

February 2015 Client Newsletter

Financial Statements

- The Financial Reporting Act 2013 was enacted on 3rd December 2013
- The first year that is affected by this legislation is the year ended 31 March 2015
- You may notice a change in the format of your 2015 financial statements and as we work through the finer details we may contact you for additional information that is required to be disclosed
- There is also an additional change that kicks in for your 2016 financial statements that requires you to report on associated person transactions

International information sharing means you need to make sure we know about all of your international income



Working for Families Tax Credits & Student Loans

IRD looks at your income to determine your entitlement to working for families tax credits (WfFTC) and what your student loan repayments should be. The definition of *income* has been getting wider each year. We have listed some of the key types of income below that will affect your entitlement or repayments. If you have any of this income you need to disclose it in an IR215 each year to let the IRD know. If you would like a full list of the types of income that you need to be disclosing, please let us know:

New income streams for the year ending 31 March 2015:

- Salary exchanged for private use of an employer provided motor vehicle
- Employer provided short term charge facilities

Some key pre-existing streams:

- Non- locked in PIE income
- Pensions, annuities and distributions from super schemes
- Tax exempt salary or wages
- Undistributed company profits if you are a shareholder of a close company
- Attributable trustee income
- Depreciation recovered

Just for Student Loans

- Distributions from a trust that is not beneficiary income
- Non-resident borrowers foreign-sourced income

Just for WfFTC

- Other payments
- Passive Income of children

This is a reminder that all UK income needs to be included in your NZ tax return, whether it has had tax deducted in the UK or not. In some cases the UK is deducting tax from UK pensions when they have no right to do so. If you have a UK pension, bank accounts in the UK or any other UK income, make sure you let us know about it so we can make sure it is being taxed correctly.