

Special Alert: 2013 Year End

Williamson & Co
Chartered Accountants
09 237 0021
wow@williamsonca.co.nz

WOW!

Changes from April ...

Minimum wage:

The minimum wage will **increase** from \$13.50 to \$13.75 per hour. Training and new entrants' minimum wages will increase from \$10.80 to \$11.00 per hour.

Student loans and allowances:

The repayment rate for student loan deductions **increases** from 10 to 12 cents per dollar earned over the current threshold of \$19,084 per annum. In addition, the voluntary repayment bonus is removed for extra repayments made after 1 April 2013 on loan obligations for the 2014 tax year onwards.

KiwiSaver:

The minimum contribution rate for employers and employees will **rise** to 3% from 1 April 2013. Note employer contributions for employees under the age of 18 are not compulsory.

Primary and Secondary School Children:

A reminder that from 1 April 2013 PAYE **must** be deducted from payments of salary/wages or schedular payments to school children.



Year end checklist

When it comes to the end of the financial year, you need to consider a few key factors. Here are some of the most important ones.

Fixed assets – Do you have assets that you are no longer using or don't intend to use in future? Be sure to review your fixed assets to see if they can be written off.

Bad debts – Always review your debtors. If you have tried to recover the cost of the debt, it's possible you may be able to write it off. If so, you may be able to claim a deduction.

Bank Statements – If providing bank statements, please ensure you include **all** statements for every bank account from 1 April 2012 to 31 March 2013. Please also **narrate** your business transactions to make sure we get it right first time, every time!

Stocktake – You need to know exactly how much stock you are carrying at the end of the year. If it's less than \$10,000 worth and your turnover is less than \$1.3m for the year, you won't need to include your stock movement for tax purposes.

Questionnaire – Please sign and complete your questionnaire. If a section does not apply to you please write N/A next to it.

Bought/Sold Property – Please send us documents or let us know how we can contact your lawyer for them.

If in doubt – tell us about it! Knowledge of any change of circumstance or situation can be extremely helpful.

Some changes to individual tax returns for 2013 Year:

- The childcare/housekeeper rebate no longer exists
- The under \$9880 tax credit no longer exists

Don't be blasé about tax debt

When it comes to paying bills, we often tend to be blasé and put our financial responsibilities into the too hard basket. Ignoring debt is the easy option at the time but eventually things catch up with you. When it comes to paying tax, it is even more important to stay on top of your obligations to avoid potential tax debt.

So what happens if I do get behind? You should try to avoid getting to this point, but it is likely the IRD will contact you if you miss your payments.

In most scenarios, tax debt will result in the following charges:

- late filing penalties and interest
- late payment penalties
- non-payment penalties

If you do receive a letter from the IRD, it pays to act quickly. There may be a variety of payback options available to you. If you want to know more, call us and we can work with you to get back in the black.



Working For Families Tax Credits

This can be a difficult calculation and many people can get it wrong.

Avoid WFTC repayments by filling out your questionnaire. Read and consider every question carefully.

Need a questionnaire, but haven't received it yet?

Please contact us ASAP and we will have a copy sent to you.

You can also obtain a copy from our website www.williamsonca.co.nz



Can we help with anything?

We provide a wide range of services, including:

- Accounts & Tax Returns
- GST/FBT & PAYE Returns
- Payroll
- Accounting System Implementation & Training
- Companies Office Assistance
- Business & Cashflow Planning
- Bank & Creditor Liaison Assistance

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This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.

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