



JUNE 2020

SNIPPETS

NZ BUSINESS NUMBER (NZBN)

During COVID 19 lockdown many businesses came across the question "Do you have a New Zealand business number?" The New Zealand Business Number (NZBN) Act came into effect in 2016, enabling all businesses to be allocated or registered for an NZBN, but for what purpose?

A NZBN links the business information you are most often asked for by other businesses, including your trading name and contact details, to a global identifier that shows your business is genuine - it is quick, easy and free for others to find businesses on the secure NZBN register and then be confident your business is the one they are intending to work with.

Some businesses already have an NZBN and these includes businesses and organisations registered with the Companies Office – the likes of registered companies, incorporated societies, charitable trust boards, building societies and credit unions, government agencies, schools and local councils.

If you do not have an NZBN, you can apply to get one:

- You will need to be able to login with a RealMe ID (used for personal information access across many Government departments) and set up a user account
- You will need to identify if your business is a sole trader, partnership or trust
- You will be required to have on hand the IRD number of the business
- You will need proof of identity as an individual for a partnership, partners' identity and a document as proof of the partnership, or for a trust, full names and identity documents for all trustees and a copy of the trust deed.

All of the NZBNs will make up the online, searchable NZBN digital register that every business can use. It is the only register that intends to include all types of Kiwi businesses, including sole traders and self-employed, contractors, tradespeople, landlords, partnerships, limited liability companies and the public sector.

MAKING REMUNERATION TRANSPARENT

With employers under COVID 19 applying for the wage subsidy in order to retain their employees and possibly then paying them the minimum of 80% of their normal income for the subsidised period, it has become apparent that many employees, especially in the agricultural sector, are confused regarding the value of their remuneration package.

Salary is an annual remuneration package that is usually paid in even amounts at various intervals over the year – for example, a salary may be divided into 26 equal payments and paid fortnightly.

Wages refer to payments that are made to an employee on an hourly basis, with a timesheet tracking the number of hours worked, and with the employee remunerated for those hours.

Remuneration can become complicated in farming situations when there are several parts to the remuneration package - for example, employees frequently have housing and/or keep as part of their remuneration package. It is important that both employers and employees understand exactly what value the package holds, otherwise benefits associated with that package can go unrecognised and unappreciated. Therefore, it is useful to look at the total package values (TPVs) when working with this type of remuneration, as all components are then taken into consideration. An example of TPV could be:

Cash Salary per annum	65,000
House Value: (\$180.00 per week)	9,360
Keep (1 cattle beast per year)	<u>800</u>
Total Package Value	<u>\$75,160</u>

Comment:

Adopting a TPV quote for remuneration for farming employees avoids underselling the true value of a job and also assist employers to meet their legal obligations in terms of taxing employees correctly for the benefits associated with their remuneration package.

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SOMETHING FOR EVERYONE...

The New Zealand Government has introduced a number of tax changes designed to provide cashflow advantages to assist business and individuals to get through COVID 19 lockdowns.

In the recent past, if an asset was purchased for less than \$500 it did not need to be depreciated, and the cost was immediately deductible in the year of purchase. This "low-value asset" threshold has been temporarily increased from \$500 to \$5,000 for assets purchased from 17 March 2020. The threshold will reduce to \$1,000 for assets purchased from 17 March 2021.

The residual income tax threshold which determines whether a taxpayer has a provisional tax obligation has been permanently lifted from \$2,500 to \$5,000 for the 2020-21 income year and onward. This is expected to remove 95,000 taxpayers from the provisional tax regime, assisting cashflow and compliance related issues faced by individual taxpayers and small businesses.



Taxpayers affected by COVID 19 who are unable to physically or financially make tax payments will not be charged use of money interest (UOMI) on late payment of taxes from 14 February 2020. However, taxpayers need to demonstrate to IRD that they have been "significantly adversely affected". IRD is further offering taxpayers facing difficulties in

paying outstanding tax the opportunity to set up an instalment arrangement to meet those tax liabilities. Amendments to the Tax Administration Act 1994 have given IRD greater discretion over its ability to allow the extension of due dates and filing timeframes for taxpayers affected by COVID 19.

