

Dear Sir/Madam

Important changes for your payroll from 1 April 2013

From 1 April 2013, the following changes may affect your payroll calculations and the details you enter on your *Employer monthly schedule* (EMS).

KiwiSaver contributions increase

The minimum contribution rate for employers and employees will increase from 2% to 3% of gross salary or wages from the first pay period starting on or after 1 April 2013. The rate change will also apply to employees who belong to a complying fund.

Primary and secondary schoolchildren

If you pay salary/wages or schedular payments to schoolchildren you must now deduct tax and record their details on your EMS.

If your employee or Inland Revenue request you to, you will also need to deduct KiwiSaver employee contributions for existing KiwiSaver members under 18 years of age. You don't need to make employer contributions. Employees under 18 are not subject to automatic enrolment.

ML and ML SL tax codes can no longer be used

If any employees are using either the ML or ML SL tax code, deduct PAYE using the M or M SL rates from 1 April, unless they give you a new *Tax code declaration* (IR 330).

Student loan repayment rate change

The repayment rate for standard student loan deductions will increase from 10 cents to 12 cents.

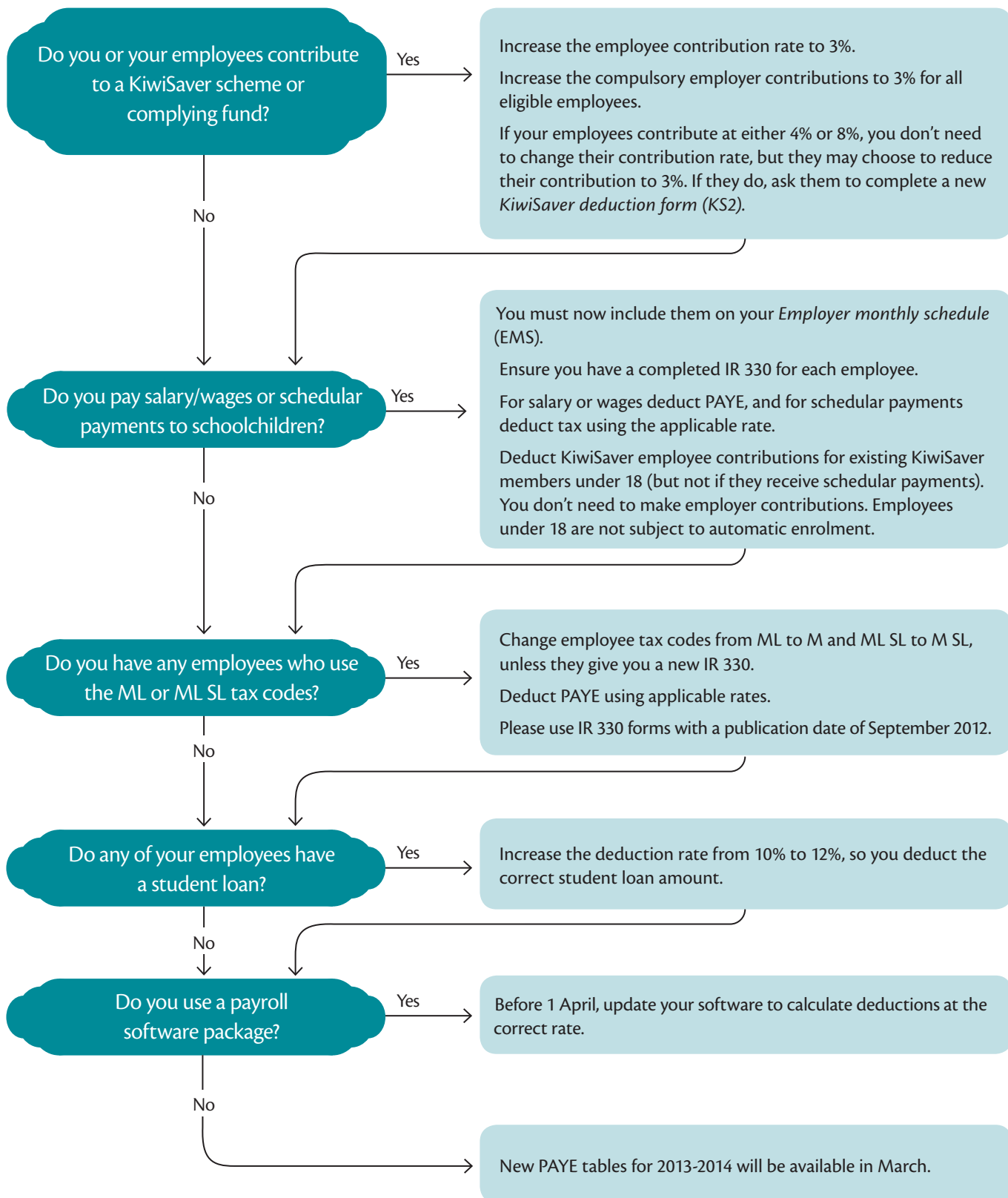
Yours sincerely



Eleanor Young
Manager, Inland Revenue



Are you ready for the 1 April 2013 payroll changes?



**You're all set.
Now, how about that cuppa?**