



CHARTERED ACCOUNTANTS LIMITED

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New Zealand

COVID -19 – Newsletter 2

23 March 2020

We are sending this special newsletter to you to update you on the latest Government announcements and some matters arising from the COVID-19 subsidy package.

Office Closure

In accordance with advice and instructions from the Government we have taken the step of closing our Harewood office with immediate effect. I will be operating our practice from my home until further notice. Likewise, Gail will be working from her home.

Communication with us can be made by –

- Telephone our usual number – 03 366 9436.
- Email – craig.hastie@hastieaccountants.co.nz, gail.clarkson@hastieaccountants.co.nz.
- Emergency contact – Craig – 021 074 6261

We will endeavour to keep the practice running as normal as possible in these extraordinary circumstances.

Until the situation normalises we ask for your patience and understanding.

Government Subsidies

By now you will be aware that the Government has in place a very significant economic relief package.

For full details on the package and the application process for subsidies refer to the MSD website (www.workandincome.govt.nz).

Should you require any assistance please do not hesitate to contact us.

It has now been clarified that the Wages Subsidy also applies to the self-employed.

We urge any client whose business is being adversely impacted by the COVID-19 virus and the Government measures to consider lodging a subsidy application. Anecdotal evidence is that MSD is processing applications with considerable efficiency and that payments are often being received within 24 hours.

With regard to the taxation aspects of these subsidies it has now been clarified that –

- Wage and leave subsidies are exempt GST.
- The wage subsidy is exempt income tax, however the component of wages paid to employees equivalent to the subsidy is not deductible for income tax purposes.
- The leave subsidy is subject to income tax.

Tax Changes

It has been announced that any taxpayer likely to experience difficulty in meeting any tax payment should contact the Inland Revenue Department to make arrangements for payment. It is our understanding that late payment penalties and interest will be waived in most cases.

Should you have any concerns with regard to any tax payment please contact us.

Looking to the Future

In these extraordinary times it is very easy to become depressed as there seems to be no end in sight. However, although we may not currently be able to see to the end, we need to remain positive and confident that better days will come. We will all get through this if we retain a positive attitude and all pull together. As George Harrison wrote "All Things Must Pass"! So in the meantime "chin up" and stay confident!

With best wishes to all our clients and their families.

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