

Summer 2024 Newsletter



Lake Arapuni, Waipa District

Weekly Office Days: Tues, Weds, Thurs **Ph:** 07 871 3430
Office Open Hours: 8.30am – 3pm **E:** admin@sgca.co.nz
Office Closed: Friday **W:** www.sgca.co.nz
Remote Home Days: Monday & Friday
Address: 8 Teasdale Street, PO Box 173, Te Awamutu



SGCA Office Closure & re-opening dates

Close: Friday, 20th December at 1pm
Open: Wednesday, 15th January 2025 at 9am



A year end and Christmas message from Steve

It's that time of the year again and wow what a year. It's less than three weeks until Christmas and with reflecting back over the year on some of the significant events, be it political, business, sporting, family, financial and personal. America got a new (second hand) president. The Olympics was another great spectacle with some outstanding efforts and results. The introduction of breakdancing had its spotlight, it may have even influenced the selection of the All Blacks breakdancing coach! Kelly and I had an empty nest for a short time, the first time in 29 years. Interest rates finally peaked and reduced and is now becoming normal. We lost some friends and family and some had serious illness or accidents. But as always there are plenty out there who are in or going through a much worse situation.

We are seeing and hearing a lot of financial hurt in the community. We have all waited with anticipation for the interest rates to fall, but this alone won't fix the financial push a lot of people are in. Some industries and regions are really struggling and some are showing signs of real improvement. Wherever you are, whoever you are with, whatever you are doing, we wish you all a safe and merry Christmas and please keep a look out for those who need a little bit of extra help.

"Merry Christmas and Happy New Year"

Congratulations Rebecca

Rebecca Petch (below, bottom left), is a local T.A. girl, having started BMXing at the age of 3 years old, going on to represent NZ a number of times around the world.

Rebecca then changed to cycling with recently competing at the 2024 Paris Olympics receiving a Silver Medal for NZ!



Trusts

Have you had any changes?

We are required to hold a copy of your Trust Deed with your records.

If there have been any amendments, change of trustee, change of addresses, etc then we are required to have a copy of your documents in support.

This is part of the AML (Anti-Money Laundering) Act requirements.

If this has occurred for you and your Trust, can you or your solicitor please provide us with the updated information.

2024 Financial Statements

For those of you that have not provided your 2024 financial information – now is the time to get it ready over the summer break!



Inland Revenue Te Tari Taake

Please make sure that you are paying the right tax and coding it to the correct year.

Penalties will be incurred if the taxes are not paid correctly.



GST Due

15th January (November 24 period)
28th January (December 24 period)
28th February (January 25 period)



Provisional Payment Due

15th January - March balance date
28th February – May balance date
28th March – June balance date

AIM Due

15th and 28th January
AIM instalments are due if you have elected into this, need to be filed with GST monthly and have a March balance date

PAYE Due

20th January

FBT Due

20th January

Pay Day before Xmas day



We recommend that if you can, to arrange your pay set up the **Monday or Tuesday before Xmas day.**

Filing employment PAYE information requirements are -

2 working days if you file electronically
10 working days if you file manually

Christmas Expenses



Gifts for staff or clients – 100% deductible

If the total cost is less than \$300 (GST incl) per staff member or client, and is not food or drink.

Food and drink, vouchers – 50% deductible

This is under entertainment rules and you will only be able to claim a maximum of 50%.

To avoid FBT on gifts, you will need to keep the total amount under \$1,200 per employee, per year. If you go over this limit the full value is subject to FBT.

If you file quarterly FBT Returns, you are limited to \$300 per employee per quarter.

Gifts that display your branding such as cooler bags, glassware, clothing, etc are 100% claimable as advertising/promotional products.

Xmas Bonuses for staff must be included in the wages for the week and PAYE paid on them. Purchasing a voucher or present may be better value than a cash bonus.

Christmas Staff Party

The costs of food and drink and incidentals, ie: hireage, music, etc is a maximum of 50% deductible. This applies whether the party is held on or off the business premises.

Christmas Lunch or Dinner

The cost of taking colleagues or staff out is generally 50% deductible for companies.

If you are thinking about providing employee perks, first read the FBT Guide (IR409)

FBT (Fringe benefit Tax) – What is it?

FBT is a tax on benefits that you provide to your employees, such as –

- Work vehicles available for personal use
- Subsidies on gym memberships or insurances
- Discounted goods and services
- Low interest loans

FBT doesn't apply to things that are already taxed, such as -

- Salary or wages
- Cash bonuses
- Employee allowances

Many employers don't realise, until it's too late, that they need to pay FBT.

*Feel free to reach out to us at anytime.
"Get the right advice"*

OCR Rate explained

(Official Cash Rate)

The Reserve Bank of New Zealand (RBNZ) reviews the OCR 7 times a year and is required to achieve and maintain price stability.

