

PEAK NEWS

NOVEMBER 2024



SEASONS GREETINGS

Season's greetings to you all.

We look forward to seeing you in the New Year

Thank you for being our client!

Once again, the year has rushed past.

Our office will be closing at midday on December 24 and re-opening on January 13, 2025.

As usual, the payroll team will be liaising with clients to manage payrolls over this period.



A short update from us as we approach the end of the year.

CHALLENGING

As the economy re-sets after the (over) injection of money during the COVID period and the increase in interest rates hits home many businesses are feeling the pinch. Red meat prices (particularly sheep) were well down on the previous year, and everyone looks to be watching what they spend and where they spend it.

However, interest rates are now coming down and hopefully we will, before long, be entering into another improving cycle. The result of the recent US election does, however, create a degree of uncertainty.

The challenge is to remember that you can only worry about what you can control – and how you react to it. However, make sure you have strategies to adapt – and remember that cash is king.

PAYROLL

As businesses will have employees on leave over the next couple of months, we thought we would address a few frequently asked questions (FAQ):

Q. Why is the annual leave (and public holiday leave) paid to an employee different to their standard (base) pay?

A: These leave payments are based on ordinary weekly pay (which is different to base pay) and reflect recent earnings.

Q. What happens if an employee gets sick or suffers bereavement leave during a holiday period?

A: If an employee gets sick, they can ask that it is treated as annual leave. The employer can ask for proof of this, and it is at the employer's discretion. However, if an employee becomes sick prior to going on annual leave you must treat it as sick leave. However, if it is a bereavement the employer must treat it as bereavement leave and not annual leave.

Q. What happens if we shutdown and the employee does not have enough leave.

A: Pay 8% of gross earnings as at the close-down date and move the anniversary date.

For more information go to [Managing annual holidays | Employment New Zealand](#)



TAX NEWS

Individual Tax Rate Changes

Personal tax rates changed during the tax year. Please be aware that, because these are apportioned to a “hybrid” rate to cover the full year that this will create mis-matches in tax paid for many of you, especially where earnings are a little irregular. Provisional tax calculations did not change so we anticipate a higher potential for refunds.

If you have been making regular after tax payments to employees these should have been reviewed to ensure that your calculations are correct.

Residential Properties

Interest deductibility rules are being wound back for those with residential properties.

The brightline period reverted back to 2 years (without grandfathering).

IRD Activity

IRD has now increased it's people resources to enable more enforcement activity and significantly more aggressive follow up on outstanding debt. We have been advised that one area of focus in the near future is around the taxation of wages (and paying people without putting them through payroll).

OUR PEOPLE

Our team currently comprises:

Peter Topham BBus CA PP, Director

Anne Topham BMS CA PP, Director

John Goldsworthy BBus, Senior Client Manager

Jonathan Lane, Senior Accountant

Sandra Smit, Client Services (Accounting)

Anna Harrison, Client Services (Accounting)

Katy Bolten, Client Services (Payroll)

Judith DeAth, Client Services (Bookkeeping, Payroll, Administration)

Janelle Mitchell, Client Services (Bookkeeping, Administration)

Carla Benefield, Client Services (Secretarial, Administration)

Evelynne Keenan, Client Services (Administration, Maori Authority Share registers)

Peter and Anne take this opportunity to thank their staff for their support – and the commitment they show to supporting our firm's clients.

The contents of this newsletter provide general guidance and information only.

Your partner in business

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