

# Newsletter

December 2011

DB CHARTERED  
ACCOUNTANTS LTD

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## **CHRISTMAS BREAK**

***Our offices will be closed from midday Thursday 22nd December 2011 until Monday 16<sup>th</sup> January 2012.***

Welcome to the final newsletter for 2011. In this newsletter we cover the 90 Day Trial Period for employers, information on Banklink, changes to gifting, seminar details, a book review and our offer to help with planning and establishing goals for the year ahead.

## **EMPLOYERS – 90 DAY TRIAL PERIOD**

**90 Day Trial Period – Just because you put your seatbelt on doesn't mean you can take your eyes off the road!**

Employers are able to employ new employees on a trial period of up to 90 days.

***This is a great way to be able to take on new staff confidently if, and only if, you follow the correct process.***

- ⇒ Any trial period that you agree to with a new employee must be agreed to in good faith and in writing as part of the employment agreement. You and the employee must both bargain in a fair way about a proposed trial period. This includes considering and responding to any issues raised by the new employee.
- ⇒ *You may only agree to a trial period with an employee if he or she has not previously been employed by you. If the person worked for you even for one day before the employment agreement is signed the trial period offers the employer no protection in Employment Court. In a recent case the trial period was inadmissible because the employee had not signed the agreement prior to commencing employment.*
- ⇒ Should a problem arise during the trial period you must raise the issues with the employee.

If an employee is given notice of dismissal before the end of a trial period, they cannot raise a personal grievance on the grounds of unjustified dismissal. They could, however, raise a personal grievance on other grounds e.g. discrimination, harassment or an unjustified action by the employer that disadvantaged the employee.

A trial period does not affect entitlements to holidays and leave in any way.



## **AN END TO MANUAL LABOUR ...**

Are you spending your time writing up cashbooks, preparing spreadsheets or are you having trouble with accounting software that is too complicated?

Do you fear attempting to use a computer system for your book-keeping?

***If you answered yes - please give us a call today.***



We have solutions available to make life simpler for you.

Some of our computer illiterate clients who used to spend hours doing their accounts each month are now enjoying the benefits of getting their work done quicker.

**Banklink** is one of the most common tools we use for clients who want to make their life easier because it is simple and also provides options for clients who choose not to use a computer for their records.

Many clients who have previously used manual or difficult systems have found Banklink so much quicker and easier, especially for preparing GST returns.

Contact us to discuss simple solutions to help you.

## **GST RETURNS – DUE JANUARY 2012**

Remember, if we complete your GST Return on your behalf we will need to have them completed and signed off by Wednesday 21<sup>st</sup> December.

Please make sure you get your records to us well before this date so we can complete your GST Return on time.

## **GIFTING**



From 1<sup>st</sup> October 2011 Gift Duty was abolished. Previously any gifting over \$27,000 each year was taxed at 5% - 25%. The main reason that Gift Duty was abolished was that in reality no-one ever gifted more than \$27,000 per year, so the IRD had a whole department set up that was not collecting any revenue.

For our clients, gifting is mainly an issue when a Trust owes money back to the settlors. This will show as a loan or advance. Historically they may have been gifting off \$27,000 each year. The question now arises as to whether to gift off the total amount owing.

Factors to consider will include:

- Is it beneficial to still have a loan owing from the Trust that can be requested to be repaid on demand? This then means Trustees are required to make the payment. Having a remaining debt back may provide some leverage to obtain funds if Trustees change (for example on death of either spouse).

Continued Page 3 ...

**GIFTING (Continued ...)**

- What are the Rest Care Subsidy implications? Under current rules Gifts over \$6,000 per annum for the previous five years will be added back when completing the Rest Care Subsidy asset test. Any gifting over \$27,000 pa completed more than five years ago is also added back. This is a complex area and you can view the latest WINZ guide on this on our website ([www.dbchartered.co.nz/forms.php](http://www.dbchartered.co.nz/forms.php)).
- What are the long term plans to assist beneficiaries and who will the future Trustees be? Trust decisions are unanimous and all Trustees need to agree to provide assistance to beneficiaries.

**Joke #1****The Shopping Criminal**

It was Christmas and the judge was in a merry mood as he asked the prisoner, "What are you charged with?"

"Doing my Christmas shopping early", replied the defendant.

"That's no offense", said the judge. "How early were you doing this shopping?"

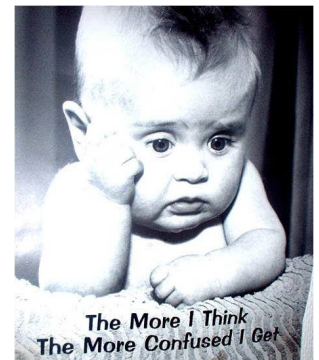
"Before the store opened."

**ANSWERS FOR EMPLOYERS ...**

Recently we have had quite a few clients phoning with questions about employment issues such as Kiwisaver, Holiday Pay, Annual Leave and Staff Performance issues.

We would like to run a seminar in the New Year covering these topics for all of our clients who have questions, or would like a better understanding of employment related matters.

If you would like to express your interest to attend, please e-mail or phone us. If you have a question or topic you would like covered, please let us know.

**PREVIOUS NEWSLETTERS ...**

*For back issues of our free newsletter go to our website*

**[www.dbchartered.co.nz](http://www.dbchartered.co.nz)** and click on "Newsletters".

*(You can also download common IRD forms including GST Returns, PAYE Returns and Kiwisaver Forms.)*

## BOOK REVIEW

### “BECOMING MONEY WISE – PROVEN STRATEGIES FOR TAKING CONTROL OF YOUR MONEY” – Phil Strong (2008)

This book is aimed at those wanting to get their financial situation under control. The author struggled for years to manage his money, so speaks from real life experience and provides a good action plan on how to improve your position.



Even if you don't struggle with finances, but would like to see how things can be improved or know someone who needs assistance, the book has useful ideas. The book can be purchased on-line at [www.wisemoney.co.nz](http://www.wisemoney.co.nz). The website also has various other useful articles on money management.

We currently hold spare copies of this book in our library. If you want to borrow a copy to read, just ask next time you are in, or phone Dianne.

## PLANNING

*“Growth in New Zealand will be propelled by technological change, investment and higher productivity”.* NZ Budget July 1978

With another year ending, many clients like to use the New Year to assess where they are at and plan ahead for the next 1-2 years. If you require assistance to establish goals for next year, why not set aside some time and hold a planning meeting with us? We can go through where your business is at and where you want to be heading and assist you to put a plan in place.

For more details contact David or Pam.

## Joke #2

### Surgical Spirit

A man, dressed only in a hospital gown, rushed into the waiting room and said to his wife, “Take me home, now! I've changed my mind about the operation.”

“Why?” asked his wife.

“It was what the nurse said. She said, ‘It's a straight forward operation, very easy. You'll be fine ... Stop worrying!’”

“That's OK,” said his wife. “She was trying to reassure you.”

“She wasn't talking to me,” he said. “She was speaking to the surgeon!”

## DB CHARTERED ACCOUNTANTS ...

*Assisting business owners and individuals with their business and personal goals by providing quality accounting, taxation and planning services.*

## MERRY CHRISTMAS

*Thank you for your support over the past year. We hope you have an enjoyable Christmas and New Year period.*



*From the staff at DB Chartered Accountants  
David, Dianne, Gaylene, Joy, Maree,  
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