

Staff News

Both Peter and Geraldine Taylor have now officially retired, Peter to play golf and Geraldine to spend more time visiting the grandchildren in Auckland.

Any clients who have previously seen Peter can now contact Sue Nisbett (sue@nisbettfleming.co.nz) about GST, taxes etc.

Barbara Eccleson, a qualified accountant, has joined us to take over Geraldine's work. She has most recently been working in Hokitika but prior to that gained a lot of her experience in Nelson and Richmond.

Brenda will be away from mid April to early August on a trip to the UK and Europe to catch up with family she hasn't seen for many years as well as visit places she has always wanted to see.

If you haven't caught up on Raelene's news, she is expecting twin boys and will be on maternity leave from about mid June. Although she expects to be back, we are not working to any definite timeframe at this stage. Her work will be spread around other staff in the office.

ACC changes self-employed invoicing

ACC has recently changed the way it invoices self-employed clients with regard to their full or part time status, dependent on whether you work 30 hours or more a week.

Information on your full or part time status no longer flows through to ACC's database on the IRD IR3 form. If you held part time status last year and this year your earnings crossed the threshold you will receive a letter from ACC automatically confirming your change to full time status. In all other scenarios it is up to you to formally confirm a change of status with ACC.

It would pay to check your invoice this year and call us if there's any confusion. Clients could get stung, for instance, if they have been paying levies on the basis of part time status, have an accident, and then declare full time status. In such a case ACC may query it and can backdate levies up to four years.

We provide an on-going ACC administration and advisory service to our clients on an agreed annual fee basis. Being recognised by ACC as your online agent gives us secure online access to your levy information, your cover status and invoices, allowing us to work directly with ACC. A simple signed authority from you and we'd be happy to review your cover structure and premiums, to ensure your cover is appropriate and levies are minimised.

Accountants & Engineers

Three accountants and three engineers are travelling by train to a conference. At the station, the three engineers each buy tickets and watch as the three accountants buy only a single ticket.

"How are three people going to travel on only one ticket?" asks an engineer.

"Watch and you'll see," answers an accountant.

They all board the train. The engineers take their respective seats but all three accountants cram into a rest room and close the door behind them. Shortly after the train has departed, the conductor comes around collecting tickets. He knocks on the rest room door and says, "Ticket, please."

The door opens just a crack and a single arm emerges with a ticket in hand. The conductor takes it and moves on.

The engineers saw this and agreed it was quite a clever idea.

So after the conference, the engineers decide to copy the accountants on the return trip and save some money (**knowing that accountants are clever with money**). When they get to the station, they buy a single ticket for the return trip.

To their astonishment, the accountants don't buy a ticket at all.

"How are you going to travel without a ticket?" says one perplexed engineer. "Watch and you'll see," answers an accountant.

When they board the train, the three accountants cram into a rest room and the three engineers cram into another one nearby.

The train departs. Shortly afterward, one of the accountants leaves his rest room and walks over to the rest room where the engineers are hiding.

He knocks on the door and says, "Ticket, please".



Problems paying tax

If you anticipate having a problem paying your tax on 7 April 2012 please contact us before this date so that we can discuss your options. It is possible that you may be able to enter an arrangement with the IRD to pay it off and therefore not have to pay any penalties that the IRD would otherwise impose on taxes not paid by 7 April. You would still have to pay Use Of Money Interest (UOMI) at 8.89%

Minimum Wage

As of 1 April 2012 the minimum wage will increase from \$13.00 per hour to \$13.50 per hour.

Training and new entrants' minimum wage will increase from \$10.40 to \$10.80 per hour
- 80 % of the adult minimum wage.

Kiwisaver

As of 1 April 2012 employer contributions will no longer be tax free. Employer Superannuation Contribution Tax will apply at the employee's marginal tax rate.

Working for Families Tax Credit

- From 1 April 2011 people receiving WFTC were no longer able to use investment losses such as from rental properties to reduce their income.
- Definition of family income also amended to include an extra nine types of income.

