

COST OF LIVING PAYMENT



The government has announced a Cost of Living Payment, which will be paid from 1 August 2022. You do not need to apply for this payment, if you are eligible IRD will pay it into your bank account. It is a payment to help with the rising costs of inflation for eligible individuals.

Make sure IRD has your correct bank account number for your Income tax account in case you are eligible. You can check this in myIR.

Payment dates and rate

The total Cost of Living Payment is \$350, which will be split into 3 monthly payments starting 1 August. For most people the 3 main payment dates are:

- 1 August 2022
- 1 September 2022
- 3 October (the first business day of the month).

In some situations you may get some of the main payments and a lump sum, or just a lump sum. Find out more under 'Your income tax assessment or return will confirm your income' below.

Who will get the payment

IRD will check who is eligible for the Cost of Living Payment before each monthly payment is made. You'll get the payment if on the day they check for eligibility they can confirm you:

- earned \$70,000 or less in the period 1 April 2021 to 31 March 2022
- are not entitled to receive Winter Energy Payment by receiving the **NZ Super or a qualifying benefit** from Ministry of Social Development (MSD)
- are aged 18 or older
- are both a New Zealand tax resident and present here
- are not in prison or deceased.
- If you get a student allowance you will get the payment if you meet the criteria see IRD if you qualify
- You will get the payment if you're insolvent or bankrupt and qualify for it. It will not be sent to the Official Assignee.

The final date to be eligible for the Cost of Living Payment is 31 March 2023.



TECH TIPS - SCANNING DOCUMENTS

If you don't have the ability to scan or send PDF documentation via your computer there is a couple of simple solutions to do so via your cell phone which is both easier and less time consuming to access compared to downloading photo images. The first option is an easy scanning app called **Genius Scan** available for both Apple and Android phones. This is a free app but you can upgrade if you require.

The second option is via notes on your iPhone/iPad or iPod touch by following these instructions:

- Open Notes and select a note or create a new one
- Tap the Camera button, then tap Scan Documents
- Place our document in view of the camera
- If your device is in Auto mode, your document will automatically scan
- Tap save or add additional scans to the document.

If you would like assistance with either of the above options please don't hesitate to contact either Margaret Brown or Megan Hucker on 07-8289042

FARMING



With winter upon us we tip our hats to the Kiwis working the land. The 83,000+ workers who face a unique set of unpredictable and uncontrollable challenges.

Developing habits to keep costs under control and your business in order are just as important as your own physical and mental wellbeing and that of your employees.

Farmers uncertain about your next year of farming, you're not alone. Farmer confidence is at its lowest point in 13 years with more than 11% of respondents to a Federated Farmers survey expecting a drop in profit over the next 12 months. On a more positive note, when Federated Farmers asked members about their relationship with their bank, 67% of the 900+ respondents were satisfied.

Whatever your position is, it's always beneficial to talk about managing farm debt. How you handle cash flow is important to your suppliers and lenders, so even if you have a great accountant, make sure you personally have a grasp on your finances.

DairyNZ has handy budgeting tools on [its website](#) that will take some of the head scratching out of the equation. It provides templates and guides you can print and work through, as well as 'opportunity calculators', including:

- The Contract Milker Premium Calculator, which compares the profitability of contract milking with managing a farm.
- The Variable Order Sharemilking Calculator, which gives an overview of the income and expenditure you can expect in your first year.
- The Herd-owning Job or Sharemilking Calculator, which helps you understand how much money you'll need and how you can fund a herd-owning job.

DairyNZ budget templates include a sensitivity table to help you assess risk from changes in pay out, production, and farm working expenses.

Also [income equalisation schemes](#) provided by Inland Revenue may allow for some cash flow flexibility on tax payments arising from income fluctuations. [Talk to us about which options might best suit your business.]

UNDERSTANDING YOUR ACC COVER



Cover Plus vs Cover Plus Extra

There are two types of ACC cover available to those who are self-employed; Cover Plus and Cover Plus Extra. While Cover Plus is the default product that ACC provides to the self-employed, there are many benefits to applying for Cover Plus Extra, compared to the disadvantages of Cover Plus.

Some of these are:

- In the event of a work-related injury, Cover Plus is paid out based on 80% of your prior year's taxable earnings, regardless of whether this is a fair reflection of your loss of earnings.
- Cover Plus Extra, on the other hand, allows you to set an agreed value of cover between \$33,972 and \$109,235, that can reflect the loss that will be incurred or the money you will require to get by if you are injured and unable to work;
- To claim Cover Plus, you must prove that a loss of earnings has or will occur, which can be difficult or in some cases impossible (i.e. a partnership that continues to earn income while one partner is unable to work). This could mean you pay ACC levies with no realistic chance of making a successful claim. Cover Plus Extra has no such requirement to prove loss of earnings;
- Cover Plus compensation reduces if the business continues to generate income, or the claimant returns to work on a part-time basis. Cover Plus Extra maintains 100% compensation in these circumstances.

If you are currently paying standard ACC Cover Plus, we strongly recommend that you consider switching to Cover Plus Extra. Please get in touch with us to discuss the level of cover that is best for you, and we can liaise with ACC to get your application sorted.

ACC and NZ Super

It is important to consider the impact receiving NZ Super has on ACC compensation. If you received weekly ACC payments for an injury before you turned 65:

- If you're injured before you turn 63, you'll be eligible for weekly ACC payments until you turn 65.
- If you're injured after you turn 63, you'll be eligible for weekly ACC payments for 2 years from the date your payments started.

If you're working and get injured after you turn 65:

- You can get NZ Super and ACC payments for 2 years if you injure yourself after turning 65, and the injury is covered by ACC.
- At the end of that 2 years you receive only NZ Super.

Accidental Death Cover

If someone dies from an injury that is covered by ACC, their partner and children will receive payments for loss of income for the family, based on 80% of the deceased's ACC entitlement. Payments to the partner will be made for five years or until the youngest child turns 18, while payments to children will continue until they are 18 (or 21 if they are in full-time study).

The rules around NZ Super and Accidental Death Cover will have an effect on what the best ACC product is for you. Feel free to contact us to discuss what is best for your situation.

Rules for Working on Matariki Day



Having just celebrated Matariki Day the following rules apply when employing staff. Matariki is now a standard national public holiday, and the normal public holiday rules will apply.

An employee has to work on a public holiday only if it is written into their employment contract, and it is a day they would normally work. If this is not the case, the employer may ask an employee to work on the public holiday, but they do not need to agree, and there should not be any consequences because of this. It is important for employers to respect an employee's decision.

The Matariki holiday will not always fall on the same date each year, just like Easter holidays. It will, however, always fall on a Friday.

Employees who work over the Matariki public holiday must be paid at least time and a half if the Friday is a normal working day for them, and be given a paid day off (also called a day in lieu, or an 'alternative holiday') at a date agreed by both parties. Employees who are eligible for a day in lieu must be given a full day off no matter how many hours they worked on the public holiday. They are not entitled to a day in lieu if they only work on public holidays or they were on call but didn't have to work, and being on call did not stop them doing what they wanted to do with their day (for example, a doctor on call is not able to drink).

COWLEY STANICH NEWS

Two new staff members have recently joined our firm and we would like to welcome both Leanne Wadham pictured left and Catherine Brien on the right. Leanne will be assisting the accounting team two days per week on a Tuesday and Wednesday while Catherine will be the new friendly face in reception working part time on a Wednesday and Thursday.



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

