



Presbyterian Church
of Aotearoa New Zealand

TREASURERS' NEWSLETTER

August 2019 - Issue 216

In this newsletter

- Change in mileage rates
- Taxing casual lay workers and ministers
- Consolidation update

Welcome

Welcome to our August newsletter.

I hope this newsletter finds you well? It has been a busy time of year for all of us at Assembly Office, as I'm sure it has been at your parishes.

I want to thank all of you who have already sent in your parish statistics forms for the year. We appreciate you getting them through to us so promptly. In this month's newsletter, we have information on the new mileage rates, plus some clarification on the taxing of casual lay and ministerial workers. We have had a lot of queries in this area lately and wanted to provide some clarification for you.

New mileage rates

The Interchurch Bureau has released the new mileage rates for use from 1 July 2019, which are as follows:

Mileage Rates from 1 July 2019:

- Up to 14,000km annual running for all purposes – reimburse at 78 cents (previously 77 cents)
- Up to 20,000km annual running for all purposes – reimburse at 64 cents (previously 62 cents)
- Up to 26,000km annual running for all purposes – reimburse at 57 cents (previously 54 cents)
- For mileage beyond chosen band range – reimburse at 33.1 cents (previously 28.4 cents)

Taxing casual lay workers and ministers

Parishes need to be aware that any paid casual work by lay workers or ministers for honoraria, pulpit supply, cleaning or any other paid work is considered income; IRD rules are clear on this point and PAYE or withholding tax (WT) must be deducted.



If the person or minister concerned has a bona fide business, they can give the parish an invoice for payment through the standard accounting system, in a similar way to any other creditor.

Very few ministers are self-employed, and they must declare pulpit supply or honorarium as income, and it must go through the parish payroll. There are two ways this can be done:

- by paying them as casual employees and deducting PAYE from their payment, but this requires an employment agreement.
- Or the easiest way is to pay them as contractors and pay them a scheduler payment and deduct withholding tax (WT). This method requires no employment agreement.

[Here](#) is a link to the IR330C form which the contractor must complete. On page three is a list of roles that require withholding tax to be deducted and the rate at which it is paid. Number 10 is the most appropriate tax rate to use for pulpit supply. Five is for cleaners, and 16 for honoraria. If the role is not listed on page three, the contractor can choose a minimum rate of 10% or above.

If the person concerned does not want to pay WT, they can apply to the IRD for an exemption certificate. If the IRD approve, they will issue an exemption certificate, and this is valid for one year. A copy of the certificate must be given to the parish. If they do not have a certificate or the certificate has expired, the parish must deduct WT.

Travel expenses or other costs may be added to the scheduler payment as a non-taxable payment. There is a lot of information on the IRD website about scheduler payments. For more information [click here](#)



Consolidation Update

Work on the consolidation is continuing. A big thank you to those parishes in Kaimai who have provided us with either access to their accounts or a soft copy of their trial balance. We appreciate your assistance.

Please click [here](#) for a link to the consolidation information page on our website. We have now added several videos which answer some of the main questions and concerns raised about consolidation. [Watch the videos](#)

We will continue to add information to this page as the consolidation process continues, so please keep checking it. If you can't find what you're looking for, please contact us at PCANZFC@presbyterian.org.nz

