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## Government Assistance for Businesses

There has been a flurry of COVID-19 business assistance packages released by the Government. Which ones are you accessing already? Are there any you want to find out more about? Please call us to discuss, or read more at <https://covid19.govt.nz/businesses-and-employees/businesses-and-services/financial-support-for-businesses>

- Small Business Cashflow Loan (SBCS) via IRD (see below)
- Business finance guarantee scheme via banks
- Wage subsidies for 30% affected businesses/self-employed.
- Wage subsidies extension for 50% affected businesses/self-employed from 10 June.
- Covid-19 Leave support
- Income relief if you lose your job (incl self-employed) from 8 June.
- Insolvency relief to place existing debts on hold for up to seven months.
- Increase in provisional tax threshold to \$5,000. Flexibility for tax instalment arrangements, IRD interest and penalty waivers
- Tax loss carry-back scheme
- Changes to tax loss continuity rules to assist capital raising

JDW offers services that are registered with the COVID-19 Business Advisory Fund. The Covid-19 Business Advisory Fund available through the NZTE Regional Business Partner Network has been fully allocated. However there are other grants available through the NZTE Regional Business Partner Growth Advisors.

<https://covid19.nzte.govt.nz/page/regional-business-partner-network>

## Small Business Cashflow Loan

The NZ Government is granting Small Business Cashflow Loans to viable businesses, to combat the COVID-19 economic effects. Applications for the \$10,000+ Small Business Cashflow Loan close on 12 June 2020.

Is it free money? No, it should be treated as a commercial loan like any other. So invest it wisely and thoughtfully. We encourage business owners to review all their spending and improve their income, not just use the loan as a sticking plaster.

What would you do with \$10,000? Talk with us about how you can plan your way to success. Read more [here](#).



What would you do with \$10,000?

Find out what toy store owner Little Ted did, when he took out a Small Business Cashflow Loan, in our [LinkedIn article](#).

## Working from Home Costs

The IRD has made two determinations which will allow you to pay your employees for home office costs while employed by you. The law has allowed this previously but the determinations provide some handy safe harbour thresholds which don't require you to collect evidence of actual expenditure. The determinations have been summarised in this handy chart from IRD (see below) and apply from 17 March 2020 to 17 September 2020.

If you pay these allowances, they are tax deductible to you, and exempt income to the employee. You don't have to pay these allowances as an employer, but if you wish to reward your team for their effort this is a good way to do it. If you pay greater amounts, you either need evidence or the amount is taxable to the employee.

- Furniture or equipment up to \$400 maximum – just need a note from employee that the intention is to use for buying furniture or equipment
- Telecommunication usage plan costs up to \$5 a week.
- Other expenditure up to \$15 a week.



What is the payment for?	How much is treated as exempt income?	When can I use this option?	What evidence do I need to keep?
Furniture or equipment	Up to \$400 maximum ("safe harbour")	The safe harbour amount is the only amount paid for furniture and equipment	No evidence required
	25% of cost of item*	Item is used at least partly for job	<ul style="list-style-type: none"> <li>• Evidence of the employee's costs</li> <li>• Evidence that the item is used for the employee's job</li> </ul>
	75% of cost of item*	Item is used mainly for job	<ul style="list-style-type: none"> <li>• Evidence of the employee's costs</li> <li>• Evidence that the item is used <b>mainly</b> for the employee's job</li> </ul>
	100% of cost of item*	Item is used exclusively for job	<ul style="list-style-type: none"> <li>• Evidence of the employee's costs</li> <li>• Evidence that the item is used <b>exclusively</b> for the employee's job</li> </ul>
Telecommunication usage plan costs	Up to \$5 per week	Plan used for job	No evidence required
	25% of employee's costs	Cost is at least partly for job	<ul style="list-style-type: none"> <li>• The employee's costs</li> <li>• Evidence that the cost is for the employee's job</li> </ul>
	75% of employee's costs	Cost is mainly for job	<ul style="list-style-type: none"> <li>• The employee's costs</li> <li>• Evidence that the cost is <b>mainly</b> for the employee's job</li> </ul>
	100% of employee's costs	Cost is exclusively for job	<ul style="list-style-type: none"> <li>• The employee's costs</li> <li>• Evidence that the cost is <b>exclusively</b> for the employee's job</li> </ul>
Other expenditure	Up to \$15 per week	The \$15 per week amount is the only amount paid for other expenditure	No evidence required

\* Assuming the item is a low-value asset. For items that are not low-value assets, the percentage is applied to the amount of depreciation loss.

## JDW at Level 2

We're all back working, but with more flexibility about working from home. Our website is down for maintenance, but it doesn't affect our services to you. We are grateful to the amazing, quick effort of our IT support team at Tier4, who ensured that JDW was ready to work from home during Alert Levels 3 and 4.

We have our QR code for the NZ COVID-19 Tracer app, and it's mounted at our entry and reception. If you forget to bring your phone when you visit us, no worries. Carol will write your name in our contact book. More information about the app here: <https://tracing.covid19.govt.nz>



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