

NEWSLETTER

March/April 2024

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“Build your own dreams or someone else will hire you to build theirs”

- Farrah Gray

DB CHARTERED ACCOUNTANTS LTD

In this newsletter we cover the increase in minimum wage, paying tax online, IRD scams, time management, accident compensation corporation, and provide a list of information to assist in collating your year-end information.

CHANGES TO MINIMUM WAGE 1ST APRIL 2024

The adult minimum wage is increasing from \$22.70 an hour to \$23.15 on 1 April 2024.

The starting-out/training minimum wage will also increase from \$18.16 an hour to \$18.52 an hour (80% of the adult minimum wage)

Now would be a good time to review your employees to check if any are employed on the starting out or training wage that will need to be moved to the adult minimum wage.

The adult minimum wage applies to all workers aged 16 and over who are not starting-out workers or trainees, and all workers who are involved in supervising other employees.



PAYING TAX ONLINE

Paying tax online is completed through your banks website or app. This can be done by selecting Inland Revenue as a payee which will appear when searching for payee or by selecting 'pay tax'. When making a tax payment online to the IRD please ensure that it has the correct details. (These details are included on any tax notices we send you).

Income Tax

Particulars: This is the IRD Number for the individual or entity that is paying tax.

Payee Code: Account & Period. For example INC 310323

Reference: Leave blank

GST

Particulars: This is the IRD Number for the individual or entity that is paying tax.

Payee Code: Account & Period. For example GST 310324

Reference: Leave blank

If the correct details are not entered when paying tax online, the payment will go into limbo at the IRD. The IRD may then show your tax as not being paid. If this happens to you and you need assistance with contacting the IRD to correct this, please get in contact and we can get this sorted for you.

BEWARE OF SCAMS

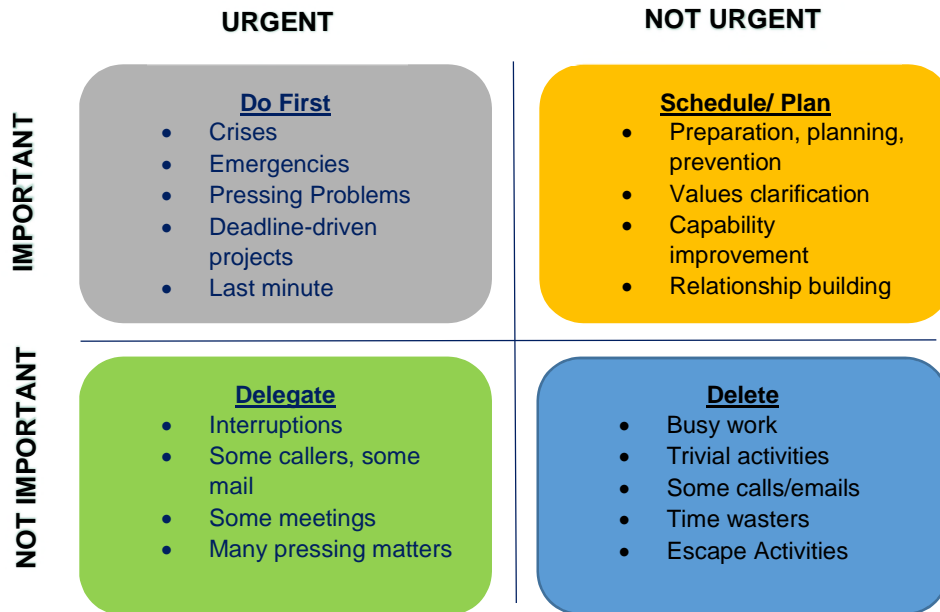
IRD scam emails and texts are circulating again. If you receive an email or text from what appears to be the IRD requesting credit card information or providing a link, this is a scam. The IRD does not send links or request credit card information, they ask you to log in to your myIR to access information.

If you have any doubt, please get in touch with us.

TIME MANAGEMENT – EISENHOWER MATRIX

Time management is an important skill to have, because even if you're working hard to cross things off your to-do list each day, your performance may eventually suffer if you're not prioritizing your most crucial tasks well.

The Eisenhower Matrix below can be used to help identify priority tasks by sorting them according to importance and urgency. The matrix is split into 4 quadrants:



Urgent & important: These are the tasks that are time sensitive and will have consequences if not completed. These tasks should be prioritized and completed first. Since these are the tasks that are on your mind and probably causing you the greatest stress, there shouldn't be any doubt as to which ones go in this quadrant.

Important & not urgent: These tasks relate to strategizing long term goals and have no set deadline. They are important tasks as they relate to your long term goals, however don't need to be completed right away. To avoid these tasks being overlooked they should be scheduled and planned.

Urgent & not important: These are tasks that need to be completed, however may not require your expertise to complete them. These tasks should be delegated. Task delegation is one of the best methods to manage your workload and provide your staff with opportunities to grow.

Not important and not urgent: These are tasks of low value and should get deleted from your to-do list to avoid them further wasting your time.

Being able to identify where tasks sit in the Eisenhower Matrix will help you to prioritize the important tasks, ultimately improving your performance in the long run.

JOKE

A taxi passenger tapped the driver on the shoulder to ask him a question. The driver screamed, lost control of the car, nearly hit a bus, went up on the footpath, and stopped inches from a shop window. For a second, everything was quiet in the cab.

