



Presbyterian Church of Aotearoa New Zealand

FINANCE NEWSLETTER 125

TO: Parish and Presbytery Treasurers

FROM: Brendan Sweeney, Manager, Financial Services

DATE: 9 September 2010

1.	Christchurch Earthquake Update
2.	PAYE Rate Change
3.	GST Rate Change
4.	Referencing of Financial Transactions

1. Christchurch Earthquake Update

- Insurance Claims: Margaret Fawcett and AON staff have contacted all Christchurch parishes and have received initial reports on damage to allow AON's assessors, Godfreys' to prioritise their building assessment work. As at today there have been 17 parish claims filed for churches halls and other non residential properties, two for potentially serious damage. Any parishes that have concerns with cracks formed since the earthquake should contact the claims hot line 0800 502 020 to arrange an assessment.

Claims for residential properties are handled in the first instance by the Earthquake Commission so it will be some time before we know the extent of the damage to the Presbyterian manses. For residential properties the first \$100,000 of building claims and \$20,000 of claims for contents is covered by the Earthquake Commission, and the remainder covered by the Presbyterian Insurance Fund. Christchurch parishes that wish to make a claim to the EQC, please refer to appendix for instructions. Claims for residential earthquake must be received by the commission within 3 months.

- General Assembly: Council of Assembly, Christchurch Presbytery and the General Assembly workgroup have decided to continue with plans for General Assembly to be held at St Andrews's College, Papanui from 30 September – 3 October, contingent on a building assessment of the College and reconstruction plans from Christchurch City Council. Please refer to the Convenor of Council pastoral email of 7 September or to the front page of the Church website for details.
- Church Employees: Some parishes or Church workplaces may be closed and staff not working as result of the earthquake. The government has established a fund to support employers in the payment of staff, and there are procedures for the use of sick and annual leave under these circumstances. Please refer to the Department of Labour communication for guidance:

<http://www.dol.govt.nz/quake2010/>

- **Donations:** Church donations for assistance in Christchurch can be sent to the established agencies, New Zealand Red Cross or New Zealand Salvation Army. Any donations your parish may receive can be receipted through Church accounts and sent on to these agencies.

2. PAYE Rate Change

From 1 October ministers and employees PAYE rates are due to change. You can refer to the IRD website to calculate the adjustment for parish employees

<https://interact1.ird.govt.nz/forms/payecalculator/>

The adjustment to ministers basic stipend, and allowances is summarized. Again, please call Margaret if you require further detail.

1 Minister living in manse (Annual)

Years of Service	New Stipend (1.5% increase)	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
1	42,533		-	4,253.30	46,786.30	8,161.92	38,624.38	2,622.96	4,253.30
2-5 years	42,533	6%	2,551.98	4,253.30	49,338.28	8,827.44	40,510.84	2,622.96	4,253.30
6-10 years	42,533	12%	5,103.96	4,253.30	51,890.26	9,645.48	42,244.78	2,622.96	4,253.30
11 plus years	42,533	18%	7,655.94	4,253.30	54,442.24	10,462.92	43,979.32	2,622.96	4,253.30

Monthly stipend including deductions

Years of Service	New Stipend (1.5% increase)	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
1	3,544.42		-	354.44	3,898.86	680.16	3,218.70	218.58	354.44
2-5 years	3,544.42	6%	212.67	354.44	4,111.53	735.62	3,375.91	218.58	354.44
6-10 years	3,544.42	12%	425.33	354.44	4,324.19	803.79	3,520.40	218.58	354.44
11 plus years	3,544.42	18%	638.00	354.44	4,536.86	871.91	3,664.95	218.58	354.44

2 Minister living in own home Annual)

Years of Service	New Stipend (1.5% increase)	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	42,533		-	15,600.00	58,133.00	11,645.40	46,487.60	2,622.96	49,110.56
2-5 years	42,533	6%	2,551.98	15,600.00	60,684.98	12,463.32	48,221.66	2,622.96	50,844.62
6-10 years	42,533	12%	5,103.96	15,600.00	63,236.96	13,280.76	49,956.20	2,622.96	52,579.16
11 plus years	42,533	18%	7,655.94	15,600.00	65,788.94	13,280.76	52,508.18	2,622.96	55,131.14

