

The LO Down



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Rest and meal breaks

Previously, provisions for **rest and meal breaks** were quite strict. They now seek to balance the importance of rest and breaks for employees with what is practical for the business. Essentially, employees are entitled to breaks and, if it's not possible for the employer to ensure breaks for employees, the employer must offer reasonable compensation. Employees and employers can't contract out of the right to rest and meal breaks though under some circumstances an employer might be exempt from giving breaks or may restrict breaks when the restrictions are reasonable. Key to the new provisions is that employers and employees agree on whatever arrangements are put in place and that arrangements are reasonable. If you are considering varying the arrangements around rest and meal breaks for your employees, touch base with your employment advisor to discuss your approach. As with other employment matters it is important to follow fair process and document any agreements made with employees so that, if required, you can show you have acted fairly and reasonably.

Continuity of employment

The changes to **continuity of employment** relate specifically to employees in situations where an employer is restructuring or selling a cleaning or catering business and employees are transferring to the new employer. A 2012 review found businesses have difficulty implementing the provisions in practical terms. The changes include set timeframes for employees to elect to move to a new employer; the outgoing employer's obligation to provide the new employer with detailed information on employees and their entitlements; a way for the outgoing and incoming employers to share responsibility for employee entitlements if they can't agree on it; protection for employers from unjustified increases in employment costs; and provision for SMEs to be exempt.

Risk and Reward

Employment law changes

The government has made some major employment relations changes, effective from 6 March 2015. Changes target flexible working arrangements, rest and meal breaks, continuity of employment for vulnerable employees upon restructuring, the good faith provisions, collective bargaining, and how the Employment Relations Authority gives its determinations.

Flexible working arrangements

Up till now **flexible working arrangements** have only been available to caregivers who have been employed at their place of work for six months or more. From March, all employees will have the right to request flexible working arrangements from their first day on the job. There's no longer a limit on the number of requests an employee can make in a year. When employers receive requests for flexible work arrangements, they must respond within one month, rather than three as before. The response must be in writing and, if a refusal, it must explain why.



Employment law changes (cont'd)

Good faith provisions and confidential information

Where the employer proposes to take a decision which will or is likely to affect that employee's continued employment adversely, changes to the **good faith** provisions set out what confidential information an employer has to give an employee. The employer must give the employee confidential information where it relates to them but does not have to provide confidential information on anyone else if doing so would involve an unwarranted disclosure of their affairs. Nor are employers required to give confidential information that legally must stay confidential, or where there is a good reason to keep the information confidential (for example, to protect the business' commercial position). Where allegations are made against an employee, the employee should still know the identity of their accuser and the nature of allegations made against them unless there is good reason to keep this information confidential.

Collective bargaining

The new **collective bargaining framework** includes provision that collective bargaining does not have to be concluded, though employers will not be able to end bargaining or refuse to enter into a collective agreement just because they object in principle to collective bargaining or collective agreements. A party to collective bargaining can apply to the Employment Relations Authority for a determination as to whether bargaining has concluded.

Employers will be able to opt out of multi-employer bargaining from the start. New employees who are non-union members are no longer covered by terms and conditions of a collective agreement for the first 30 days of their employment. Employers may respond to partial strikes by imposing proportionate pay reductions and unions must provide advanced written notice of any proposed strikes and lockouts.

ERA determinations

There are also changes to when and how the **Employment Relations Authority** must give preliminary findings and determinations following an investigation.

Audit Shield Insurance

Most Leslie & O'Donnell clients will have received information regarding an offer of Tax Audit Insurance. The Audit Shield Policy provides cover for tax audits, so we bill the insurer and not you should the IRD conduct an audit, review or investigation of your taxes. With any enquiry from the IRD, it pays to put a professional between yourself and them. The Audit Shield allows you to do this, and they cover the cost.

If you have any queries regarding this offer, please do not hesitate to call us.

The choice to take the offer or not is entirely yours. As with any insurance, we pay it hoping never to need it.

Tax Talk

ACC's levy reductions

ACC is continuing to deliver on levy reductions. This year the average levy paid by employers and self-employed people in Work Account levies will fall to 90 cents per \$100 of liable earnings, down from 95 cents.