Ordinarily, if a taxpayer incurs a tax loss within a particular year, they are able to carry that loss forward and offset it against income derived in a future year, thereby reducing the taxpayer's future tax payable. As part of the Government's COVID 19 response, on 30 April 2020 legislation was passed under urgency which allows tax losses to be offset against income derived in a previous year, thereby enabling the taxpayer to obtain a refund of the previous year's paid income tax. This temporary tax loss carry-back scheme is available to most taxpayers and will provide cash to firms that are, or anticipate being, in a loss position.

Comment:

A tax loss cannot be carried back multiple years, instead it applies to the "net loss year" and the immediately preceding "taxable income year".



WHY ARE SO MANY MORE MEN DYING FROM CORONAVIRUS?

As coronavirus continues its spread across borders, oceans and continents, there is a perplexing piece of data that has so far evaded a proper explanation: it is still early days, but in almost every country that we have numbers for, more men than women are dying from the virus. Dr Sharon Moalem, a scientist and physician, explains in a precis of a New York Times recent article.

Most attempts to explain this discrepancy have focused primarily on behaviour and higher rates of tobacco consumption, a reluctance to seek proper and timely medical care and even lower rates of handwashing do play a role in who will be hardest hit.

But the disproportionate toll coronavirus is taking on men isn't an anomaly but rather it may be a high-profile demonstration of an underappreciated scientific fact: when it comes to survival: men are the weaker sex!

This is not just the case during once-in-a-lifetime pandemics. This innate biological advantage is apparent at every age and stage of human life: baby girls are consistently more likely to make it to their first birthday, 80% of centenarians today are women and an incredible 95% of all those who reach the formidable age of 100 years old, are women. While on average genetic males have more muscle mass and greater height, overall size and physical strength, when it comes to surviving the physical hardships encountered from birth to late-in-life, genetic females almost always outlast genetic males.

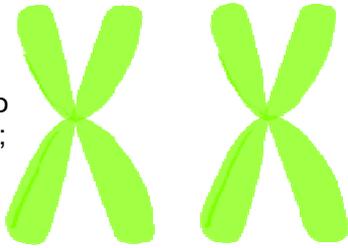
What lies behind this female genetic superiority? It starts at the chromosomal level. The cells of genetic females have two X chromosomes – one from their mothers, and one from their fathers – while those of genetic males have only the one X chromosome from their mothers.

This is crucial because X chromosomes come in handy for vital functions like building and maintaining the human brain and the immune system. And biologists have long understood that XX chromosomes give females an advantage in some areas: having the use of a spare X in case the other is somehow defective is why females are less susceptible to disorders like colour blindness as an example.

It is not just that women have the full advantage of this extra X chromosome – rather it is the more than 2000 genes that combined make up the two X chromosomes and are used by cells that actually interact and cooperate within a woman's body. Each cell predominantly uses one X chromosome over the other – so if one X chromosome has genes that are better at recognising invading viruses like COVID 19, immune cells using that X can focus on that task, while immune cells using the other X chromosome focus on killing cells already infected with the virus. In all, the fight against the virus is more efficient.

Typical males by contrast are forced to get by with just the one X chromosome and if his particular genes are not able to competently "deal" to infected cells, his solitary X is the only one he has, so his ability to fight off infection will be limited. Our sex chromosomes by and large determine our

sex hormones – which gives women another advantage – as higher levels of testosterone appear to suppress the immune system; conversely, estrogen has been found to stimulate a more vigorous immunological response. The cost women seem to pay for having a more aggressive immune systems appears to be that they are more prone to autoimmune diseases.



Progress in understanding and addressing these biological differences between the sexes in the practice of clinical medicine has been sluggish. The current practice of medicine was built using research done primarily on male cells, male tissues, male organs, male animals, and male test subjects. With few exceptions, such as gynaecological and obstetric medicine, women are treated clinically just like men are treated. Now the world needs to push beyond the fundamental variable of being male or female and to look to the real biological strength that each genetic female inherently possesses and how men differ in this regard.

