

In this newsletter, we provide tips on how to prepare for the end of the financial year (yes, it's coming up soon!). As well as a reminder about upcoming tax payments, updates about the resurgence support payment, top tax rate change, changes to parental paid leave, and incorrect interest charges at IRD.

End of financial year preparation

The end of the financial year is fast approaching and while this time of year can mean extra work for you, it is possible to minimise the impact by starting to prepare now.

Here are a few handy reminders:

- If you have stock, you will need to do a stocktake as at 31 March.
- For those who use Xero, ensure you reconcile transactions and scan & save receipts to your transactions.
- Gather up the relevant paperwork and have it in one place. If you need an AccountantsNZ folder for this, let us know.

You can expect to receive the end of the financial year questionnaire by email between 1 April & 31 July. As usual, this is to be completed online. Please contact us for any help with this. It can be daunting!

Tax payment reminders

Remember that tax payments are coming up:

- 7th April for 2020 Income tax
- 7th May for final 2021 provisional tax

Resurgence Support Payment

The Resurgence Support Payment (RSP) is available to businesses or organisations affected by a COVID-19 alert level increase to 2 or higher. To be eligible the business or organisation needs to have experienced a decrease in income as a direct result of the alert level increase.

Please note that the payment is NOT available every time there is an alert level increase. It is up to the Government to decide whether it will be activated. If it is activated, the payment is available for *any* NZ business or organisation to apply for (subject to meeting specific criteria), even if the alert level did not increase across the whole country.

For more information, including whether you are eligible or not, go to the <https://www.ird.govt.nz/covid-19/business-and-organisations/employing-staff/financial-support/resurgence-support-payment>

New top tax rate

Is your personal income more than \$180,000? If so, the new top tax rate of 39% will apply to you from 2021-2022 onwards.

The top rate for resident withholding tax (RWT) paid on interest and dividends is also increasing to 39%. Banks have until 1st October 2021 to

update the RWT rates.

For those who pay provisional tax, an adjustment might be needed to your payment amount to avoid a large year-end tax bill. For more information and to find out how this change affects you, please contact us.

Paid parental leave

From the 1st March 2021, you will be able to apply for and manage paid parental leave through myIR. The paid parental leave application form will be pre-populated with information hopefully making it easier for you to apply. If this is relevant for you and you'd like to know more go to the paid parental leave page on the IR website, <https://www.ird.govt.nz/paid-parental-leave>

Incorrect interest charges

An error has occurred where interest has been charged on Income tax and Working for Families Tax Credits for the 2020 year. The payments are **not** overdue and IRD is aware of the issue and is working to resolve it. If you log into myIR and see this has occurred, please contact us.

System Change

Here at AccountantsNZ, we're busy behind the scenes changing our system database to Xero Practice Manager. It's a significant change and there have been some challenges, however, we're excited to be operating out of one system now!

The change won't really affect you, however, you may notice the layout of the tax notices and some of the end of year documents look slightly different.

Please let us know if you have any issues when receiving documents from us - you may not be the only one and we would like to resolve these as quickly as possible. Thanks for your help with that and we appreciate your patience as we move through this change.

Remember to start preparing for the end of the financial year now so it can be less pressure and stress when the time comes. If you have any questions, please get in touch with us.

Kind regards,

Rachel and the team