

NEWSLETTER

December 2025

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“Do what you can, with what you have, where you are.”

- Theodore Roosevelt

DB CHARTERED ACCOUNTANTS LTD

In this edition, we provide details into Donations, GST documentation, Income Protection Insurance, and Fringe Benefit Tax. Have a Merry Christmas!

OFFICE CLOSED – CHRISTMAS BREAK

Our office will be closed for the Christmas break from 12pm on Tuesday the 23rd of December 2025 and will reopen on Wednesday the 14th of January 2026.

The November 2025 GST Returns are required to be paid and filed with Inland Revenue by the 15th of January 2026.

DONATIONS – ARE YOU CLAIMING YOUR DONATION REBATES?

An individual New Zealand tax resident can claim 1/3 of eligible donations up to the amount of their taxable income for that year. To qualify for a donation claim, the following conditions must be met:

- The donation must be to an approved organization.
- The donation must not provide any direct benefit to you or your family.
- The donation must not be made by forgiving debt or as part of a will.
- The donation must be within the four-year claim window, which begins on the 1st of April following the end of your tax year, or the day after your balance date.

The IRD website has a list of approved donee organizations.

Donations to Schools:

Donations made to schools are claimable, but note that school fees, tuition fees, PTA membership fees, or the cost of materials are not eligible as a donation rebate. Only the “Donation” component of any school invoice will be claimable.

For more details on what can be claimed, please check the IRD website or contact us for clarification.

What Should My Donation Receipt Include?

To ensure your donation is eligible for a claim, the receipt should include the following details: the name of the organization, the name of the donor (this can include you and your spouse), the donation amount, the tax year the donation applies to, a clear indication that it is a donation or tithe, the organization’s IRD number or Charity number.

Remember to provide any donation receipts to us so we can claim these when we process your income tax return. Alternatively, donation receipts can be submitted via myIR online services – in these situations the rebate claim will not be paid until your annual income tax return has been processed at Inland Revenue.

WHEN WILL AN EMPLOYER BE SUBJECT TO FRINGE BENEFIT TAX (FBT)?

When providing benefits to employees, over and above their standard wage or salary, employers should be aware of situations where Fringe Benefit Tax (FBT) is required to be paid.

Benefits can include free, subsidised or discounted goods and services, low/no interest loans, employer contributions to sickness, medical or other insurance policies and superannuation schemes as well as providing motor vehicles.

As a reminder the following will be subject to FBT and will require employers to pay FBT tax to the IRD on a quarterly or annual basis depending on their situation:

- Health Insurance – where the employers are paying the employees insurance premiums.
- Motor Vehicles that are available for private use - If a vehicle is available for private use (even if not used), FBT applies. Exemptions may apply for work-related vehicles that meet certain criteria.
- Gym Membership – when funded by the employer.
- Gift Cards / Vouchers - usually subject to FBT unless they fall within the \$300 per employee per quarter de minimis threshold as noted below.



FBT Exemptions - Employers will be exempt from FBT in the following situations:

- If the total value of the benefit is \$300 or less per employee per quarter (\$1,200 per year), and \$22,500 or less per employer per year. This will include low-value, irregular benefits such as small gifts, modest vouchers or occasional perks.
- Where benefits are provided primarily for workplace health and safety, including Flu vaccinations, Health checks, Protective clothing and equipment, Ergonomic assessments.
- Work-related items including tools and devices primarily used for work, e.g. phones, laptops and safety equipment.

If you are unsure what your FBT obligations may be, get in touch and we can discuss your situation.

BBQ SEASON – FREE TAX ADVICE?

It's that time of year, and surprisingly business owners and investors will get all sorts of tax advice at a BBQ get together. Common myths include:

- *“Own a ute, then it is exempt from FBT, and you can claim all costs as a business expense”* – Not always – refer to our October 2017 newsletter.
 - *“Invest in Crypto – its tax-free and IRD cannot track it”* – Incorrect – see our June 2022 and June 2025 newsletters.
 - *“Run a business through a company the tax is only 28%, which is lower than the 33-39% personal rates”* - Yes but see our newsletters from September 2019 and March 2022 and consider ACC and IRD expectations.
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GST DOCUMENTATION

When claiming GST on expenses in a GST Return you are required to hold certain documentation with relevant details of the supplier and the transaction. Additionally, if you are supplying goods and services you are expected to provide the correct documentation.

