with PAYE already, so you do not have to do any extra calculations.

## ACC employer levy

You'll also pay an employer levy for work-related injuries. ACC will invoice you for this levy. If you have any questions about ACC levies, go to [acc.co.nz/about-us](https://acc.co.nz/about-us)

Or you can contact the ACC Business Service Centre by calling 0800 222 776 or email [business@acc.co.nz](mailto:business@acc.co.nz)

## Student loan repayments

If you have a New Zealand student loan, you're required to make repayment deductions from your IR56 income. You must use a student loan tax code (ending in SL).

Student loan repayment deductions are based on your income. For your main job, the amount you deduct depends on whether you're earning more than the student loan repayment threshold. For the current student loan repayment threshold, go to [ird.govt.nz/repaying-my-student-loan-when-i-earn-salary-or-wages](https://ird.govt.nz/repaying-my-student-loan-when-i-earn-salary-or-wages)

If your IR56 work is your secondary income, your student loan deductions are 12% of your gross pay.

### Note

If you're using SB SL or S SL tax codes, and your before tax income from your main job is less than the monthly student loan repayment threshold, the amount you deduct may be more than you need to pay annually. You may want to apply to us to use a different rate.

For more information about applying for a different student loan deduction rate, go to [ird.govt.nz/special-deduction-rate](https://ird.govt.nz/special-deduction-rate)

Student loan repayment deductions are included in your employment information returns and are paid to us at the same time as you pay your PAYE.

## KiwiSaver

You can join KiwiSaver if you're not already enrolled. To join, you must contact a KiwiSaver provider. If you join KiwiSaver, you cannot opt out.

If you join KiwiSaver or you're already enrolled, you'll need to deduct KiwiSaver contributions from your IR56 income. Deductions are included in your employment information returns. KiwiSaver deductions are paid to us at the same time as your PAYE. We pass your KiwiSaver deductions on to your KiwiSaver provider for you.

If you need a contribution break, contact your KiwiSaver provider.

## Employee KiwiSaver contribution percentage rates

You can use the minimum KiwiSaver contribution percentage or a higher rate if you prefer. To find out the current minimum and other options, go to [ird.govt.nz/kiwisaver-individuals](https://ird.govt.nz/kiwisaver-individuals)

## KiwiSaver compulsory employer contributions – private domestic workers only

If you're a private domestic worker, you can also choose to make KiwiSaver compulsory employer contributions (CEC) in addition to your employee deductions. You're the contributor however, not the employer you work for.

To find out the current minimum rate to deduct and more information about compulsory employer contributions, go to [ird.govt.nz/employer-contributions](https://ird.govt.nz/employer-contributions)

### Note

You're not required to deduct tax from compulsory employer contributions. If you make employer contributions include the gross amount in the net KiwiSaver employer contribution box of your employment information return.

This option is not available to embassy staff, New Zealand based employees of an overseas employer or United States Antarctic Program workers.

## Voluntary KiwiSaver contributions

You can choose to pay voluntary contributions directly to your KiwiSaver provider. Do not include voluntary contributions in your employment information returns. Making voluntary contributions does not offset your employee contributions.

For more information, go to [ird.govt.nz/kiwisaver](https://ird.govt.nz/kiwisaver)

## Employer contributions to superannuation schemes or funds

For embassy staff, employees of an overseas employer or United States Antarctic Program, you'll need to include employer superannuation contribution tax (ESCT) if your employer is contributing to a superannuation scheme or fund for you.

## Child support deductions

We assess and collect child support from parents who do not live with their children or have shared care. If you pay child support, we'll send you a notice telling you how much you need to deduct from your IR56 income. The amount you deduct is included in your employment information return each month.

For more information about child support payments, go to [ird.govt.nz/childsupport](https://ird.govt.nz/childsupport)

## Calculating your PAYE and other deductions

PAYE for your IR56 work is based on the amount you earn each month. Deductions for student loan and KiwiSaver are also calculated on monthly IR56 income, if these apply. Your tax code is used to work out PAYE and student loan deductions. KiwiSaver uses the percentage rate you have chosen.

If you're an employee of an overseas based employer and you receive non-cash benefits (also called fringe benefits), you'll need to include the benefit value with your gross income. Go to [non-cash benefits](#) on page 12 for more information.

