Casual staff & PAYE

With the Christmas break approaching you may be employing students or casual staff. When does a Tax Code Declaration (IR330) have to be completed? Find out if the employee expects to earn \$2,340 for the full year from all sources of income. If their full year earnings are likely to be less than this figure they do not need to complete an IR330 form and you do not need to deduct PAYE. If they are expecting to earn more than this amount, they will need to complete the IR330 form and you will need to deduct PAYE. If you are not sure what their full year earnings are likely to be, get them to complete the IR330 and deduct PAYE.

Internet marketing – New Year's resolution

According to figures released by Pricewaterhouse Coopers, online retailing accounts for 5.1% of all retail sales in New Zealand. This compares to 5.5% in Australia, 7.5% in the USA and 9.0% in the UK. These statistics suggest that New Zealand businesses are able to obtain higher sales by improving their internet based sales results. This could mean a more interactive web site, or getting one set up if you have not already done so. There are many books available on this subject and if you want to improve or set up your web site, we have used Tony from W3 Design Ltd. Tony is not a client of ours, but we recommend him to do this at reasonable cost. His contact details are shown on the Links section of our own web site www.hewittaccounting.co.nz.



Family Trusts - Management

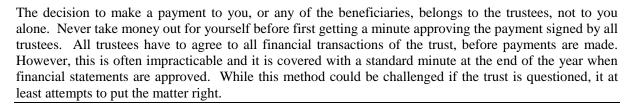
Family trusts are established for many purposes, one of which is to provide you with protection should you be sued as part of your business dealings. The transfer of wealth is made through gifting the value of your assets to the trust.

If you then treat the family trust as though you own everything in it, you run a very significant risk it could be considered by Courts as a sham trust. To ensure it is not classified as a sham -

- Make sure the trust has a bank account.
- Bank all the income of your trust into its bank account.
- Make all payments of the trust from the bank account.
- If the trust does not have enough money in the bank, you can always make a loan. Don't pay the bills yourself.

If you want some money from the trust, it can be done by –

- Getting the trust to repay some of the debt it owes you.
- Make a taxable distribution from the income of the trust to yourself.
- Get the trust to distribute some of its capital back to you.



Holiday break

Please ensure all October/November GST workings are given to us by Monday 12 December for us to complete before we close for Christmas. Payment for this is due 16 January 2012. Provisional tax notices for payments due 15 January 2012 have been sent to you. Should you wish to estimate these lower, please contact us as soon as possible.

Our Christmas holiday break will start this year with the office closing at 5.00 pm on Wednesday 21 December 2011. We will reopen at 8.30 am on Monday 16 January 2012. John is available during this period on 021 0707234. We wish you well for the festive season.







Christmas