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We have teamed up with Employure to give you confidence in your workplace relations and health & safety practices.

Employure will review and tailor your workplace employment and health & safety documents including employment agreements and handbooks. They offer a proactive approach to keep you up to date with current legislation in all things employment related along with support and advice.

As a client of Southey Sayer, you are eligible for a free workplace relations discussion. Please contact us for more details.

Employure are hosting a free seminar on the 6th August, 8:30am – 10:30am at Lansdowne House (morning tea is provided). If you employ staff it is more important than ever that you make sure you are compliant with all your obligations as an employer.

To register for this event, go to:

<https://employure.co.nz/events/>

Leanne, Becks & the Team

Life Flight
Community
Partner 2019



Keep bank accounts tidy

To minimise the risk of error, put all your business transactions, which should include expenses paid out of your own pocket, through one business bank account.

In this way, you will avoid confusion over whether GST has been claimed and minimise the risk of errors arising from misunderstandings.

How to do this?

- If you have accidentally used your personal account for a business purchase, make a payment from your business account to reimburse.
- If you are short of money in your business account, transfer an amount from your personal account by way of a loan to the business. Make sure we know the deposit is your own money.
- If you are paying your credit card account, pay the personal portion out of your personal bank account and the business portion out of your business bank account.
- For small items of expenditure, collect them up in a notebook and when you get to about \$100, make a payment from your business to yourself as a reimbursement.

Take care with tax when winding up your business

If you're considering selling your business and you run it through a company, you could have a tax problem.

You may not take out, immediately, large amounts of your capital gain on sale of the business. If you do, you might find you get an unwanted tax bill.

Generally, when a company makes a capital profit, the shareholders may only distribute this money to themselves if it is in the process of winding up the company. If they pay out before the company is officially in liquidation, they must pay tax on the capital gain.

If there's no evidence to the contrary, the money taken out could be interpreted as a loan from the company to the shareholders, in which case Fringe Benefit Tax would apply, or you would have to pay interest to the company on the amount of its loan to you.

From your point of view, the interest is not tax deductible and it is subject to tax in the company – a waste of money.

Your solution is to wind the company up promptly. You should consult us to make sure this is done properly and enable us to check for tax pitfalls.



Health and safety: Say it loud and proud to lower the risk

A 'she'll be right' attitude towards health and safety won't cut it. You've got to make a conscious decision to be safe and get everyone in your team thinking about health and safety every step of the way. Here are a few ways to do this effectively:

- **Get real.** Sit down as a team (including family) and answer these three questions and then pin them where everyone can see them.
 - "Why do we want a safe and healthy workplace?"
 - "What will we do to be a safe and healthy workplace?"
 - "How will we make sure everyone who comes to our workplace is safe and healthy?"
- **Prioritise it.** When you meet with your team, put health and safety at the top of the agenda. Even just spend five minutes discussing any incidents, injuries or near misses, and see if anyone has any suggestions about new or upcoming seasonal risks, or new ways of doing things.
- **Keep it simple.** When you're planning the day's or season's work, take a moment to ask "What do we have to look out for?" It doesn't need to be a formal briefing, just a conscious moment to think about any risks or maintenance issues.
- **Paperwork isn't enough.** Reducing health and safety mishaps isn't just about documents and manuals. You must document your policies and meetings but it's about thinking and talking about risks and doing what needs to be done to stay healthy and safe.
- **Be vigilant.** Make sure everyone in the workplace knows how the risks can change with the time of day, the season, or a person's emotional or physical state.



Rental accommodation for farm staff

As an employer or farm owner, you must comply with the same standards as any other landlord with a few minor exceptions such as rent in advance and termination notices. The tenancy agreement must be in writing and have included the compulsory clauses. For many of you this will form a part of the employment agreement you have in place, but it is important that you are not using an outdated agreement that doesn't comply with the requirements of the Residential Tenancies Act 1986. As well, the Tenancy Tribunal has been vocal about its preference that the tenancy agreement is contained in a separate document, not as part of an employment or any other agreement.