## Using our PAYE calculator

We recommend using our PAYE calculator to work out what you need to deduct from your IR56 income. Go to [ird.govt.nz/payee-calculator](https://ird.govt.nz/payee-calculator)

If you're registered for myIR, you can export the PAYE calculation information to a file. Download the file and save this for your records. In your myIR payroll account, you can upload your calculations to your employment information return. This means you do not need to fill out your information again in myIR.

If you're not registered for myIR, you can print your results and transfer these amounts to your paper **Employment Information – IR348** return.

## Information for calculating your PAYE and other deductions using the PAYE calculator

	PAYE calculator	Information to complete
1	Employee or employer	Select 'I am an employer..'
2	Tax period	Select the current tax year. The tax year is 1 April to 31 March.
3	Employment information return - export option	<p>Select the export option to save and upload the calculation results to your employment information return in myIR. You cannot use the export option if you're self-calculating your PAYE.</p> <p>To use the export option, you'll need to complete your payroll account information as well as the other required information (4 to 9):</p> <ul style="list-style-type: none"> <li>Your IRD number</li> <li>Pay date (the last day of the month)</li> <li>Payroll contact name (your name)</li> <li>Your email address and contact phone number</li> </ul>

4	Employee information	<ul style="list-style-type: none"> <li>Your IRD number and name</li> <li>Tax code</li> <li>Pay frequency is monthly</li> <li>Hours paid</li> <li>Child support deduction (if required)</li> <li>Child support code if the deduction is less than the amount required in your notice</li> </ul>
5	Gross salary/wage	<p>This is your monthly earnings from IR56 work.</p> <p>If you're using the self-calculating option, the gross salary/wage is your total gross (before tax) pay from all your employers.</p>
6	KiwiSaver	<p>KiwiSaver deductions (if you're enrolled and making these deductions from your IR56 income) and net employer contributions if applicable:</p> <ul style="list-style-type: none"> <li>Employee deduction percentage</li> <li>Employer contribution percentage (if you're a private domestic worker and you're also contributing as an employer)</li> <li>ESCT – do not complete</li> </ul>
7	Employment dates and pay period	<ul style="list-style-type: none"> <li>Employment start date (the date you started as an IR56 worker)</li> <li>Employment finish date (only complete this when you stop being an IR56 worker)</li> <li>Pay period start date (beginning of the month)</li> <li>Pay period end date (last day of the month)</li> </ul>
8	Payroll giving donations	The amount donated using <a href="#">Payroll giving</a> (page 13).
9	Child support	<p>The amount deducted if you're liable.</p> <p>If the amount is different to your deduction notice, complete the child support reason code. For the code to use, go to <a href="http://ird.govt.nz/deductions">ird.govt.nz/deductions</a></p>
10	Deductions for your employment information return	<p>The PAYE calculator results show the amount of PAYE to deduct, along with any student loan, KiwiSaver and child support deductions if these apply.</p> <p>You can print your results and transfer these amounts to your employment information return in myIR or your paper <b>Employment Information – IR348</b> return.</p> <p>If you've <b>chosen the export option (3)</b>, click export to download file, then save it for upload to myIR.</p>

### Exporting PAYE calculations to myIR payroll account

1. Save the exported PAYE calculation file.
2. Go to your myIR payroll account > Returns and transactions > Returns.
3. Select File now for the return period.
4. Select Upload file.
5. Go to your saved file to upload your information.

The information from the saved file automatically updates to your employment information return. Confirm the information is correct, then submit your return.

#### Note

You cannot use the export option if you're self-calculating your PAYE.

### Using the monthly tax tables

You can use the monthly earnings section of our **4 weekly and monthly PAYE deduction tables – IR341** to work out your PAYE and other deductions (use your total gross income).

## Working out your PAYE using the self-calculating option

Our PAYE calculator can be used to work out how much you need to deduct if you're using the self-calculating option, go to [ird.govt.nz/payee-calculator](https://ird.govt.nz/payee-calculator)

You'll need the following information to self-calculate:

- gross pay from your other non-IR56 work employers
- employer paid PAYE.

### Example

Kahu receives NZ Super of \$32,611 annually. Kahu does gardening work for 4 different households, 12 hours per week and expects to earn \$28,800 for the tax year from this work.

