



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 107

**TO:** Parish and Presbytery Treasurers  
**FROM:** Brendan Sweeney, Manager, Financial Services  
**DATE:** 26 January 2009

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Happy New Year to you all. I hope 2009 finds you and your families well. Sorry for the late delivery of this update due to the Christmas and New Year office closure. As always if you have any comments or queries on the following points or anything regarding Parish administration, please contact me by return email or on the phone numbers below.

### 1. **Changes to the Kiwisaver Act**

The new Government has introduced changes to the Kiwisaver Act, to take effect from 1 April 2009. The changes are summarized:

- The minimum member contribution will reduce to 2%, unless the member instructs the employer to maintain 4%.
- The default contribution for new members will be 2%.
- The \$40 per annum member fee subsidy will be discontinued.
- Compulsory employer contributions (CEC) will be capped at 2%, however the employer may decide to contribute more.
- The employer superannuation contribution tax exemption is capped at 2%.
- The employer tax credit (ETC) will be discontinued.
- The member tax credit (MTC) will be capped at 2%, up to a maximum of \$1,042.86 pa.

For further details, use the following link:

<http://www.ird.govt.nz/news-updates/like-to-know-april-2009-kiwisaver-changes.html>

### **What does this mean for Parishes?**

- Ministers and Lay employee member contribution decreases to 2% of contributing member's salary of stipend (previously 4%). It is their decision if they wish to maintain their contribution at 4% and they may instruct you as payroll administrator (in writing) accordingly. If you don't get any instruction, the rate will reduce to 2% from 1 April by default.
- The employer (Parish) contribution will be increased to 2% and will not increase further in future years. For minister's, this will not affect Parish contributions as the CEC will be incorporated in the Beneficiary Fund and paid as part of Assembly Assessment.
- The parish will no longer receive any government tax credit.
- For ministers, contributions are calculated on their total gross taxable pay. This includes their stipend, seniority allowance and any taxable housing allowances.

## **2. Kiwisaver Changes and the Ministers Beneficiary Fund**

I have received the following advice from the Beneficiary Fund Committee regarding the proposed Kiwisaver compliant component in the ministers Beneficiary Fund:

You will be aware that General Assembly approved changes to the Beneficiary Fund resulting in a Kiwisaver complying fund being provided for. The complying fund enables existing members of the Fund to opt to have a portion of their contributions (and an equivalent portion of the Church's contribution) to be accumulated separately from their remaining contributions and qualify for certain of the benefits that are otherwise available to contributors to a KiwiSaver scheme.

As detailed above, with the change of government a number of changes to KiwiSaver schemes have been announced and take effect from 1<sup>st</sup> April 2009.

As there is a statutory obligation on the Trustees to provide ministers considering opting into the complying fund and all new members of the Fund with an Investment Statement, and with the implications with respect to the changes that are implicit where Ministers opt to join the complying section, it has been necessary to delay issuing detailed instructions until the Investment Statement is being completed and peer reviewed. This work is now near completion and the Trustees expect to be in a position to issue details of the way in which the scheme will operate going forward before the end of the month.

It is expected that Ministers who have already joined a KiwiSaver scheme will have been advised of any implications involving their existing KiwiSaver membership by their provider.

### **3. Charities Commission update**

Since the Assembly Executive Secretary wrote to Parishes on 10 November regarding Presbytery registration under the Charities Act, there have been further discussions with the Charities Commission. This has resulted in an agreement from the Commission for Presbyteries, Parishes and all other entities within a Parish remain covered by PCANZ Church registration.

Parishes may therefore use the registration number CC33597 and where required, the Certificate of Registration issued to The Presbyterian Church of Aotearoa New Zealand. A copy of the Certificate of Registration is available on the church website using the link:

<http://www.presbyterian.org.nz/3724.0.html>

This essentially means that, contrary to earlier communications, there is no change from existing Commission requirements, with the exception that stand alone Trusts are not covered by Church registration and must be registered separately. Also unchanged is the requirement for Parishes to prepare annual financial accounts and parish statistics and report to Presbytery.

### **4. Software Product Offer**

I have been made aware of an organisation called Tech Soup New Zealand who offer a range of software products that have been donated from Microsoft and other suppliers for use by qualifying registered charities at substantially discounted prices.

Please note that software donated via TechSoup New Zealand for use by charitable organisations must be used for predominantly non-religious activities. Although the Presbyterian Church is obviously a supplier of religious services, secular community designations such as day-care centres or a soup kitchen may qualify.

For further information and to register your charity, please go to the link:

[www.techsoup.net.nz](http://www.techsoup.net.nz)

## **5. Treasurers Manual Update**

Thank you to those Treasurers who have identified improvements to be made to the Treasurers manual. I have included the correction of errors in the previous newsletters and am planning on updating the online version of the manual towards the end of the present financial year. In the meantime please let me know if you require copies of the existing printed document or the brochure on the use of Assembly Assessment

## **6. Parish Statistics to June 2008**

I have a list of 97 Parishes that have failed to complete statistics forms to June 2008. Further to numerous reminders over the past few months, please complete the forms and send to your Presbytery if you have not already done so. I am aware the finance forms can be confusing and I am happy to advise you, pending the introduction of simplified forms later this year. Please contact me if you need assistance or to explain why you cannot complete the forms. Thanks.



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