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Corner Highlights

Staff News

In January 2018, we welcomed **Rebecca Hewitt** to our team. Rebecca joined us at our Dannevirke office as an Office Administrator.

In February 2018, **Raylene Treder** joined our Pahiatua team as an Office Administrator. Raylene is currently undergoing training in Dannevirke.

In March, we welcomed **Laura Dawson** to our Dannevirke team. Laura joins us as an Administration Assistant and will undergo training on completing GST returns.

In April we will be sorry to say goodbye to **Alex Kernaghan**, Administration Assistant, Dannevirke. We wish Alex all the best as she heads off on her OE.

We are currently advertising for a part-time **Administration Assistant** and also **experienced accounting staff**. If you are interested in either role, please call Rachel Dalglish or Heidi Morgans.

Banklink is on the Move!

In our last newsletter we told you that Banklink is moving to the cloud in April 2018. Since then we have been working with MYOB to ensure a smooth transition for our Banklink clients. The new Banklink platform; **Essentials Connected Ledger**, keeps all the benefits that you currently have with Banklink Books, including the same Bank Feeds. The great news is that it is now online!

All the work to move you to the new platform is being managed by ourselves and the Banklink/MYOB team.

The benefits you will see are:

- Web-based, so no software required and it will run on Apple and Android devices and Windows 10, in fact any device with a compatible web browser;
- No more version issues or updates, every time you log in you are using the latest version;
- AIM compliant as and when this is right for you;
- No more checking in and checking out, your account manager at MCI can see the same data at the same time as you so if ever you need help it's much easier to support you;
- Ability to file eGST, file your eGST return directly to the IRD from the GST report;
- Option to activate invoices and bills even payroll if you ever need it;
- MCI will be able to use new analytical tools to help provide timely advice;
- Simplified and easy to use memorizations (rules);
- Access to free direct support from early morning until late evening 7 days a week; and
- MYOB contact and online learning resource links.

We know that change is not always easy. When you are successful, we are successful, and so to ensure that this transition is as smooth and painless as possible, we are running free workshops at our offices in Pahiatua and Dannevirke, as well as, extensive online tutorials and support to help you through the change cycle.

Our Banklink clients will receive an email from us one month prior to their balance date giving details of the dates and times for our free workshops.

If making it to one of our training sessions is simply not possible for you, you can visit the MYOB's website for a guide into the changes ahead: www.myob.com

If you do not currently have online accounting software this is a great time to get onboard. Give us a call and we will help you get set up.

This is an exciting time for us both and we look forward to working with you in partnership with MYOB, to continue your business success.

New Provisional Tax Payment Method

A new accounting income method (AIM) for calculating and paying provisional tax becomes available to taxpayers with a turnover of less than \$5 million from 1 April this year.

Inland Revenue is running a campaign promoting AIM and what it sees as benefits over existing methods for calculating and paying provisional tax. This campaign includes contacting taxpayers directly to arrange visits to discuss how AIM works.

Adopting AIM is optional. You can continue to use the existing methods for calculating and paying provisional tax if you want. To use AIM, you need to be utilizing an IRD approved accounting software package from 1 April.

The idea behind AIM is that taxpayers pay provisional tax based on their actual income, as calculated by their accounting software rather than an amount based on a previous year's tax payments. The objective is to better match provisional tax payments to current year income.

While in theory having your accounting software calculate your provisional tax seems simple, Inland Revenue requires taxpayers (or their tax advisors) to make a number of adjustments to accounting income to achieve a figure that is acceptable for determining provisional tax obligations. These adjustments can result in added complexity.

While Inland Revenue is actively encouraging taxpayers to adopt AIM, we consider that due to the need and nature of the adjustments required to accounting income, it may not be appropriate for many taxpayers. One of the benefits Inland Revenue is promoting is reduced exposure to use of money interest. However, recent changes to use of money interest have already reduced the likelihood of interest being charged for taxpayers using the existing provisional tax methods.

If Inland Revenue contact you and you wish to hear what they have to say about AIM, take them up on their offer. However, before adopting AIM we strongly recommend that you first speak to your accountant.

Minimum Wage Rate Rises

The minimum wage increases from 1 April 2018. The new minimum wage rates are:

- Adult — \$16.50 an hour (up from \$15.75)
- Starting-out — \$13.20 an hour (up from \$12.60)
- Training — \$13.20 an hour (up from \$12.60)

If you are currently paying staff the minimum wage, you will need to increase this to the new rate with effect from 1 April 2018.

Mini-Budget – Family Package

The Labour coalition made immediate changes when they were elected into government, starting with repealing National's planned tax bracket changes. Labour's new 'mini-budget' is intended to benefit low-income earners, middle-income families with children and lift children out of poverty.

The package entails:

- Increasing the Family tax credit by between \$575 to \$1,400 per year.
- Increasing the Working for Families tax credit abatement threshold from \$36,350 to \$42,700.
- Increasing the Working for Families abatement rate from 22.5% to 25%.
- Reinstating the Independent Earner tax credit (IETC) of \$520 annually to individuals with incomes of \$24,000 to \$48,000.
- Introducing a \$60 per week per child Best Start tax credit for families with children under 3 (if born on or after July 1, 2018).
- Implementing the Accommodation Supplement and Accommodation Benefit increases.

How to Avoid Bank Fees

Financial institutions and banks often charge a fee for providing duplicate bank statements, dividend statements etc.

You may incur these fees if we need to contact your bank or financial institution to obtain information to do your financial accounts or tax returns.

You can avoid incurring these fees if you provide us with all the information that we need when you send in your end of year records. To help you keep your records together and organised during the year, ask us for one of our folders with dividers.

Ir-File to be Replaced

From April 2018 ir-File will no longer be used for electronic filing of EMS and payment schedules. This is being replaced with the myIR portal.

Returns filed through myIR will be able to be viewed and amended after initial filing. Deductions and contributions made will not be updated into employer and employee accounts until after the standard return due date i.e. 5th of the month or 20th of the month.

For more information about this visit the IR's website: www.ir.govt.nz

get in touch

You might like to visit our Website at www.mcia.co.nz.

This provides information about our firm and a number of links to other websites that may be helpful to you.

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