AccountingOnline

NEWSLETTER

4 Galloway Street
Hamilton East
Hamilton 3216

www.accountingonline.net.nz

855-2493

027 270 3711

info@accountingonline.net.nz

FROM THE OFFICE

Please accept my sincere apologies for the delays in getting information to you, particularly this time of the year. This is certainly not my usual practice, and I appreciate your understanding.

This year has been an unusually challenging one for me, including some significant medical challenges, which have understandably impacted my workflow and the time I've been able to dedicate to my work.

Please know that all of my clients are important to me, and I am genuinely grateful for your continued support, patience and understanding.

Don't forget these two recently introduced tools, designed to improve your experience with us.

CALENDLY:

We now use Calendly to make booking appointments quick and easy. Simply click on the Calendly link to book a visit to our office, a face-to-face chat, or a phone call at a time that suits us both – not more back-and-forth emails.

https://calendly.com/jeanette-accountingonline

CLIENT PORTAL:

We have introduced a new secure Client Portal to make sharing sensitive documents safer and easier. You can use the portal to securely send, receive and e-sign documents. You'll receive an invitation whenever there are documents ready for you.

Key changes to KiwiSaver

Significant updates to KiwiSaver have rolled out over the past year. Here is what you need to know about your contributions and government "top-ups"

Changes from 1 July

- ***Government match halved:*** The annual Government Contribution dropped from a 50% match to a 25% match. The maximum annual payment is now $260.72. To receive this full amount, you must contribute at least $1,042.86 personally by 30 June each year.
- ***Teens included***: 16 and 17 year olds now qualify for the government's 25% matching contribution.
- ***High-earner cap:*** Those earning over $180,000 annually are no longer eligible for the government top-up.

Changes from 1 April 2026

- ***Default rate increase***: The standard contribution rate for both employees and employers has risen from 3% to 3.5%. This applies to all pay received after 1 April.
- ***Employer matching for teens***: Employers must now pay the 3.5% matching contribution for 16 and 17 year old staff.
- ***Rate Reduction***: If the 3.5% rate is unaffordable, you can apply for a Temporary Rate Reduction to stay at 3% for 3-12 months. This is repeatable, but your employer's match will also drop to 3%.

Changes from 1 April 2028

From 1 April 2028, the default contribution rate for both employees and employers will rise again, from 3.5% to 4%.

New tax rules on crypto trading

From 1 April 2026, the "off the radar" era of cryptocurrency ends with the Crypto-Asset Reporting Framework (CARF).

Local and global exchanges must now report your transaction data directly to IRD who will share this with international tax authorities.

Taxing your profits

In New Zealand, crypto gains (and losses) are generally treated as taxable income/loss, not tax-free capital gains. Because crypto doesn't provide a "yield" (like rent), IRD assumes it was bought with the dominant purpose of resale. Consequently, most traders are liable for income tax on realized gains at their personal margin rate.

Handling losses

If your crypto activity is taxable, your losses are generally deductible.

- *Offsetting income*: Realised losses can often reduce your total taxable income, potentially leading to a tax refund.
- *The realisation rule*: You can only claim a loss once you actually sell or swap the asset – a "dip" in portfolio value doesn't count unless are you are transacting to such a high level you are actually in the business as a "trader" and can then treat the crypto as trading stock that is now worth less than costs.
- *Evidence*: Keep meticulous records, as IRD will scrutinise your original intent for buying.

The "swap" trap

Swapping one coin for another (eg. Bitcoin for Ethereum) is viewed by IRD as a sale. You may owe tax on that trade even if you haven't converted back to New Zealand dollars.

New Business Assets?

Claim Investment Boost

If you've got new business assets, you can claim Investment Boost when completing your tax return.

We're in the tax return season, so remember to claim Investment Boost when you complete your tax return.

Investment Boost is a tax incentive (a form of accelerated depreciation) that allows you to claim 20% deductions for the cost of new business assets.

It does not change the total value of the deductions you claim over the life of an asset. However, it does mean you can claim a greater deduction in the first year. This means you play less tax in that year.

Maybe you have recently bought an electric or hybrid vehicle for your business as fuel prices have risen. You can claim 20% deductions for the cost of that vehicle.

Other examples of depreciable business assets include new commercial and industrial buildings, machinery, technology and equipment.