Monthly stipend including deductions

Years of Service	New Stipend (1.5% increase)	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	3,544.42		-	1,300.00	4,844.42	970.45	3,873.97	218.58	4,092.55
2-5 years	3,544.42	6%	212.67	1,300.00	5,057.09	1,038.61	4,018.48	218.58	4,237.06
6-10 years	3,544.42	12%	425.33	1,300.00	5,269.75	1,106.73	4,163.02	218.58	4,381.60
11 plus years	3,544.42	18%	638.00	1,300.00	5,482.42	1,106.73	4,375.69	218.58	4,594.27

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 \$177.22 per month (5% of basic stipend)

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

3. GST Rate Change

As you are aware, GST increases to 15% from 1 October. There may be some manual calculations required over the transition in order to complete the next return. For example regardless of the period goods and services are booked, delivered or performed, it is the date of the invoice that drives the time of supply, invoices dated October will be entered at 15%, whereas invoices dated September will be processed at the old rate of 12.5%. This means that when you are preparing a GST return in October or November, you may have a mix of transactions with both rates and may not be able to simply gross up the GST component to get the gross amount. Please keep records of the gross amount payable or receivable for each transaction for the return.

With regard to Assembly Assessment, the amount billed will increase from 1 October (but not by 2.5% because about half AA pays for Ministers beneficiary fund, which is not subject to GST). Katrina Graham will advise you of the adjusted amount in the

next few days. Please liase with Katrina or Margaret if you wish to adjust monthly automatic payments or direct debits. Also please let me know if you would like to pay the remainder of the years AA to take advantage of the lower GST rate.

One kind treasurer, Jos Dekker has sent me an effective ready reckoner to convert gross and net GST amounts. He has offered it for use by treasurers and can be contacted at:

treasurer@nawtonpres.org.nz

4. Referencing of Financial Transactions

A reminder to please reference any deposits made for to the PCANZ bank account (02 0500 0086963 000, or 010 for global mission donations), for Assembly Assessment, loan repayments or mission donations to enable us to correctly update our records. Thank you.

Brendan

Appendix 1: Earthquake Commission Claim Instructions

EQC appoints a registered valuer to determine the value of your insured land.

This means that, in most instances, you will have to contribute financially to the reinstatement of your property.

Can EQC pay for new retaining walls?

No, unless your house or land is still under immediate threat from what has happened. Other conditions apply

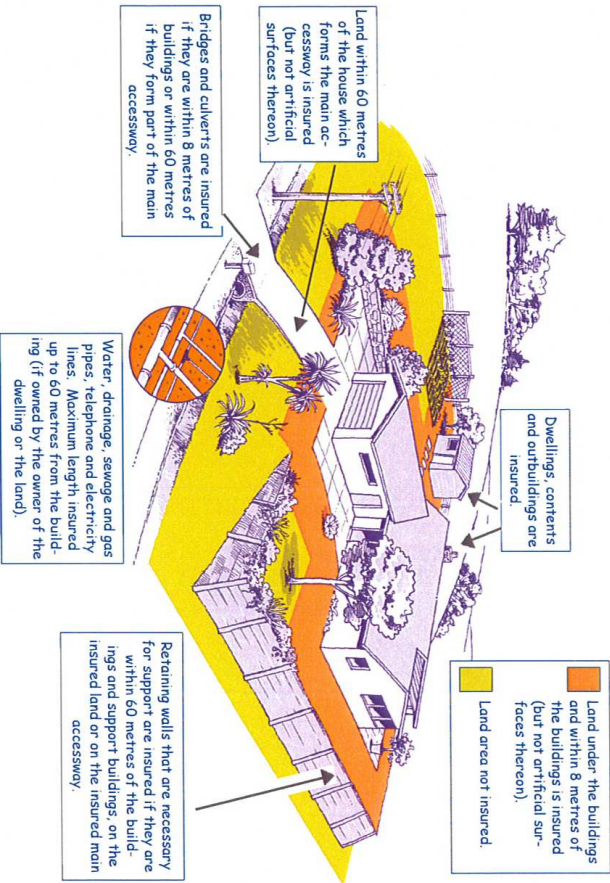
in this special type of claim.

