

# FINMAN

February 2018

44 Ihakara Street, Paraparaumu 5032  
04 2982551

With the Christmas break now all but a distant memory, we hope you have all had a great start to 2018! The Xtreme Team at Finman's are all refreshed and rejuvenated and we are looking forward to assisting you to reach your business and personal financial goals.

The start of the year is always a good time to be reviewing your business strategy and goal setting for the year ahead.



If you haven't had a chance to read Dylan's Blog on our Website and Facebook on **Forecasts and Budgeting**, it's well worth a read. Follow the link here: <http://www.finman.net.nz/blog>

## Bright-Line Test Extension



The bright-line test for taxing capital gains on residential property transactions will be extended from two years to five years, the government announced last week.

The bill is yet to be passed in parliament but is expected to pass and be effective from April 2018. It is likely to apply to properties purchased from 1 April 2018 only and not applicable to properties already held before that date.

More information about the bright-line test will be supplied in our next newsletter.

## Companies Office Updates

Have you made changes to your Shareholders or Directors recently at the Companies Office?? It's important we are advised of any changes to do with your company, as there can be major tax implications. Don't hesitate to give us a call to discuss.

## Increase in Minimum Wage

From the 1<sup>st</sup> April 2018, the adult minimum wage will increase by 75 cents to \$16.50 per hour. The Starting-out and Training minimum wage rates will increase to \$13.20 per hour (80% of the adult minimum wage). This is the start of the government's plan to raise the minimum wage to \$20.00 an hour by April 2021.

*"You can't climb the ladder to success with your hands in your pockets."*  
Arnold Schwarzenegger

## Accounting Income Method

The IRD is introducing a new provisional tax method from April 2018 (2019 tax year) called Accounting Income Method (AIM). AIM uses an approved accounting system to calculate your provisional tax based on your current profit and this tax is paid either monthly or two monthly.

The benefits are better cashflow as you pay the tax more regularly (1 or 2 monthly); the amount you pay is based on your profit for the year to date (not last year) so is more accurate and there is no Use Of Money Interest exposure for underpaying tax.

However, it is important to know who can use AIM:

- Must be a provisional tax payer with a turnover less than \$5m
- Company and individuals only (partnerships and trusts excluded)
- GST registered - Two monthly or monthly
- Taxpayer must use an approved AIM capable software – e.g. Xero



If you have accounts receivable and accounts payable, it is preferred that you keep these up to date in your software for AIM to work effectively.

The main requirement of using AIM is that adjustments are required to be included in the form sent with your GST return – a separate electronic form filed after the GST return is calculated. This return is reasonably complex and is required to be made by accountants only - it's not available to all Xero users. These adjustments include inventory movements, losses carried forward and shareholder salaries.

Opting into AIM is done by filing a return via your accounting software, as long as it is done in the first GST period of the tax year. You can't opt out during the year – once in you must remain using AIM for the remainder of the tax year.

If you are interested in AIM, give us a call first to discuss whether it is right for you.

## Insurance Cover

When was the last time you reviewed your insurance cover? If it's been over 2 years then it's well overdue, as many things can easily change over this period. If you would like some sound insurance advice, give us a call as we can recommend a fantastic insurance advisory company.

## ACC Workshop – Health and Safety 101



### Are you the person responsible for Health and Safety for a small or medium business?

Good Health and Safety is essential for a successful business. As part of ACC's role as injury prevention specialists they work with businesses to help create safer workplaces by building capability in injury prevention. Your attendance will help you better understand health and safety and make a real difference in your workplace. ACC offer free, practical and easy to understand workshops that will provide an introduction to:

- Identifying and assessing risks in the workplace
- Learning from incidents
- Training for safety
- Steps to reduce risks
- Worker engagement

If you want to know what good health and safety looks like this workshop is for you. It is a great way to build confidence, pick up some fundamental knowledge and improve health and safety in your workplace. Be that change!

### Next workshops:

Masterton	Wednesday 21 March	8.30 am – 10.30 am
Lower Hutt	Thursday 22 March	8.30 am – 10.30 am
Porirua	Tuesday 27 March	9.30 am – 11.30 am
Paraparaumu	Tuesday 10 April	10.00 am – 12.00 noon
Wellington	Thursday 12 April	8.30 am – 10.30 am

### Facilitators:

Mau Lolo, Jenni Maxwell and James Ryan from ACC work in partnership with businesses to help create safer workplaces by building capability in injury prevention.

### Registrations:

Registrations via Eventbrite, for an electronic invite and ticket please contact James – james.ryan@acc.co.nz or 04 816 7533.

## International Money Transfers

Tip: if you want to reduce the costs of your foreign currency transfers, check out [Transferwise](https://transferwise.com/nz/). By using new technology, [Transferwise](https://transferwise.com/nz/) reduces the hefty fees that banks charge on international money transfers. <https://transferwise.com/nz/>