

Highlights

- * Public Holidays Observed
- * Overseas Travel
- * Christmas Closure



Cuff Booth-Ross LTD

CHARTERED
ACCOUNTANTS



P.O. Box 325, Hokitika
Email: cbr@cbr.net.nz

Telephone (03) 755 8866
Facsimile (03) 755 8910

CBR Update

December 2009



Seasons Greetings to you all! What a busy and productive year it's been here at Cuff Booth-Ross. As always our team are constantly being presented with new challenges. I have a few more for them next year to meet our aim of being the best on the Coast.

We wish you a prosperous 2010 and look forward to seeing you in the New Year.

Merry Christmas, Peter



Christmas & New Year Public Holidays Observed

Normally public holidays are celebrated on the day in which they fall. This year Boxing Day and the Day After New Years Day fall on a Saturday. The Holidays Act 2003 deals with this as follows:-

- If your employee doesn't normally work the Saturday, then the holiday is transferred to the following Monday and their public holiday is observed on that Monday. If they don't work it, they are entitled to a paid day off. If they work it they are entitled to be paid time-and-a-half for the hours they work and receive an alternate holiday.
- If your employee normally works the Saturday then the holiday remains the traditional public holiday. If they don't work it, they are entitled to a paid day off. If they do work it they are entitled to be paid time-and-a-half and receive an alternate holiday.



Way to go Fatso, now we're both stuck!

Your employee is not entitled to more than four public holidays over the Christmas and New Year period, regardless of your employees work pattern. More detailed information is available on the Department of Labour website www.ers.dol.govt.nz

Congratulations to our receptionist Tina, who has taken the plunge and married local lad Scott Alison. It's still the same Tina greeting you, she's just changed her surname!



Blondes Getting A Christmas Tree



There were two blondes who went deep into the frozen woods searching for a Christmas tree. After hours of subzero temperatures a few close calls with hungry wolves, one blonde turned to the other and said, "I'm chopping down the next tree I see. I don't care whether it's decorated or not!"



OVERSEAS TRAVEL



Overseas travel can be claimed as an expense in your Income Tax return where it relates to carrying on the business. In contrast, any private travel, including holidays, cannot be claimed (someone should inform Rodney Hide).

How do you treat travel that encompasses both business and personal components? In regards to the airfares, the primary purpose of the trip will be the determining factor for deductibility. Where the main purpose is:

- Business related and the holiday element is incidental, airfares are fully deductible
- Private and the business element is incidental, there would be no deduction available for the airfares
- Able to be identified as separate and distinct business and private purposes, there would need to be an apportionment of the airfares between business and private

All other travel expenditure like accommodation and meals will be deductible to the extent that they relate to the business travel. For

example, if you were to spend a week overseas with the weekdays being "business days" and stayed on for the weekend, 2/7ths of the accommodation should be treated as private.

Generally speaking, any travel relating to a spouse or family member will not be deductible. A claim is allowed where:

- They are a full-time employee of the business and they are actively on business activities while on the trip
- Where an associated overseas organisation expects your spouse to accompany you
- You require your spouse or family member to accompany you due to ill-health

Any expenses incurred by an employee while overseas cannot be claimed in their personal tax return, however any reimbursement of costs made to them by the business can be treated as a non-taxable allowance.

Any entertainment expenses paid while overseas will be fully deductible. The 50% claim limitation for entertainment only applies to entertainment provided in New Zealand. Note that the entertainment must still meet general rules for deductibility.

Expenses incurred in overseas travel cannot be claimed in your GST return. This includes your airfares which are zero rated for GST purposes.



We would like to take this opportunity to wish everyone a Merry Christmas and a prosperous New Year!

Please note our office will be closed from midday 23rd December 2009 and will reopen on 11th January 2010

For urgent enquiries please phone Peter on 027 555 6006



IMPORTANT:

This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Also, changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. Our newsletter is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.