



2018 Tax Changes Effective 1 April

ACC Earner Levy – The Earner Levy Rate for the 2018 tax year will remain at **\$1.39** for every **\$100** of liable earnings.

ACC Earner Levy Maximum Liable Earnings – The maximum liable earnings for the ACC Earner levy will increase from **\$124,053** to **\$126,286** for all pay periods paid ending on or after the 1st of April. Any income above **\$126,286** will not be subject to the ACC Earner Levy.

Student Loans – The annual Student Loan repayment threshold has increased to **\$19,448**. This is the level above which Student Loan deductions will be taken. The repayment threshold is broken down into a pay period amount as follows:

If you're paid...	Your repayment threshold is...
Weekly	\$374.00
Fortnightly	\$748.00
Four-Weekly	\$1,496.00
Monthly	\$1,620.66
Annually	\$19,448.00

New Minimum Wage Rates

- The Adult Minimum Wage rate will increase from **\$15.75** to **\$16.50** (*before tax*) an hour.
- The Starting-Out Wage and Training Minimum Wage will also increase from **\$12.60** to **\$13.20** (*before tax*) an hour.

** Please note, you will need to change the rate for any employees concerned as Datacom does not automatically change wage rates.*



OTHER LEGISLATIVE CHANGES

Employee Share Schemes (ESS) Changes – The 2018/2019 IRD Payroll Specification Document outlines a change to the way that ESS benefits need to be reported on the Employer Monthly Schedule (EMS).

From 1 April 2018, (*i.e. for the EMS period of April 2018 which is due either 5th or 20th May 2018*) the taxable value of the benefit is to be shown as a separate record on the EMS whether or not PAYE has been withheld, with the following information:

- Employee IRD number
- Employee name
- Employee tax code (*must be shown as "ESS"*)
- Gross earnings and/or schedular payments (*i.e. taxable value of ESS benefit*)
- Earnings and/or schedular payments not liable for ACC Earners' Levy (*i.e. the taxable value of the ESS benefit*)
- PAYE/Tax (*if applicable*)
- Student loan deductions (*if applicable*)

If you use our applications to run your payroll, you can sit back and relax as we've taken care of this for you.

A detailed guide along with EOY Tax Procedures has been published on our website: <http://www.datacompayroll.co.nz/Insights/Legislation-Updates>

IRD's Payday Reporting Changes

If you're involved with your organisation's payroll, chances are you've already heard about the changes coming to New Zealand's payroll reporting system.

From 1 April 2018, New Zealand employers paying more than \$50,000 PAYE and Employer Superannuation Contribution Tax (ESCT) per year have the option to switch to an electronic payday reporting system, before it becomes compulsory on 1 April 2019. While a year may seem a long time to prepare, it pays to do your homework early to avoid hassles with Inland Revenue later on.

What is payday reporting?

Employers currently file employee earnings and PAYE information to Inland Revenue each month, no matter how frequently they pay their employees. Under payday reporting, this information will be reported to the IRD every time your employees are paid.

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IRD's Payday Reporting Changes

This brings New Zealand in line with the UK and Australia and streamlines the whole reporting process, making any mistakes easier to spot and correct online as soon as they're made and allows government social policy to be based on more real time information. Paper IR330 and KiwiSaver deduction forms for new employees will go online as well, making it easier for employers to enter the correct information when an employee starts.

Payday reporting relates only to the need to report the earnings and PAYE information each pay to Inland Revenue. There is no change to the dates on which tax payments are due. These remain the same, either once or twice a month depending on whether your business is withholding less or greater than \$500,000 per year. Employers may choose to make payments on a more frequent basis, but this remains optional.

What is Datacom doing to get ready?

We've been working collaboratively with other payroll software companies and the IRD to define and understand all the requirements for payday reporting. To minimise any risks to our customers we have chosen not to implement optional payday reporting at 1 April 2018. We're testing all our processes carefully and will manage a controlled and staggered migration to the new reporting processes, to ensure any issues that arise are identified and fixed before it's compulsory to make the switch.

The new reporting framework will be seamlessly integrated into Datacom's existing payroll software to avoid any disruption to our customers. Our system will be in line with payday reporting well before 1 April 2019 when the new process becomes mandatory.

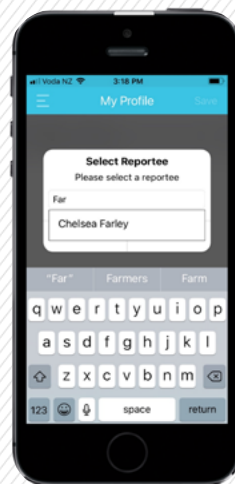
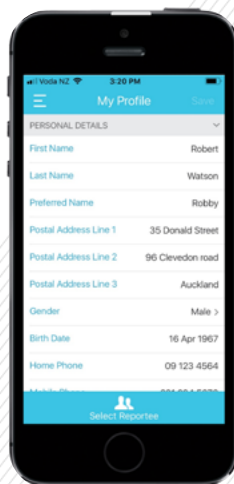
We've published this full paper on our website where other questions as below are covered:

- How this will affect you?
- How can you get ready?

Follow the link below to save yourself hassels with the IRD:
<http://www.datacompayroll.co.nz/Insights/General-Knowledge-Updates/Payday-Reporting>

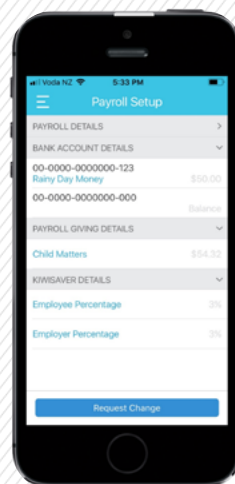
MyPay Version 3.5

We are committed to providing all of our customers with the very best mobile payroll app on the market. Staying true to our mission, we've recently added new functionalities that will improve your overall experience. Here we will briefly list only 3 of the many other additions we've made to the app.



< **Manager View Profile Details of Employees**
Managers can now view profile details of their employees by clicking 'Select Reportee' and searching for the reportee they wish to view.

Payroll Summary - Date Range >
All users can now view their total earnings and deductions over a **date range**. The **Payroll Summary** home screen previously searched from a selected date.



< **Payroll Setup**
All users can now access a **Payroll Set-up** screen from within MyPay. To view, click 'Payroll Setup' from the **Pay** home screen. The Payroll Setup displays **Payroll Details, Bank Account Details, Payroll Giving Details and KiwiSaver Details**. The user can click 'Request Change' to send an email requesting an addition, change or deletion of current details.

If you wish to find out all of the functionalities we've recently added to **MyPay Version 3.5**, you can contact your consultant directly. Alternatively, give us a call on **0800 72 97 97** and we will provide you with the **MyPay Release Notes V3.5** in its entirety.

Payroll that Engages Employees



DATACOM Payroll

Get time back to work on your business, call:

0800 72 97 97

We'll discuss what will suit your needs - big or small.

www.datacompayroll.co.nz