

Changes that apply from 1st April 2010

EMPLOYERS

- Minimum wage increases from \$12.50 to \$12.75 for employees aged 18 years and over. 16 or 17 year old “new entrant” will increase from \$10.00 to \$10.20
- There is a new Secondary tax rate for employees whose total income is less than \$14,000:

\$0 to \$14,000	12.5% plus ACC Earner Levy = 14.5%
\$14,001 to \$48,000	21% plus ACC Earner Levy = 23%
\$48,001 to \$70,000	33% plus ACC Earner Levy = 35%
\$70,001 upwards	38% plus ACC Earner Levy = 40%
- Payroll giving is a voluntary initiative to give donations directly from an employees wages to approved charities
- Employee receives a tax credit of 33.33% to reduce PAYE for the period
- Tax credits claimed can not exceed PAYE deduction for the period.
- Independent Earner Tax Credit (IETC) increases from \$10 per week to \$15 per week from 1 April 2010.

DONATIONS REBATES THRESHOLD

- The Threshold has been removed and is now limited to the amount of your taxable income.

SCHOOL CHILDREN

- The maximum income, excluding interest and dividends, a child can earn tax free is \$2,340.

More information on the above can be found on the following websites:

www.ird.govt.nz

www.ers.govt.nz

or by calling our office 0800 486 000