



OCTOBER 2019 UPDATE

FROM OUR OFFICE

*A warm welcome to our newsletter for October
We hope you find our updates interesting, easy to read and informative. Please give us a call
if you require any further information, or any advice.*

We are running Late!

Due to the volume of work we have on hand, and the fact that Clients are getting their information to us earlier this year, we are running a little late getting your accounts finalised. This is the first time KTS has been in this position, and we are doing something about it.

On Monday 30th September we have a new fulltime accountant starting at KTS. Her name is Anecia Nel, she is a fully qualified accountant with a great deal of experience and will be a valuable member of the team.

We apologise for the delay, but we will catch up very soon.



Account Queries

Some of our Clients have received emails from Yvette regarding the payment of their invoices to KTS.

If you have any queries relating to your annual accounts, please contact your Accountant at KTS about it. Yvette is not in a position to handle these queries, as her responsibility is in the area of Debtor accounts. Thanks to all Clients for your co-operation in this matter.

Transferring money overseas?

If you do this through your traditional Bank you may end up paying lots in fees. Instead you may consider using an alternative service such as XE money, that often provide highly competitive rates, zero transfer fees, hold client funds in separate Trust account and provide 24/7 secure online platform.

The key is to compare and shop around! Why pay too much for fees? If you want to know more on transferring money, please give us a call.

Three rules for happiness.

- Rule 1:** Put People before Possessions - A rewarding life is defined by the quality of your relationships.
- Rule 2:** Do what you really love - Take a moment each day to reflect on whether you are still doing the things you love.
- Rule 3:** Add variety to your life - The human brain has a need for novelty. We get complacent when we keep doing the same things with the same people in the same way every day.

Interesting enough, if we do the same things with the same people in the same way every day, our life will look the same five, ten, fifteen years from now.



Cheques a thing of the past

I'm certain that we all have a cheque book somewhere in our drawer if we ever happened to need to use one, however most of us could not remember the last time they actually filled one out.

Perhaps not the case though, for those taxpayers who were in the "exclusive" group of cheque payers during 2018, where IR received some 5% of all payments during the year via this method.

This "exclusive" group of cheque payers has been declining over recent years. However IR has now issued notice that effective from **1st March 2020**, cheque payments will only be accepted where the taxpayer has no other payment option available to them.

The tax update lists the following potential methods:

- MyIR – either by direct debit or via use of a debit card/credit card, securely through the MyIR online portal, which can be located at – www.ird.govt.nz;
- Online banking- using your own Bank's on-line payment portal, most of which already have IR set-up as a potential payee;
- Credit or debit card – directly via IR's website (www.ird.govt.nz) without using the MyIR portal and instead via the link – www.ird.govt.nz/pay;
- In person at Westpac – where you can make payments either by way of EFTPOS or cash, and via a teller (for an actual personal experience) or via a Smart ATM.
- Money transfer – for those overseas you can pay IR using a money transfer service. Search for "make a payment" on their website for more information – www.ird.govt.nz.

Breaks

Your employees need downtime to rest, eat and take care of personal tasks.

They get paid during rest breaks, but not during meal breaks.

Time out helps your people stay focused during their working day, and prevents overtiredness.

*From 6 May 2019, employees must get paid and unpaid breaks.
[to find out the new rules - click here](#)*



Gun Buy-Back Scheme

The Government launched a gun buy-back and amnesty scheme which includes compensation payments being paid for firearms, parts, magazines and ammunition. This is effective between 20 June and 20 December 2019.

If you are receiving a compensation for firearms, parts, magazines or ammunition intended only for personal use there are generally no tax obligations. In this case any payment received under the scheme is not taxable. Any loss incurred is not tax deductible.

There are tax obligations you need to meet if you receive a compensation for firearms bought and used, or planned to use, as a part of a business and claimed the cost as an expense or claimed depreciation.

Revenue expense: If you deducted the cost of the original purchase, you must treat any payment you received as income to the extent of the initial deduction. You are required to return this in the income year in which you receive the compensation payment.

Capital expense: You may have treated firearms as a capital asset and depreciated the original cost. In this case, you'll have either depreciation recovery income or a depreciation loss.