“Family Income” now also includes:

1. Attributable Trustee Income - including income of a company controlled by the trust - if you're a settlor of a trust
2. Attributable Fringe Benefits - when 50% voting is held by shareholder employees or their associates
3. PIE income - bank interest income invested under PIE schemes excluding superannuation funds or a retirement savings scheme
4. Passive Income of children - includes interest, dividends and rent. Amounts over \$500 a year (per child) are included as family income. Does not include income earned by a child for working (active income)
5. Income of Non-resident spouse - worldwide income
6. Tax exempt salary or wages - under specific international agreements in New Zealand (e.g. United Nations)
7. Main Income Equalisation Scheme deposits - made by a person, their trust, or a company controlled by them or their trust
8. Certain pensions and annuities - includes 50% of payments from life insurance policies or a superannuation fund (excluding NZ super)
9. Other payments - received from any person or entity and used for the family's day-to-day living expenses. This is only included if the total amount exceeds \$5,000 per family.



Student Allowances

For any of you who have children who are applying for student allowances the changes to the definition of income for Working for Families Tax Credits applies to student allowances

Personal Tax Rates	
Income	Marginal tax rates
\$0 - \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30.0%
\$70,001 and higher	33.0%

Making online IRD payments

Please ensure the following tax types are used when making any IRD payments:

	Type	Period	Year
Provisional Tax	INC	31 March	2012
Terminal Tax	INC	31 March	2011

If your balance date is the 30th June still use the period of 31 March as the year is the important field. This is relevant for the latest Tax year. Provisional tax payments made from August will be for the 2013 year.

GST Payments	GST	Relevant GST Month/Year
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Please do not use the GAP code as a tax type as each payment for GST and Provisional Tax needs to be made separately.

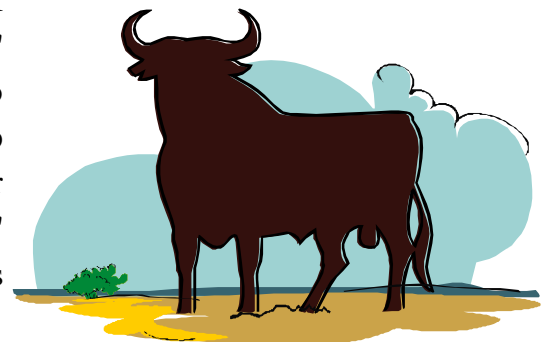
The Bull

Two sisters, one blonde and one brunette, inherit the family ranch. Unfortunately, after just a few years, they are in financial trouble. In order to keep the bank from repossessing the ranch, they need to purchase a bull from the stockyard in a far town so that they can breed their own stock.

They only have \$600 left. Upon leaving, the brunette tells her sister, 'When I get there, if I decide to buy the bull, I'll contact you to drive out after me and haul it home.' The brunette arrives at the stockyard, inspects the bull, and decides she wants to buy it. The man tells her that he will sell it for \$599, no less. After paying him, she drives to the nearest town to send her sister a telegram to tell her the news. She walks into the telegraph office and says, 'I want to send a telegram to my sister telling her that I've bought a bull for our ranch. I need her to hitch the trailer to our pickup truck and drive out here so we can haul it home.'

The telegraph operator explains that he'll be glad to help her, then adds, 'It's just 99 cents a word.' Well, after paying for the bull, the brunette only has \$1 left. She realizes that she'll only be able to send her sister one word.

After a few minutes of thinking, she nods and says, 'I want you to send her the word 'comfortable.' The operator shakes his head. 'How is she ever going to know that you want her to hitch the trailer to your pickup truck and drive out here to haul that bull back to your ranch if you send her just the word 'comfortable?' The brunette explains, 'My sister's blonde. The word's big. She'll read it very slowly ... com-for-da-bull.'



Please contact us if you have any questions regarding the contents of this newsletter:



Ph. 03) 528 9211



Fax 03) 528 9259

e) admin@nisbettfleming.co.nz

www.nisbettfleming.co.nz