Kahu uses the M (main) tax code for his NZ Super. Because Kahu's total income is between \$53,501 and \$78,100, he should use the SH tax code, but this would mean he pays more tax than he needs to for his IR56 income.

The self-calculating option lets Kahu work out the right amount of tax to deduct. Kahu completes the self-calculating IR56 summary form on page 19 and deducts PAYE of \$587.77 for the month.

If Kahu uses the SH tax code, the PAYE would be \$760.08.

Kahu's self-calculating IR56 summary form

<b>Month</b>	September	
<b>IR56 earnings with no tax deducted (including non-cash benefits)</b>		
<b>Payer's name</b>	<b>Gross earnings</b>	
Employer A	\$ 720.00	
Employer B	\$ 600.00	
Employer C	\$ 480.00	
Employer D	\$ 600.00	
	\$ .	
<b>Total gross (before tax)</b>	<b>A</b> \$ 2,400.00	
Transfer box A to Gross earnings and/or schedular payments in your myIR employment information or paper IR348 return.		
<b>Earnings (salary, wages, NZ Super and benefits) with PAYE deducted</b>		
<b>Payer's name</b>	<b>Gross earnings (before PAYE deducted)</b>	<b>PAYE deductions</b>
NZ Super	\$ 2,717.00	\$ 384.45
	\$ .	\$ .
<b>Totals</b>	<b>B</b> \$ 2,717.00	<b>C</b> \$ 384.45
<b>Work out the amount of PAYE to deduct</b>		
<b>A + B = total gross earnings</b>	<b>D</b> \$ 5,117.00	
<b>PAYE on total gross earnings</b> - use our PAYE calculator or monthly tax tables to work out the amount	<b>E</b> \$ 972.22	
<b>Less PAYE from box C</b>	<b>F</b> \$ 384.45	
<b>PAYE to pay</b>	<b>G</b> \$ 587.77	
Transfer box G to PAYE/schedular tax in your myIR employment information or your paper IR348 return		
<b>Working out your monthly income</b>		
If you receive income that is not paid monthly, such as fortnightly, you need to convert it to a monthly amount. Multiply your payment by the number of times you're paid in a year (such as 26 for fortnightly), then divide by 12 (the number of months in a year).		
This calculation works out your PAYE correctly: fortnightly pay × 26 ÷ 12 = monthly amount.		

## Note

If you receive a benefit or NZ Super, you may need to contact Work and Income New Zealand (WINZ) to get details of your gross fortnightly benefit and PAYE amounts.

If you're using the PAYE calculator, enter:

- your tax code as M
- your pay frequency as monthly
- your IR56 income added to your other gross income from employers who are deducting PAYE. Show this total for your total gross earnings. This is box D from the self-calculating IR56 summary form.

If you're using the monthly section of the IR341 use the M code and the amount closest to box D.

The PAYE calculator result (and the tax tables) will tell you the total PAYE required from your total gross income. Deduct the PAYE paid by your other employers from this amount. This is the PAYE you need to show in your employment information return and pay to us for your IR56 income. This is the PAYE to pay shown in box G.

If you have a student loan and/or KiwiSaver, you'll need to calculate these separately using only your IR56 income. This is the total gross amount shown in box A.

### Self-calculating IR56 summary forms

Copy and fill out the **Self-calculating IR56 summary** on page 19 each month to work out your PAYE. Keep these summaries as part of your records.

### Non-cash benefits paid to employees by overseas employers

If you receive any kind of non-cash benefit from your overseas employer, for example health insurance, you must include the value of the benefit as part of your gross income in the employment information return.

If the non-cash benefit is regular, for example every month, include the value with your gross income in the employment information return. Work out and pay PAYE on the total.

If it is paid as a lump sum, calculate the PAYE on the benefit separate to your normal salary PAYE. Combine the 2 amounts in your employment information return. For more information, go to [ird.govt.nz/calculate-lump-sum-payee](https://ird.govt.nz/calculate-lump-sum-payee)

### Working for Families entitlement

If you receive Working for Families, you'll need to adjust your income to include non-cash benefits as this is considered part of your total income when working out your entitlement. You can do this using the **Adjust your income - IR215** form. For more information, go to [ird.govt.nz/eoy-adjustments](https://ird.govt.nz/eoy-adjustments)

### Employee share scheme benefits

If you buy or are given shares/share options from your employer for free or below market value, this is an employee share scheme (ESS) benefit. You must include the taxable value of the ESS benefit as income in your employment information return.