Good quality farm accommodation is likely to attract quality job applicants and employees. It is also likely to help you retain these employees.

The Health and Safety at Work Act 2015 details that PCBUs (legal owners of entities) providing accommodation they own, manage or control to employees must, so far as is reasonably practicable, maintain the accommodation.



There must be smoke alarms installed that are regularly maintained and adequate in number. The property needs to be maintained to a safe and reasonable standard, meaning that electrical outlets need to be working, broken windows must be repaired, and plumbing systems must be in working order.

A significant area of concern we are seeing amongst farmer landlords relates to chemical contamination of their tenanted properties. As a landlord you're responsible to your tenant for any effect of methamphetamine (P) contamination in your property. You should actively monitor your property and test if required.

A more recently area of interest is insulation which is now required to be a term detailed in the tenancy agreement. Ceiling and underfloor insulation is compulsory in all rental homes from **1 July 2019** where it is reasonably practicable to install.



We also recommend contacting your insurer to establish what steps are required for your landlord's insurance to be effective. Some insurers will have requirements as to the frequency and form of property inspections before they will honor your policy. It pays to check that the steps you are taking will be sufficient should you ever need to make a claim.

Business Bites

Briefly

65+ KiwiSaver

The requirement to pay the employer's contribution of 3 percent for KiwiSaver ceases when the employee reaches 65 years of age. If you are over 65, you are going to be allowed to have a KiwiSaver scheme, but you won't qualify for the government subsidy of \$521 a year.

Hire for attitude

Attitude counts more than aptitude. Hire somebody with a great attitude over someone who is only offering greater technical skill. You can teach skill.



Residential property – tax obligations

If you rent out a house or room within your home, please read the following:

If you receive payments for providing accommodation (including through websites such as Airbnb or Bookabach), the income you receive is likely to be taxable.

This includes any payment for one-off or irregular rentals.

You must include the amount you receive in your tax return. You can claim deductions for expenses that relate to you earning this income. If you are unsure whether this situation applies to you, please contact us.

Mileage Rate Changes

Kilometre rates for business use of vehicles - 2018/2019 income year have been updated to 79c per KM.



Carissa wins Croquet national title



Back in early March Carissa won her first open croquet tournament, with victory in the Croquet New Zealand Women's Invitational Open played at the Masterton Croquet Club.

In the process, Carissa, ranked 34 in the world, ended hot favourite Nina Mayard-Husson's golden streak of 16 unbeaten games.

As the winner of the Croquet New Zealand Women's Invitational Open, Carissa was awarded the Wills Silver Salver. Carissa thanked her coach [and father Terry] as well as paying tribute to the support and assistance she has received from fellow Masterton club players, Leanne and the team here at Southey Sayer.

We would like to congratulate Carissa on this outstanding accomplishment and hopefully it is the first of many more to come!

Beware of scam IRD emails

SCAM! ALERT!

A scam is any email, link within an email, phone call or text that asks you to disclose any of your personal or banking information.

With the constant increase of professionalism in scam emails it is important that public knowledge of things to look out for is also increasing.

Below are some great things to look out for and remember when trying to spot an IR scam.

Inland Revenue will never:

- email you with the amount of your refund, knock on your door or phone you promising a tax refund.
- ask you to pay money to release a tax refund.
- send you an email with a hyperlink to a webpage that asks you to submit your personal information.
- demand payments through NZ Post or a gift card.

With support from public feedback, IR have been able to do a great job monitoring and picking up on new scams quickly.

The latest scam email to be doing the rounds is in relation to one of the biggest changes IR have made in years, automatic tax refunds. The scam email asks you to complete a step-by-step process, promising that once this is done the money owed to you will be released.

For more information on this and on general things to look out for when attempting to spot a scam please contact us or head over to the IR website and search for 'scam'.

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended *as general information only*.