How to Claim

Make sure you do the following when completing your IR10 – Financial Statements Summary.

- Record any Investment Boost claims in Box 52.
- Record the total value of assets you've claimed
  Investment Boost for in Box 60.

Find more information about Investment Boost on Inland Revenue's website – [click here]

TAX CALENDAR

31 MAY 2026
Deadline for Fringe Benefits Tax returns

30 JUNE 2026
Last day to apply for annual FBT returns

28 JULY 2026
3rd instalment 2026 Provisional Tax
(June balance date)

28 AUGUST 2026
1st instalment 2027 Provisional Tax
(March balance date)

Sick Leave: what to do

If your employees are sick, encourage them to stay at home. It will give them a chance to recover, and it will prevent other people from getting sick. Learn what to do when some gets sick, what they are entitled to and how to manage sick leave

What you need to know

After an employee has been working for you for six months, they're legally entitled to at least 10 days of paid sick leave a year.

You must do the following:

- Allow employees to accumulate up to 20 days of sick leave. This means employees can carry over 10 days of unused sick leave into the next year.
- Allow employees to use sick leave to care for a sick or injured spouse, partner, dependent child or any other dependent individual.
- Pay a sick employee what they'd get if they'd worked a normal day, including bonuses and overtime.

You can do the following:

- Let employees take sick leave in advance if they've worked for you for less than six months
- Choose to let your employees carry over extra sick leave, beyond the 20 day requirement from year to year.
- Offer more than to days of paid sick leave a year.

Every employee would be entitled to 10 days sick leave each year (if they qualify) regardless of working pattern.

For more information [click here]

If an employee is injured

If an employee gets injured at work, they don't need to take sick leave. Once the accident is registered with ACC and they've acknowledged it, you must pay your injured employee at least 80% of their normal wage for the first week off work.

If an employee gets injured outside of work, they can choose to take

- Sick leave for the first week they're off work
- Annual leave or leave without pay

After the first week, ACC will pay them 80% of their usual salary while off work.

Injured employees can ask you to pay them one day sick leave each week if they want to and they have the the sick leave available. You have no other obligation to pay them while they're on ACC, but if your employee returns to work on part-time duties, you may need to make a contribution towards their salary.

For more information about when an employee is on ACC, [click here]

Asking for doctor's certificates

You can ask for a doctor's certificate:

- After an employee has been sick or injured for three consecutive days
- Before they've been sick or injured for three consecutive days, but only if you cover the cost of getting the certificate.

Your employee can choose which doctor they see. If they can't provide a doctor's certificate or other proof that they're sick, you don't have to pay them for their sick leave.

Inland Revenue (IR) maintained its strong compliance push into May 2026, with claims activity up 24% compared to May 2025. After the sharp increases earlier this year, it's clear this is no longer a short-term spike, it's a sustained shift in scrutiny.

Top movers (comparison of May 2026 to May 2025):

- GST Verifications up 35%
- Risk Reviews up 70%
- Full Audits up 120%

Additional pressure points:

- Rental property reviews
- Income tax returns are seeing more frequent follow-up activity.

IR are not just increasing volume, they are moving faster, initiating contact earlier, and engaging more frequently throughout the lifecycle of a return. Whether the interaction begins with a phone call, or a client-lodges GST return, if you sign up with Accountancy Insurance, you are covered from the very first contact.

AUDIT SHIELD

Understandably, you are busy, and sometimes submitting Audit Shield claims may be delayed by your day-to-day work.

If you have any claims that youy have not yet submitted from your current policy period, submit them now and let the Accountancy Insurance team assist you with that claim. The process is straightforward and your Account Manager is always on hand to support you at every step.

When should I submit a claim?

Claims should be submitted on Accountancy Insurance's online system, ASOP, as soon as possible after an audit notification has been received, and no later than 30 days after the end of the expiry date of your policy.

TIP; Do not wait for the matter to be finalized before submitting the claim.

How to claim:

1. **Login**:
   Access ASOP by clicking the 'LOGIN' button at the top of the Accounting Insurance website homepage

2. **Navigate**:

   After logging in, go to the 'Claims' tab on the left side of the page.

3. **Register**:

   Click on the 'Register a Claim' and follow the prompts.

If you need any assistance with submitting any outstanding claims, reach out to us.