ESS benefits in your employment information returns are included in the:

- Employee share scheme earnings field
- Earnings and/or schedular payments not liable for ACC earners' levy field.

Do not include ESS benefits in the gross earnings field.

For more information, go to [ird.govt.nz/essfiling](https://ird.govt.nz/essfiling)

## Employer contributions to superannuation funds

If your employer contributes to a superannuation scheme or fund (not a KiwiSaver scheme), you'll need to work out and pay employer superannuation contribution tax (ESCT).

You have 2 options:

1. Calculate the amount to deduct and include it in the ESCT field of your employment information return. The ESCT tax you need to pay is based on how much you're paid by your overseas employer. To work out your employee ESCT rate, go to [ird.govt.nz/esct](https://ird.govt.nz/esct)
2. You can treat the employer contribution as part of your gross salary or wage and deduct PAYE. Add the employer contribution to your gross pay and calculate PAYE on the total. If you choose this option, it increases your income, and affects student loan, and child support deductions as well as IETC and Working for Families entitlements. For more information, go to [ird.govt.nz/payee-esct-deductions](https://ird.govt.nz/payee-esct-deductions)

## Payroll giving

Payroll giving is a voluntary way to make donations from your IR56 income to approved donee organisations. You can receive an immediate tax credit for payroll donations of 33% for each dollar you donate.

If you're a private domestic worker and filing your employment information in myIR, you can donate using payroll giving.

You'll need to:

- make sure the organisation you want to donate to is on our approved donee organisation list – to check, go to [ird.govt.nz/donee](https://ird.govt.nz/donee)
- pay the donation directly to the donee organisation and let them know it is being made using payroll giving
- include the donation in your employment information return to claim the tax credit.

The tax credit reduces the amount of PAYE you need to deduct from your IR56 income.

For more information about payroll giving, read our **Payroll giving - IR617** guide.

### Note

If you donate through payroll giving, you cannot claim the same donation using your donation tax credit account in myIR or by filing a paper **Tax credit claim form – IR526**.

## Employment information returns

When you register as an IR56 worker, we open a payroll account for you. After the end of each month you earn IR56 income, you'll need to complete an employment information (EI) return.

### Filing employment information in myIR

If you have myIR, you can complete your EI returns in your payroll account using the on-screen entry option. If you've used the PAYE calculator and exported your results, you can upload the file instead.

If you're using the on-screen option, complete the following information each month you have IR56 income:

Section of EI return	Information to complete
Personal details	Your IRD number, name and date of birth (this will be prefilled for you after your 1st return)
Employee information	<ul style="list-style-type: none"> <li>Tax code (if you change your tax code later, you'll need to update this with the change)</li> </ul> <p><b>1st return only</b></p> <ul style="list-style-type: none"> <li>Pay frequency is monthly</li> <li>Hours paid</li> <li>Employment start date (the date you started as an IR56 worker)</li> <li>Employment finish date (only complete this when you stop being an IR56 worker)</li> </ul> <p><b>Each month</b></p> <ul style="list-style-type: none"> <li>Pay period start date (beginning of the month)</li> <li>Pay period end date (last day of the month)</li> </ul>
Earnings information	<ul style="list-style-type: none"> <li>Gross earnings from IR56 work</li> <li>PAYE (the amount you calculated using our PAYE calculator or the monthly tax tables)</li> </ul>
KiwiSaver	KiwiSaver deductions (if you're enrolled and making these deductions from your IR56 income) and net employer contributions, if applicable
Student loan	Student loan deductions, if you have a loan
Child support	The amount deducted if you pay child support. If the amount is different to your normal payment, complete the child support reason code. For the codes, go to <a href="http://ird.govt.nz/deductions">ird.govt.nz/deductions</a>
Employee contact and address information	Fill in your contact information (1st time only or if your details change later)
Confirm	Check the details and confirm the information is correct
Submit	Submit your return

If you do not have any IR56 income for the month, you do not need to file a return. However, please contact us to let us know, as failing to notify us may result in a late filing penalty.