The OCR is the interest rate the banks earn on any money they are holding with the RBNZ. All of New Zealand's banks have accounts with the RBNZ where they hold funds. It's also the interest rate they pay if they need to borrow funds.

That means when the OCR goes up (or down) it directly impacts bank's interest costs, making it more or less expensive for them to borrow money.

The banks pass those changes down the line to their own customers in the form of higher lending rates and equally higher deposit rates.

So that is why when the OCR moves – mortgage rates usually follow. When it comes to fixed home loan rates then this is what the market anticipates will happen with the OCR, but sometimes you will see fixed home loan rates move even when the OCR hasn't.

Floating mortgage rates are pretty tightly linked to changes in the OCR.

In a high OCR environment, borrowers who lock in long term mortgage rates will be unaffected by rate increases for the agreed term, while those who lock in for a year or two will start to feel the impact of interest rate hikes sooner.

The RBNZ try to keep inflation between 1% and 3% over any given 12 month period.

'Welcome Grace'

We have a newbie in the office during the summer holidays.

Grace Gibson is our niece and is currently studying at Waikato University. Grace joined our team for work experience.



Dream big,
work hard,
stay focused,
and surround
yourself with
good people.

Do you have an exit strategy or a future plan?



How long has it been since you reviewed your structures (if at all)?

1. **Wills** (when did you last review this?)
2. **Power of Attorneys** (medical and property)
3. **Partnership Agreements**
4. **Trust Deed**
5. **Loan Agreements & expiry dates**
6. **Insurances**
7. **Investments (including Kiwisaver)**

Get the right advice – talk to the right people.

It might cost you a bit, but could potentially save you a lot in the long run.

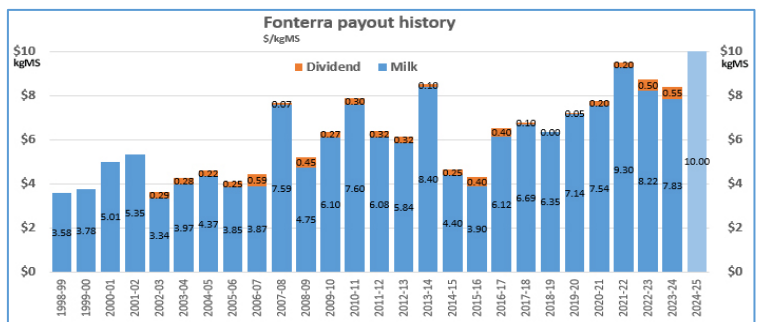
Protect your future for yourself, for your business and for your family.

Underinsurance – the risk

Underinsurance often happens because people don't update their insurance based on the current replacement value of their assets such as property and business. Inflation has pushed up prices meaning the baseline values of business assets erode over time.

Do your sums to avoid underinsurance. The cost difference between being underinsured and properly insured is often not as great as people think.

Good News for Dairy Farmers



Forecast update 5 December 2024 - \$9.50 - \$10.50

This will bring relief for the dairy industry which also has a flow-on effect to other industries and local communities.





Xero Software

Subscription Name Changes and Monthly Increases

Old Subscription:	New Subscription As at 11-09-2024:	New Subscription fee (Plus GST)
GST Cashbook	Ignite Plan	\$ 35.00
Starter	Ignite Plan	\$ 35.00
Standard	Grow Plan	\$ 75.00
Premium	Comprehensive	\$ 99.00
Ultimate	Ultimate	\$113.00



Xmas Brain Teaser Win a \$100 Prezzie Card



Question:

A family has two parents and six sons. Each of the sons has one sister. How many people are in the family?

RSVP Answer before

Wednesday, 18th December at 12pm

Email - kelly@sgca.co.nz

Phone - 871 3430

The winner will be notified by phone Wednesday, 18th December at 2pm.

Good Luck



The tedious task...Payroll

Successful payroll management is fundamental to business success. When did you last evaluate other payroll software options? Changing payroll solutions can be complicated, so choosing a payroll provider that takes care of the transition and provides training and ongoing support can make the switch smooth and efficient. It's worth the small monthly investment of getting it right, to be automatic and stress free.

From us all here at SGCA...

We wish you a happy Xmas and holiday season ahead with family and friends.



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Monday & Fridays, 10am - 3pm

Disclaimer. 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.

Public & Stat Holiday Dates

2024

Xmas Day

Wednesday,
25th December

Boxing Day

Thursday, 26th December



2025

New Year's Day

Wednesday, 1st January

Day After New Year's Day

Thursday, 2nd January

Auckland Anniversary Day

Wednesday 29th January

Holiday - Monday, 27th
January

Waitangi Weekend

Thursday, 6th February