Then the driver said, "Look, mate, don't ever do that again. You scared the living daylights out of me!"

The passenger apologized and said, "I didn't realize that a little tap would scare you so much."

The driver replied, "Sorry, it's not really your fault. Today is my first day as a cab driver — I've been driving a funeral van for the last 25 years."



ACCIDENT COMPENSATION CORPORATION (ACC)

ACC Invoices

We recommend that you carefully check your ACC invoices before paying. While you want to make sure you have adequate income cover in case of an accident you do not need to pay more ACC than required.

Two things to check:

1. Is the classification code for your industry or business correct?
2. If you are self-employed, does the invoice correctly state if you are involved in the business full-time or part-time? (Part-time being where you work on average less than 30 hours per week).

Shareholder Claims

ACC is one area where we receive a number of queries. If you are a business owner receiving a PAYE salary, you should pay yourself the first week of wages after an accident and then cease wage payments if you are going to be incapacitated for an extended period. If you continue to receive PAYE salary you cannot prove any loss of earnings.

Benefits of Cover Plus Extra

This ACC option is available to individuals (and shareholder employees who do not receive a PAYE salary). It is a way of having a guaranteed level of income in case of an accident and avoids the need to prove loss of earnings before being entitled to ACC compensation. While this type of ACC cover does cost more it provides a good protection of guaranteed income until you are able to return to full-time work. This is particularly important if income levels fluctuate year on year.

Additionally if you operate as a partnership where one partner is doing a labour intensive job and the other partner attends mainly to administration work (for example a wife and husband team) each partner can have a separate ACC category based on the work they do (with a Business Administration category being at a lower rate). The same scenario can apply to shareholder employees.

With ACC Cover Plus Extra, you are required to notify ACC immediately if you:

- Stop being self-employed
- Start receiving NZ Superannuation (or an equivalent)
- Stop being a non-PAYE shareholder-employee
- Change your business classification
- Have any other material change in your circumstances

BOOK REVIEW

BE USEFUL – 7 TOOLS FOR LIFE – ARNOLD SCHWARZENEGGER (2023)

From being a world champion body-builder, action hero actor and Governor of California, Arnie has had a varied career.



In his book he covers off his seven tools including having a clear vision, thinking big – and sticking with it when things get tough, working hard and putting the effort in, being able to sell your vision, your plan and product, stepping it up when needed, continually being open-minded and curious and looking past your own situation to help others.

The book records examples of how Arnie, and other people, have used these tools throughout their careers.

YEAR END INFORMATION

What should be attended to and collated at the end of the financial year?



Important Information

1. **Bank Account** – When using online or other accounting software (and/or spreadsheets), ensure it reconciles to the bank statement for each bank account as at 31 March 2024. Provide us with a copy of the year end bank statements.
2. **Accounts Receivable** – Is your accounts receivable list accurate as at 31 March 2024? If you have any bad debts, ensure these are written off prior to 31 March (this is an IRD requirement).
3. **Accounts Payable** – All unpaid invoices dated 31 March and prior. We are able to claim these as expenses in the 2024 income year, even though they are not paid until April or later.
4. **Stock on Hand & Work in Progress** – Complete a stock-take and record stock and/or WIP as at 31 March 2024. If your stock as at 31 March 2024 is \$10,000 or less you do not need to calculate a stock value – we can use the prior year figure (if your total turnover is less than \$1.3 million).
5. **Computer Reports** – If you are using an accounting package, save to PDF copies of the general ledger transaction report, trial balance, accounts receivable & accounts payable and bank reconciliation as at 31 March 2024 (and complete any required backups - especially if rolling into a new year).
6. **Asset List** – This is the time to go through your asset list from the previous year and advise us of any assets that have been sold, stolen, scrapped, destroyed or traded.
7. **Checklist** – Complete and sign the checklist. This is available on our website and should be included with your records www.dbchartered.co.nz/pdfs
8. **Other Information to Compile**
 - Bank interest/RWT certificates
 - Dividend statements
 - Income Protection Insurance details
 - Donation Receipts for your rebate claim
 - Details of any other income received that has not been banked to your business account

SCHEDULING 2024 FINANCIAL STATEMENTS

In the new Financial Year, we will contact you to arrange the scheduling of your 2024 Financial Statements & Tax Return preparation. This will allow us to confirm with you when your financial statements and/or tax returns will be completed and when we will require your records by. Scheduling this work helps us to ensure that we will meet your expected timeframes.

IMPORTANT TAX DATES

- | | |
|---------------------|-------------------------------------------------------------------|
| 1 April 2024 | - Final day for Ratio option Provisional Tax applications. |
| 8 April 2024 | - Final date for 2023 Terminal Tax due. |
| 7 May 2024 | - Third installment 2024 Provisional Tax due (March Balance Date) |
| | - GST Payment due (2 and 6 Monthly for March 2024). |
| 28 June 2024 | - Third installment 2024 Provisional Tax due (May balance date). |



JOKE: How do Construction workers party? They raise the roof.

STAFF UPDATES

We recently said farewell to Pam who finished with us at the end of December.
From the end of April, Elaine will be away until November.
While Elaine is away, Stephanie will be joining the team.
Thanks from the team at DB Chartered Accountants Ltd:
David, Elaine, Emma, Gaylene, Karen, Kathryn & Katie.

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

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