Will EQC pay to protect my property from future disasters?

In some cases, following engineering advice, the Earthquake Commission may be able to fund works to protect an insured property which is still at risk from the natural disaster that has occurred. Otherwise, protection from future events is your responsibility.

EQCover

A guide to property insured by the Earthquake Commission Act 1993



EQCover insures only residential land, residential buildings and contents. It is obtained automatically when you take out a home or contents fire insurance policy.



a guide to
MAKING a
CLAIM with EQC

New Zealand Government

EQC settling your claim

STEP-BY-STEP

You have lodged a claim with the Earthquake Commission. So what happens next? This brochure provides a step-by-step guide to the EQC claims settlement process and it answers some of the questions most often asked about EQC's cover.

You may have simply made an inquiry of EQC and are wondering why your call has been treated as a claim. This is to ensure that it has been recorded and is receiving proper attention. It won't affect your premium or any future claims - EQC doesn't have a no claims bonus.

The claim settlement process

- EQC sends a letter acknowledging your claim. We will appoint a representative to visit the scene of the loss and report back or, if the loss involves minor damage to your home or contents, we will send you a claim form to fill in.
- EQC contacts your insurer to confirm that you have current insurance cover. Sometimes we will need to ask you to help with this. It is done while the next steps are being taken.
- If necessary, the EQC representative will appoint a registered valuer to value the damage. EQC also establishes the repair costs.
- If damage is severe or threatens the property, an engineer will be asked to report to EQC.
- Once EQC has received all the information about your claim, our representative will explain to you the settlement for your claim.
- When the settlement is agreed, we will pay you or your mortgagee the amount, in accordance with the terms of the mortgage agreement.

Home & contents claims

How long will it take to settle my claim?

If it is straightforward, your home and contents claim should take up to one month to settle. It may take longer if further expert advice is needed or if your claim is made at the time of a large natural disaster in New Zealand.

Excess

For claims involving your home or your home and contents, we deduct an excess of \$200 on claims of \$20,000 or less. If your claim is for more than \$20,000, the excess is one percent of the total.

For claims on contents only, the excess is \$200, whatever the amount of your claim.

Repairs

You are responsible for organising any repairs covered by the Earthquake Commission. The appropriate trade association will be able to help you if you would like guidance on who could undertake the repairs on your home or section.

Land, retaining wall, bridge & culvert claims

What can EQC compensate for?

EQC can compensate claimants for the loss or damage of:

- land within 8 metres of your house or the buildings that serve your house;
- the land of the main accessway - up to 60 metres from your house or the buildings that serve your house.

Please note

The provisions of the Earthquake Commission Act 1993 will always prevail over the contents of this brochure.

EQC can also pay for some retaining structures, bridges and culverts.

See the EQC *Homeholders' Guide* or the Earthquake Commission Act for more detailed information.

How long will it take to settle my claim?

Claims for land, retaining wall, culvert and bridge damage can be difficult to assess. The average time to settle claims is three months. However, the actual time varies according to the complexity of the damage and even weather conditions. We endeavour to have simple claims settled within two months.

Excess

The excess for land claims is 10% of the claim settlement with a minimum of \$500 and a maximum of \$5,000.

How does EQC compensate?

EQC will pay the value of your damaged land, retaining structure, bridge or culvert at the time of the loss, or the repair cost, whichever is lower.

How much will EQC pay?

The cover provided by EQC for land, retaining walls, bridges and culverts is **NOT** replacement cover.

The maximum EQC can pay is the value of the land, retaining wall, bridge or culvert at the time of the loss.

Continued overleaf

Concerned About Your Claim?

If you have any concerns about your claim, first contact the EQC representative or your EQC claim manager.

If you have a problem that can't be resolved by this process then contact EQC's insurance manager on 0800 652 333.

If, after contacting the insurance manager, you are still concerned that you haven't received your full entitlement under the EQC Act, you can appeal to the Ombudsman.