For detailed information, go to part 4 of our **Employer's guide IR335**.

### Filing employment information returns

You can file monthly returns by paper using our **Employment Information – IR348** return.

For help completing paper returns, see our **Completing employment information IR348 – IR337** guide.

### Due date for filing employment information returns

You must file your employment information returns 10 working days after the end of the month you were paid. If you're filing online, you can find the due date in your payroll account. We also send you online reminders before the date your return is due.

If you file paper returns, the due date is on your return.

## Due date for paying your deductions

The due date to pay PAYE and other deductions to us is the 20th of the month following the month you were paid for the IR56 work.

For example, deductions for IR56 income received in July must be paid by 20th of August. If the due date falls on the weekend or a public holiday, you have until the next working day to make your payment.

If you pay late, you may be charged late payment penalties and interest. For more information, go to [penalties and interest](#) on page 16.

## Employer workshops and seminars

If you want to find out more about filing employment information returns, we run workshops and seminars. For more information, go to [ird.govt.nz/seminars](http://ird.govt.nz/seminars)

## How to make payments

### Paying in myIR

If you're filing your employment information returns in myIR, you have the option to make your payment for PAYE and other deductions at the same time as you file using the direct debit, or credit/debit card options.

If you decide to wait until closer to the payment due date, you can still pay through your myIR account. Go to the return in your payroll account and set up a direct debit to pay the amount due. You'll need to set up a direct debit each month.

### Other ways to pay

To find other ways to pay, go to [ird.govt.nz/pay](http://ird.govt.nz/pay)

You can pay using:

- internet banking 'Pay tax' or 'Pay IRD' function offered by most New Zealand banks
- self-service number 0800 257 777.

#### Note

If you're paying using internet banking:

- use your IRD number as the reference
- select EMP as the tax type or payment code
- include the month your deductions are for (tax period).

## Records you need to keep

You'll need to keep accurate records of IR56 income you receive from the people who pay you. You must keep records for 7 years. They must be in English or Māori, unless we have approved you to use another language.

For each employer, your records must include:

- your tax code declaration IR330
- the name of the payer
- the total payment
- the number of hours you worked each week.

Payment records can be payslips from your employers, or amounts recorded in your diary, wage book or from your bank statements if you're paid by direct credit. You can also use the self-calculating IR56 monthly summary form for this purpose.

You'll need to keep records of non-cash benefits and superannuation contributions if you're an employee of an overseas employer.

## Penalties and interest

### Late filing penalties

If you do not file your employment information returns by the due date, you may have to pay a late filing penalty. The 1st time you're late filing a return, we'll give you a warning. If you file late again in the next 12 months, we will charge a \$250 late filing penalty. A late filing penalty will be charged for each month you're late filing an employment information return.

We'll notify you of the late filing penalty and the due date it must be paid by. If you do not pay the late filing penalty by the due date, you'll also be charged late payment penalties and interest.

### Late payment penalties and interest

We'll charge you a late payment penalty if you miss a payment, but if you have a good payment history with us, we may contact you before we do this. We'll also charge you interest if you do not make your tax payment by the due date. Interest is not applied to amounts of \$100 or less of underpaid or overpaid tax.

### Non-payment penalties

If you do not pay the PAYE amount owing by the due date, we'll send you a reminder letter.

If the overdue amount is not paid or you have not set up an instalment arrangement with us, we'll charge you a non-payment penalty (NPP). You'll still have to pay the late payment penalties and interest.

Every month an amount remains unpaid, we'll charge you a further NPP. If, within a month of the penalty date you have not paid in full or you do not have an instalment arrangement with us, the NPP will be 10% of the unpaid tax. If you pay in full within the month or have an instalment arrangement, the NPP will be reduced to 5% of the unpaid tax.

For more information about penalties and interest, see our **Penalties and interest - IR240** guide.

### Instalment arrangements

In some situations where you cannot pay your tax by the due date, we may agree to an instalment arrangement with you. If you think you're going to have difficulty paying, talk to us before it's overdue as we may be able to reduce the penalties.

### Failing to account for PAYE

You're responsible for deducting your own PAYE and paying this to us. Failing to do so is a serious offence and we may charge shortfall penalties or consider prosecution. There are also penalties for failing to deduct or account for student loan repayments (where applicable).

