



Seasons greetings from the team at Coates

As 2019 draws to a close the team at Coates take the opportunity to wish you and your whanau a merry Christmas and happy New Year.

2019 has been my annus horribilis and I look forward to closing the door on it. As many of you know my 10-year-old daughter was diagnosed with a malignant brain tumour in April. She has now finished her treatment and we look forward to building her strength back up over the summer. As I look back on a year that has been incredibly difficult, the strongest emotion I feel is thankfulness.

Top of my thankful list is that my daughter has no evidence of disease and this is thanks to the incredible medical professionals we have in our public health system.

Throughout the year I have received an incredible amount of support from family, friends, work colleagues and clients. I have had a significant amount of time away from work and Mitchell and the staff have done a wonderful job covering for me. I think this is the ultimate confirmation of the whanau culture we have here at Coates where family is always first.

I thank those of you who have had to have meetings rescheduled or someone else attend meetings on my behalf. Your understanding and support is not something I have taken for granted.

Let's hope 2020 brings good things to us all!

Our office will close at 3pm on the 20th of December and re-open at 8am on the 13th of January. If you haven't already brought your 2019 work in, we look forward to receiving it early in the New Year.

The last day of work will see us farewell Isaac Hughes who is moving on to a new role with BDO Gisborne. Isaac has been a great ambassador for our firm and an integral part of our audit team. We wish him all the best in his new role.

On behalf of Mitchell, myself and all the team we thank you for your continued support and wish you all a safe and happy Christmas. Kirihimete koa me te Tau Hou hari!

p.s In case you thought you'd missed it, we will be holding our client Xmas party in late February once the silly season of celebration has passed.

Getting holiday pay right

Do you have staff taking annual leave over Christmas? Are systems in place to make sure everyone gets what they're entitled to? Even if someone else handles your payroll, you are responsible for making sure holiday pay and leave payment are handled correctly. Remember:

- Whether your staff work full-time, part-time, casual, on-call, or shift work, they're entitled to any benefits that come from working on public holidays.
- If your employee agrees to work on a public holiday that falls on a day they would normally work, they will need to be paid time and a half PLUS receive another paid day off later, otherwise known as a day in lieu. If an employee works on a public holiday, and it is not a day they would usually work, the employee is only entitled to the time and a half. The entitlement to time and a half has to be included in employment agreements.
- Employees can choose to take their day in lieu:
 - on a mutually agreeable date that is not a public holiday
 - on another day on which they would normally be working
 - for a whole working day, regardless of how much of the public holiday they actually worked.
- If your business is having a closedown period, employees are entitled to a paid public holiday if they would ordinarily work on the day of the public holiday.
- Make sure your payroll system:
 - is flexible enough to handle different working arrangements (eg, changing employee work schedules).
 - records all relevant time worked and payments made.
 - has accurate and up-to-date information.
- If you realise an employee hasn't been paid the right amount, be up front and correct the mistake immediately.



"You gave away 60 billion toys and didn't get one receipt?!"

New Trusts Act 2019: What you need to do

If you're protecting your family property in a trust, there may be changes you need to make before the new Trusts Act comes into force in January 2021. The changes to the Trusts Act (the first in more than 60 years!) aim to make trust law more efficient and accessible, lower admin costs, simplify core trust principles and essential obligations for trustees, and make it easier to resolve disputes.

While it might seem an eternity away, 2021 will whip around quickly, so here's what you need to do.

Review your trust: Meet with your accountant and lawyer to review arrangements for your trust. There might be opportunities to improve your tax structure, reduce your risk profile and better your family's financial situation.

Revisit your succession planning: The new legislation has extended the maximum life-span of trusts by 45 years, to 125 years. This means you'll need to make significant succession planning adjustments.

Be prepared for beneficiary requests: The new law means most trust beneficiaries will be able to request financial reports on the state of the family trust and find out 'who gets what'. Be prepared for extra admin, costs and possibly damage control if you're having to avoid family issues around distribution of funds.

Know your responsibilities as a trustee, which include:

- a. Knowing the terms of the trust
- b. Acting according to the terms of the trust
- c. Acting honestly and in good faith
- d. Holding Trust Property
- e. Acting for the benefit of the beneficiaries or the permitted purpose
- f. Exercising trustee powers for a proper purpose

New GST on low-value imported goods

Overseas businesses selling goods valued at \$1,000 or less online to New Zealanders are now required to register for, collect and return GST where their supplies to New Zealanders exceed (or are expected to exceed) \$60,000 in a 12-month period. This is good news for local businesses who may have been at a competitive disadvantage by having to charge GST on their sales, when their foreign competitors didn't. Want to know more? Read the special report at <http://taxpolicy.ird.govt.nz/publications/year/2019>.

KEY TAX DATES – DECEMBER 2019

Date	Category	Description
5 December	PAYE	Large employers' payment due. File employment information within two working days after payday.
20 December	PAYE	Small and large employers' payment due. File employment information within two working days after payday.
20 December	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during November.
20 December	NRWT / Approved Issuer Levy	Payment and return for November.
15 January	PAYE	Large employers' payment due. File employment information within two working days after payday.
15 January	GST	Payment and return for November.
15 January	Provisional Tax	Instalment due.
20 January	PAYE	Small and large employers' payment due. File employment information within two working days after payday.
20 January	FBT	Return and payment due.
28 January	GST	Payment and return for December.

Note: the provisional tax due date applies to those clients who have a March balance date. Different dates will apply for those clients who have different balance dates.

Business Health Check

- Cash flow is essential at this time of year, so if chasing late payments makes you feel uncomfortable, outsource those phone calls to a trusted virtual assistant.
- To avoid late payments, switch up your invoicing processes. Offer discounts to customers for early payments, or multiple payment methods, or suggest split instalments to even out cash flow throughout the year.
- Having a Christmas party? How about a catered lunch at your office then give everyone the rest of the day off? It's the ultimate thank you!
- Are all staff clear on the closedown period and how it affects their leave entitlements? Communicate clearly now so there's no confusion.
- Did you ensure your employment contracts and collective agreements are fully compliant? They need to take into account recent changes to the Employment Relations Act 2000 and the rise in minimum wage.

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.