



Companies Amendment Act 2014

As of 1 May 2015 new registration requirements will be introduced by the Companies Amendment Act 2014 (the Act) which will affect new applications to incorporate a New Zealand Limited Liability company with the Companies Office. Existing companies on the companies register will have 180 days to comply with the New Zealand 'resident director' requirement listed below.

Important changes introduced by the Act coming into effect will require:

All NZ incorporated companies to have a director who:

- lives in New Zealand or
- lives in Australia and who is also a director of an Australian incorporated company
- All directors to provide their place of birth and date of birth.
- All companies to supply their ultimate holding company details (if applicable).



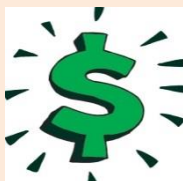
The aim of the Act is to assist with the prevention of misuse of New Zealand companies and provides the Registrar with additional powers.

The Act will also enhance the powers of the Registrar of Companies to investigate non-compliance of companies by:

- introducing offences for very serious misconduct by directors that results in serious losses to the company or its creditors
- aligning the company reconstruction provisions in the Companies Act with the Takeovers Code.

Minimum wage to increase to \$14.75

The new minimum wage will come into effect from 1 April 2015.



The adult minimum wage has risen from \$14.25 to \$14.75 an hour.

The starting-out and training minimum wage will increase by 40 cents an hour to \$11.80 as this is set at 80 percent of the adult minimum wage.

CHANGES TO EMPLOYMENT LAW

The [Employment Relations Amendment Act 2014](#) came into effect on 6 March 2015.

The key changes include:

- Extending the right to request flexible working arrangements to all employees;
- Establishing a process for the transfer of employees in some industries if there is a restructure in the business;
- Clarifying the confidential information that employers are obliged to give to affected employees in dismissal or redundancy situations;
- Changes to collective bargaining: reaching new collective agreements, opting out of multi-employer bargaining, removing the 30 day rule for new, non-union employees and allowing pay deductions of employees who take part in partial strikes;
- Setting time frames for the Employment Relations Authority to make determinations in an employment dispute.

Reminders:

Provisional Tax Overview

Who has to pay it?

- Taxpayers who have tax to pay of more than \$2,500 (RIT) at the end of the previous year.
- Taxpayers who elect to be a provisional tax payer (this is recommended if you have a reasonable expectation that you will have RIT greater than \$2,500 for the year, as interest would be payable if you don't make provisional tax payments during the year) – apart from the first year.

Residual income tax (RIT) is the net amount of tax payable for the year, after deducting source deducted tax (eg PAYE and RWT), but not provisional tax.

Penalties Regime

Under the current penalties regime, penalties may be imposed for late filing of tax returns, late payment and tax shortfalls.

Late payment penalties apply if the full amount of tax is not paid by a due date.

The penalties are:

- 1% on the day following the due date
- 4% on the seventh day following the due date
- 1% compounding every month following the initial penalty

Tax shortfalls may result in:

- Interest charged from the original due date to date of payment
- Penalties – depending on the taxpayer's conduct



Parental Tax Credit

For babies born on or after 1 April 2015, the Government will increase the parental tax credit from \$150 a week to \$220 a week, and extend the payment period from eight weeks to ten weeks. How much you receive also depends on:

- Your total family income before tax
- The number of dependent children in your care and how old they are
- The number of newborn children per year

You can either receive PTC or paid parental leave. You can't receive both at the same time. And you can't receive PTC if your family income for the full eight to ten weeks includes an income-tested benefit, NZ Super, a veteran's pension, a student allowance or accident compensation from ACC (unless you are receiving this for less than three months).



Changes to parental leave

The current 14 weeks of paid parental leave will be increased to 16 weeks for babies expected or born on or after 1 April 2015.

Changes to vehicle licensing fees in 2015

On 1 July 2015 the ACC levy portion of your vehicle licensing fee (rego) is going down by an average of 41% depending on your type of vehicle.

To make sure you don't pay more than necessary you may want to consider opting for a shorter licensing renewal period, for example one, two or three months. That way you'll be ready to take full advantage of the new lower price when your vehicle licence comes up for renewal after July 2015.



Disclaimer

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