WAGE SUBSIDY EXTENSION

To ensure businesses who are struggling in Level 1, the Government has put in place a wage subsidy extension which became available from 10 June 2020. Employers who are still significantly impacted by COVID 19 are eligible to apply. Businesses eligible for the initial wage subsidy will need to reapply through Work and Income once that 12 week wage subsidy comes to an end.

The extended wage subsidy is open to the same categories of employers who were eligible for the wage subsidy - these include contractors, the self employed and sole traders.

The weekly rates are again \$585.80 for an employee working 20 hours or more and \$350.00 for an employee working 20 hours or less for an additional 8 week lump sum payment per named employee. The wage subsidy extension must be used to pay employees’ wages and receiving it does not change existing employment law obligations.

However, businesses must have experienced a minimum 40% decline in actual or predicted revenue over the 30 day continuous period versus the nearest comparable period last year. This period needs to be in the 40 days immediately before you apply. There are different calculations for organisations where this is not possible, such as new businesses or pre-revenue firms.

INTRODUCING JEANI COETZEE

Our newest staff member is Jeani Coetzee, gracing reception with her cheerful manner and South African accent.

Jeani is from Pretoria, a city renowned for its Jacaranda-lined streets which give the city its nickname – Jacaranda City. The Jacaranda blooms around the same time as the city’s university students are sitting their exams and it is a local belief that if a flower falls on your head it is good luck!



Livestock Valuation – National Average Market (Herd) Values 2017 - 2020

Type	Class	2017	2018	2019	2020	\$ Change	% Change
Sheep	Ewe Hoggets	109	123	135	108	-27	-20.0%
	Ram & Wether Hoggets	103	119	125	105	-20	-16.0%
	2th Ewes	150	179	214	177	-37	-17.3%
	M/A Ewes	131	160	190	156	-34	-17.8%
	5 & 6yr Ewes	110	142	164	128	-36	-21.9%
	M/A Wethers	86	109	124	105	-19	-18.9%
	Breeding Rams	349	289	338	340	2	0.5%
Beef Cattle	Rising 1yr Heifers	824	735	717	526	-191	-26.6%
	Rising 2yr Heifers	1171	1137	1097	888	-209	-19.0%
	M/A Cows	1431	1497	1355	1090	-265	-19.5%
	Rising 1yr Steers	986	922	844	678	-166	-19.6%
	Rising 2yr Steers	1325	1283	1209	1035	-174	-14.4%
	Rising 3yr Steers	1614	1608	1513	1315	-198	-13.0%
	Breeding bulls	3095	3004	3407	2950	-457	13.4%
Red Deer	Rising 1yr Hinds	303	380	384	236	-148	-38.5%
	Rising 2yr Hinds	473	511	559	405	-154	-27.5%
	M/A Hinds	526	572	595	430	-165	-27.7%
	Rising 1yr stags	343	396	441	283	-158	-35.8%
	Rising 2yr stags	595	627	662	455	-207	-31.2%
	Breeding stags	1861	2055	2324	1990	-334	-14.3%

Rubber Gloves.....

**Next time you use a pair of rubber gloves
You are going to smile when you think of this.
And this email came from an elderly woman!**

*A dentist noticed that his next patient,
a nice little old lady, was nervous
so he decided to tell her a little ditty as he put on his gloves...*

"Do you know how they make these gloves?" he asked.

"No, I don't" she replied.

*"Well", he spoofed, "there's a building in Canada with a big tank
of latex, and workers of all hand sizes walk up to
the tank, dip in their hands, and let them dry.*

*Then they peel off the gloves
and throw them into boxes of the right size".*

She didn't crack a smile!

"Oh well....I tried" he thought.

*But five minutes later,
during a delicate part of the procedure,
she burst out laughing.*

"What's so funny?" he asked.

"I was just envisioning how condoms are made" she replied!