### End of year income tax

If your only income is from IR56 work, salary or wages, Māori authority distributions, interest or dividends, and we are satisfied we have all your income details, we'll automatically complete your end-of-year income tax assessment and let you know the result.

If you received any other type of income, for example rental income, you must file an IR3.

For more information about your end-of-year income tax assessment, go to [ird.govt.nz/income-tax-assessments](https://ird.govt.nz/income-tax-assessments)

If you have made any donations of \$5 or more to an approved donee organisation, you can claim tax credits on the donation. For more information, go to [ird.govt.nz/donations](https://ird.govt.nz/donations)

#### Note

If you've donated through payroll giving, you've already received the tax credit and cannot claim it again.

## Services you may need

### Need to speak with us?

Have your IRD number ready and call us during contact centre hours: Monday to Friday, 8am–6pm (NZ time).

General tax, tax credits, refunds	0800 227 774
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 227 771

Find out more at [ird.govt.nz/contact-us](http://ird.govt.nz/contact-us)

### Self-service options

Our self-service options are available 24 hours, 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

Order forms, guides and returns	0800 257 773
All other services	0800 257 777

When you call, confirm what you want from the options given. If you need to speak with someone, we'll redirect your call during contact centre hours.

### How to get our forms and guides

You can get copies of our forms and guides at [ird.govt.nz/forms-guides](http://ird.govt.nz/forms-guides)

### Voice ID

Voice ID identifies you through your unique voiceprint. Voice ID makes your calls to us faster and simpler, and your account more secure.

You can access our self-service options. We'll ask you to enrol for voice ID when you call.

### Supporting businesses in our community

Our Community Compliance officers offer free tax education and advice to businesses and small organisations, as well as seminars for personal tax and entitlements.

Our Kaitakawaenga Māori offer a free advisory service to help meet the needs of Māori individuals, organisations and businesses.

Go to a seminar or workshop, or request a visit from us to find out more about:

- records you need to keep
- taxes you need to know about
- using our online services
- completing your tax returns (for example, GST and employer returns)
- filing returns and making payments
- your KiwiSaver obligations.

Go to [ird.govt.nz/contact-us](http://ird.govt.nz/contact-us) and select Request a business advisory visit to find out about requesting a visit. Find a seminar or workshop near you at [ird.govt.nz/seminars](http://ird.govt.nz/seminars)



## Self-calculating IR56 summary form

Use this form to record your earnings and deductions, and to work out your PAYE.

Month		
<b>IR56 earnings with no tax deducted (including non-cash benefits)</b>		
<b>Payer's name</b>	<b>Gross earnings</b>	
	\$ .	
	\$ .	
	\$ .	
	\$ .	
	\$ .	
<b>Total gross (before tax)</b>	<b>A</b> \$ .	
Transfer box A to Gross earnings and/or schedular payments in your myIR employment information or paper IR348 return.		
<b>Earnings (salary, wages, NZ Super and benefits) with PAYE deducted</b>		
<b>Payer's name</b>	<b>Gross earnings (before PAYE deducted)</b>	<b>PAYE deductions</b>
	\$ .	\$ .
	\$ .	\$ .
	\$ .	\$ .
	\$ .	\$ .
	\$ .	\$ .
<b>Totals</b>	<b>B</b> \$ .	<b>C</b> \$ .
<b>Work out the amount of PAYE to deduct</b>		
<b>A + B = total gross earnings</b>	<b>D</b> \$ .	
<b>PAYE on total gross earnings</b> - use our PAYE calculator or monthly tax tables to work out the amount	<b>E</b> \$ .	
<b>Less PAYE from box C</b>	<b>F</b> \$ .	
<b>PAYE to pay</b>	<b>G</b> \$ .	
Transfer box G to PAYE/schedular tax in your myIR employment information or your paper IR348 return		
<b>Working out your monthly income</b>		
If you receive income that is not paid monthly, such as fortnightly, you need to convert it to a monthly amount. Multiply your payment by the number of times you're paid in a year (such as 26 for fortnightly), then divide by 12 (the number of months in a year).		
This calculation works out your PAYE correctly: fortnightly pay × 26 ÷ 12 = monthly amount.		



**Te Kāwanatanga o Aotearoa**  
New Zealand Government