



Presbyterian Church of Aotearoa New Zealand

FINANCE NEWSLETTER 109

TO: Parish and Presbytery Treasurers
FROM: Brendan Sweeney, Manager, Financial Services
DATE: 17 March 2009

1.	Tax Changes from 1 April 2009
2.	Revision to Financial Statistics Form P4

1. Tax Changes from 1 April 2009

Among several changes to Inland Revenue tax rates and thresholds that take effect from 1 April, there are four that may affect Parishes and employees:

a) **New PAYE rates**

There will be a reduction in PAYE rates from 1 April, and all staff will require an adjustment to their taxable pay. The effect on Ministers Stipend is summarized in the appendix. Please refer to the IRD PAYE calculator (link below) or contact this office if you require further information.

<http://www.ird.govt.nz/calculators/tool-name/tools-p/calculator-pay.html>

b) **Secondary employment**

Some of your employees may be working 2 jobs. Note that if you have any staff that list the Church as their secondary employer, that income thresholds for the secondary tax rates have changed. You should ask the employee to complete a new IR 330 form and ensure they are on the correct secondary tax code.

c) **Independent earner tax credit (IETC)**

New Zealand tax residents who earn between 24,000 and \$48,000 in a tax year and don't receive benefits such as working for families or any other income tested benefits will be entitled to a tax credit of \$10 per week, increasing to \$15 per week from 1 April 2010. Employees who qualify for the IETC credit are required to complete a new IR 330 form and choose a tax code of ME or MESL.

For detail on changes to the personal and secondary tax rates and thresholds, and IECT, refer to the link:

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

d) Kiwisaver

Changes to the Kiwisaver Act, summarised in the January Newsletter take effect from 1 April. Let me know if you need a copy of that publication or refer to the link for detail:

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

FSD understand that communication on tax and Kiwisaver changes can be difficult to interpret and written instruction may be unclear. Please contact Margaret Fawcett at this office if you have any questions or require assistance in implementing changes.

2. Revision to Financial Statistics Form P4

I have had a lot of feedback from Parishes on the financial statistics form P4. I think the form is complex and open to interpretation on income and expenditure line items that are used to calculate Assembly Assessment. I have been working with the Resource-subcommittee on a revision to the form that will summarize Parish Statements of Financial Performance and Position, therefore is easier to understand and complete.

The revised form, with associated instruction will be released in May and are due to be completed and returned to Presbytery by the end of September. This deadline is later than in previous years and is to enable Parishes to complete June 30 annual accounts prior to preparing statistics.



Brendan Sweeney
Finance Manager

Appendix 1

2008/2009 Stipend and Seniority Allowance

Amended tax rates from 1 April 2009

1. Minister living in manse (Annual)

Years of Service	New Stipend (3.4% increase)	New Seniority Allowance as % of Stipend	Seniority Allowance	Manse Allowance	Gross Taxable Income	P.A.Y.E.	NET Stipend Payable	ADD Reimbursing Allowance (non taxable)	Manse Rental	Net Take Home Pay
1	40,565		-	4,056.50	44,621.50	8,938.80	35,682.70	2,622.96	4,056.50	34,249.16
2-5 years	40,565	6%	2,433.90	4,056.50	47,055.40	9,491.04	37,564.36	2,622.96	4,056.50	36,130.82
6-10 years	40,565	12%	4,867.80	4,056.50	49,489.30	10,222.68	39,266.62	2,622.96	4,056.50	37,833.08
11 plus years	40,565	18%	7,301.70	4,056.50	51,923.20	11,067.12	40,856.08	2,622.96	4,056.50	39,422.54

Monthly stipend including deductions

Years of Service	New Stipend (3.4% increase)	New Seniority Allowance as % of Stipend	Seniority Allowance	Manse Allowance	Gross Taxable Income	P.A.Y.E.	NET Stipend Payable	ADD Reimbursing Allowance (non taxable)	Manse Rental	Net Take Home Pay
1	3,380.42		-	338.04	3,718.46	744.90	2,973.56	218.58	338.04	2,854.10
2-5 years	3,380.42	6%	202.83	338.04	3,921.29	790.92	3,130.37	218.58	338.04	3,010.91
6-10 years	3,380.42	12%	405.65	338.04	4,124.11	851.89	3,272.22	218.58	338.04	3,152.76
11 plus years	3,380.42	18%	608.48	338.04	4,326.94	922.26	3,404.68	218.58	338.04	3,285.22

2. Minister living in own home Annual

Years of Service	Stipend (3.4% increase)	New Seniority Allowance as % of Stipend	Seniority Allowance	Housing Allowance (refer note below)	Gross Taxable Income	P.A.Y.E.	NET Stipend payable	ADD Reimbursing Allowance (non taxable)	Net Take Home Pay
1	40,565		-	15,600.00	56,165.00	12,538.68	43,626.32	2,622.96	46,249.28
2-5 years	40,565	6%	2,433.90	15,600.00	58,598.90	13,383.24	45,215.66	2,622.96	47,838.62
6-10 years	40,565	12%	4,867.80	15,600.00	61,032.80	14,227.68	46,805.12	2,622.96	49,428.08
11 plus years	40,565	18%	7,301.70	15,600.00	63,466.70	15,072.12	48,394.58	2,622.96	51,017.54

Monthly stipend including deductions

Years of Service	New Stipend (3.4% increase)	New Seniority Allowance as % of Stipend	Seniority Allowance	Housing Allowance (refer note below)	Gross Taxable Income	P.A.Y.E.	NET Stipend payable	ADD Reimbursing Allowance (non taxable)	Net Take Home Pay
1	3,380.42		-	1,300.00	4,680.42	1,044.89	3,635.53	218.58	3,854.11
2-5 years	3,380.42	6%	202.83	1,300.00	4,883.25	1,115.27	3,767.98	218.58	3,986.56
6-10 years	3,380.42	12%	405.65	1,300.00	5,086.07	1,185.64	3,900.43	218.58	4,119.01
11 plus years	3,380.42	18%	608.48	1,300.00	5,288.90	1,256.01	4,032.89	218.58	4,251.47

Tax calculation presumes tax code "M"

Housing allowance is calculated as \$300 per week (average rental) This allowance is negotiable varies between regions.

Beneficiary Fund personal contributions are \$169.02 per month (5% of basic stipend)

Ministers loan and beneficiary fund deductions may be deducted from the net stipend