

Christchurch Mail
Advertising Feature: Experts

Payday Filing For Employers Starts 1 April 2019

At the moment employers are obliged to file details of employee earnings and PAYE information with the IRD each month but under payday reporting they will need to file this information after each payday. The due dates for employers to pay any deductions and for filing the IR 345 (Employee deductions) remain unchanged. It will no longer be necessary to file the IR348(Employer Schedule) as this will be filed on a payday basis.

The IRD are bringing in these changes to give taxpayers more certainty about their tax obligations and working for families entitlements.

For employers who pay more than \$50,000 per annum in PAYE and ESCT they will need to file electronically through their payroll software or myIR. For this category of employers the information will have to be filed within two working days of the payday. For employers who currently file electronically, then payday filing may be done on a voluntary basis before 1 April 2019.

At the moment the threshold for mandatory electronic filing is \$100,000.

For employers who are above the \$50,000 threshold but who do not have access to digital services there is the right to apply for an exemption to file electronically. It is hard to believe that there would be any employers in the country who do not have access to the internet and or do not have a computer.

For employers with less than \$50,000 PAYE/ESCT payday filing can be filed by paper returns. The filing frequency for paper returns is 10 working days after each payday or if the employer elects to file twice a month the due dates are 10 working days after the middle of the month (15th) and 10 working days after the end of the month.

There are of course penalties for late filing. The maximum penalty able to be imposed for failing to file on time is \$250 a month, regardless of the number of failures to file on time in the month.

You should contact your chartered accountant or financial advisor before making a financial commitment.

- Paul Sheehan is a chartered accountant. Phone 355 2636 for more information