Below is a summary of IRD requirements:

| Information Required | Value of transaction | | | | |
|--|----------------------|------------------------------------|-------------------|-----------------------------|-------------|
| | \$200 or less | More than \$200, less than \$1,000 | More than \$1,000 | Imported goods and services | Second hand |
| Name of supplier | ✓ | ✓ | ✓ | ✓ | ✓ |
| GST Number of Supplier | | ✓ | ✓ | | |
| Date of Supply | ✓ | ✓ | ✓ | ✓ | ✓ |
| Description of goods or services | ✓ | ✓ | ✓ | ✓ | ✓ |
| Amount of consideration for the supply | ✓ | ✓ | ✓ | ✓ | ✓ |
| Statement that consideration includes tax charged or the amount of tax charged | | ✓ | ✓ | | |
| Buyers' details for the recipient | | | ✓ | | |
| Physical Address of recipient (If any) | | | ✓ | | |

In the event of an Inland Revenue audit, it would be expected that the above information will be available from the business records.

INCOME PROTECTION INSURANCE TAX IMPLICATIONS:

Income protection insurance is a type of insurance you can take out to supplement or replace your income when you are unable to work, fully or partially, due to an injury or illness.

The annual premiums for your income protection insurance are a tax-deductible expense and can be used to reduce your total taxable income for the year, thereby reducing your annual income tax payable.

Remember to provide us with any details of income protection insurance that you have paid, so that these can be claimed in your tax return. Often premiums may include income as well as disability cover. In these situations, only the income protection component is tax deductible.

In the unfortunate event that you start getting payments from your income protection insurance, these receipts will form part of your taxable income for the tax year and will be subject to income tax.

Note that not claiming the premiums does not result in a tax-free payout, the taxability of the payout is solely determined by the nature of the policy.

If you have not claimed any premiums to date, you have the following options:

- You can start claiming immediately and even back date the claim up to 4 years prior.
- Continue not claiming and in the event of a claim, deduct all the unclaimed premiums to date, against the payout received, thereby only paying tax on any surplus amount received.

JOKE

“If every day is a gift, I’d like a receipt for Monday. I want to exchange it for another Friday.”

BOOK REVIEW – RETIREMENT READY – MARTIN HAWES 2025

In this book Martin provides practical ideas of what to plan for as someone gets close to, or enters, retirement.

The book discusses:

Living arrangements - Is the current house and location suitable? Is downsizing an option? Is village life an option?

Income and expenses – What will these be? Will the retiree continue to work part-time or stop work? Will travel feature in retirement? What are the costs one will have in retirement? This also considers the different eras of retirement (all go, slow go, no go).

Investments – Management, diversification, asset allocation and holding a Lake of Cash so that a market downturn does not impact the amount of available cash required over the next 2-5 years.

Admin – Are your wills up to date and still relevant? Are Powers of Attorney in place? Is insurance cover adequate (not too little, not too high)? What are the options when it comes to health insurance? Along with ideas on how to simplify life, less complexity and with less clutter.

Retirement is generally something that people will only do once in their life and people have no experience of it until they get there. This book provides some good ideas on things to be thinking about as they transition.

IMPORTANT TAX DATES

| | |
|-------------------------|--|
| 22 December 2025 | - November 2025 PAYE Payment due. |
| 15 January 2026 | - GST Return and Payment due. Please ensure you send through your information. |
| 15 January 2026 | - Provisional Tax Due – 2 nd Instalment. Standard March balance date. |
| 20 January 2026 | - December 2025 PAYE payment due. |
| 28 January 2026 | - GST Return and Payment due for 31 st December 2025 period. |
| 09 February 2026 | - 2025 Terminal Tax due date (If you do not have an extension of time). |
| 31 March 2026 | - End of Financial Year (March Balance date). |
| 07 April 2026 | - 2025 Terminal Tax due date. |



Merry Christmas:

Thank you for your continuous support for us over the past year from the DB Chartered Accountants Ltd team: David, Gaylene, Kathryn, Stephanie, Elaine, Waiaroha and Ryan.

If you would like to discuss anything mentioned in our newsletter, please contact us at:

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