Indicative rates for levels of cover for the 2015/16 levy year will be effective from 1 April:

	ACC CoverPlus	ACC CoverPlus Extra
Maximum	\$1,818.32/week \$94,553/year (80% of \$118,191)	\$1,847.23/week \$96,056/year (80% of \$120,070)
Minimum	\$456/week \$23,712/year (80% of \$29,640)	\$456/week \$23,712/year (80% of \$29,640)

Vehicle licensing

On 1 July 2015 the ACC vehicle licensing levy is being reduced. The cost of relicensing most vehicles will drop by around \$130 a year. If you need to renew your vehicle's registration before then, you can save money by renewing your registration to expire in July 2015. Note that the relicensing form and online renewal allow you to specify the number of months, and is not confined to three and six monthly periods only. When your vehicle licence expires after 1 July 2015 the reduction will automatically be applied to your renewal.

The reduced levies will apply to commercial and private light passenger vehicles, cars, utes, vans less than 40 years old and weighing less than 3500kg. They will not apply to motorcycles or mopeds in 2015. Motorcycle-related injuries continue to generate disproportionately high costs for ACC and motorcycle levies are already heavily subsidised by owners of other types of vehicles.



'Searching for a better way every day is a game-changing way to do business.' **Jack Welch**



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.

New requirement for Companies

From **1 May 2015** new registration requirements come into force for applications to incorporate a New Zealand Limited Liability company. All New Zealand incorporated companies must have at least one director who lives in New Zealand or who lives in Australia and is a director of an Australian incorporated company.

Existing companies on the companies register will have to comply with these New Zealand 'resident director' requirements **before the 28th October 2015**.

In addition, all directors must provide their place and date of birth and all companies must supply their ultimate holding company details (if applicable). These details will be required to complete your Company Annual Return for the Companies office, and we will be asking for them, if we do not already have them. If any new directors are to be added, they will also be required to provide these details.

After the 28th October 2015, when filing company annual returns, New Zealand companies will need to indicate whether any director living in Australia is also a director of a company incorporated in Australia. If so, they will also need to provide details of one of those Australian Companies (ACN, name and registered office).



XERO U

With more and more of our clients changing to Xero as their preferred accounting system, we are upskilling staff to assist you with any queries and enable us to work closer with you.

We would like to also recommend [XERO U \(https://www.xero.com/nz/training/941-small-businesses/\)](https://www.xero.com/nz/training/941-small-businesses/) as an excellent training resource for you and your staff. It has useful videos and tutorials and is regularly updated as Xero is enhanced.

'About the time we can make the ends meet, somebody moves the ends.' **Herbert Hoover**



Business Services

The Leslie & O'Donnell team work hard for our clients to enable them to meet their compliance needs, preparing annual financial accounts and various tax returns requirements. But... We want to do more

- to help you grow your business and determine what is important to you
- to identify road blocks and problem areas
- to streamline processes and plan for the future
- to set goals and monitor successes in achieving those goals

We have tools to enable us to work alongside clients as their Strategic Business Partner to secure future financial goals.

Please talk to us today about your needs and how we can help. We can start with an assessment of where you are right now and identify what is important to you and where you want to be in the future.

Together we can work towards these goals.

Cawthron Marlborough Environment Awards

Congratulations to:

Mike & Kristen Gerard for winning the Farming Award for their sheep and beef farm, commercial forestry and native bush protection.

Manuka Island Trust was winner of the Forestry Award for production pine forestry balanced with biodiversity and landscape.

Paul Millen who was named the winner of the Supreme and Business Innovation Awards for his work breeding eucalypts for durable hardwood products over the past 12 years.

Westpac Chamber of Commerce Business Awards

Congratulations to:

Prosper for 2nd Place in the Forte' Management Powerhouse Award and Highly Commended in the Trustpower Customer Service Award.

Avantiplus for 2nd Place in the Southern Water Engineering Investing in People & Skills Award.

It is brilliant to see clients doing well in our community and being recognised for their successes and hard work. Well Done!



Introducing Alex

Leslie & O'Donnell is pleased to welcome Alexandra Barton to the Team!

Alex is a Chartered Accountant with a law and commerce degree from Auckland University. Her experience includes over ten years accounting and finance in the UK, Australia and New Zealand. She brings a wealth of commercial knowledge and is looking forward to getting alongside clients to enable them to set and achieve business goals.

Alex has joined us from Taumarunui in the Central North Island. She and her husband Rich, have two children and enjoy fishing, skiing and wine. They are looking forward to exploring all the wonderful experiences Marlborough has to offer.

Disclaimer:

This publication has been carefully prepared, but it has been written in general. The publication should not be relied upon to provide specific information without obtaining appropriate professional advice after detailed examination of your particular situation.

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