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The New Trusts Act [P.1](#)Relationship Property [P.2](#)Learning & Development [P.3](#)Add-on Software Solutions [P.4](#)Inland Revenue
into the future

From 1 March 2020 Inland Revenue and ACC will no longer be accepting cheques. The full article and alternative options for payment can be found [here](#).

How to avoid
late payment
penalties –
even if you're
paying late.

If you have missed an income tax payment and you are considering making the payment late, don't do it!

There is a way to avoid late payment penalties altogether.

So if you find yourself in this position, [get in touch with us](#) and we can talk you through how it works.

Trusts Act 2019: What you need to know.

The Trusts Act 2019 comes into effect on 30 January 2021. It applies to all existing and new trusts and replaces the 1956 Trusts Act.

Leading up to 30 January 2021 there are a number of issues both existing and new trusts need to consider. The following is a precis of the major issues you need to be aware of.

The Act sets out 5 mandatory duties all trustees must follow

- To know the terms of the trust deed
- To act in accordance with those terms
- To act honestly and in good faith
- To act for the benefit of beneficiaries or for permitted purposes
- To exercise powers for proper purpose

These duties cannot be excluded or modified by the trust deed.

It then sets out 11 default duties which can be modified or excluded from the deed:

- A general duty of care (reasonable care and skill)
- To invest prudently

- Not to exercise power for trustee's own benefit
- Actively and regularly consider the exercise of the powers
- Not to fetter future exercise of powers
- Avoid conflict of interest
- Act impartially
- Not to profit from the position of trustee
- Act for no reward
- Act unanimously
- Settlor (person who established the trust) must be made aware of any modification or exclusion.

Trusts must retain "core documents" defined as:

- Trust deed and any variations
- List of assets and liabilities
- Records of decisions (minutes etc.)
- Written contracts
- Accounting and financial records
- Documents relating to appointments and removal of trustees
- Letter of memorandum of wishes

Relationship property and break-ups

When negotiating a relationship property agreement or separation agreement, it is important understand the potential income tax and GST liabilities that could arise.

We recommend getting in touch with your accountant to understand any implications as you may have 'inherited' a tax liability in the future due to a concept called 'rollover relief'.

This can mean you pay taxes on gains made from the date of the initial purchase of property – and you may want to consider whether some of this future tax bill was accumulated jointly (and should be accounted for).

Trusts can also be tricky when a separation is involved. We recommend understanding the implications of assets held in Trusts and what factors to consider when you are thinking about asset protection.



What do Trustees need to consider regarding Trust information?

All beneficiaries may be entitled to information regarding Trust property and administration.

Trust documents should be retained and not destroyed. All trustees must have a copy of the deed and variations, and all other documents can be held by one trustee.

The Act requires that information regarding the terms of the trust, the administration of the trust or the trust property be made available to every beneficiary or representative of the beneficiary so as to ensure they have sufficient information to enable the terms of the trust and the trustees' duties to be enforced.

“With unanimous consent of all beneficiaries the Trust may be varied or terminated.”

The information envisaged includes:

- That a person is in fact a beneficiary
- The name and contact details of the trustees
- Details of trustee appointments and removals
- Trust deed, financials and minutes (but not the reason for decisions)

This is probably the most contentious requirement of the new Act.

However, trustees are permitted to withhold some or all of this basic trust information from one or all the beneficiaries following consideration of factors such as:

- The likelihood of the beneficiary to receive benefits (how distant is the relationship)
- Personal and commercial confidentiality issues
- The settlors' expectations and intentions when establishing the trust
- Age and circumstance of the beneficiary requesting information and that of the other beneficiaries
- The effect of family relationships of disclosing such information
- The practicality of providing the information
- Any other factor the trustees reasonably consider is relevant

The age of majority for trust purposes (where beneficiaries are deemed to have legal capacity) is now 18, previously 20. With unanimous consent of all beneficiaries the trust may be varied or terminated.

There are many other provisions in the Act concerning the likes of delegation of trustee powers, appointment and removal of trustees, the inclusion of alternative disputes resolution in trust deeds, extending the life of a trust to 125 years (formally 80), trustee indemnities and the likes. The issues highlighted above are those most likely to impact on the day to day management of trusts both new and existing.

MAQ will be contacting all our trust clients concerning these changes and the impact on the future management of the trust affairs. In the meantime, if you have queries please contact your MAQ partner.



Learning & Development Opportunities

At MAQ we believe ongoing learning and development and upskilling your staff is good business.

Seminars and Webinars held at our offices (where we have sufficient interest in a topic) are free, generally an hour long and drinks and nibbles are provided.

We also have access to a library of recorded webinars which can be provided (at a cost) to be viewed at your offices by as many or as little staff as you see fit.

Upcoming Events

- **Employment Law 2019 - Disciplinary Dos and Don'ts**
- **Change Management**
- **Delegation Tips and Tricks**
- **HR for non-HR Managers**
- **Get Your Business Website Working for you**

Professional Development

If you would like us to hold a seminar on a particular topic, feel free to let one of the team know and we can look at running a session.



Alternatively, there may be a recorded training we can give you access to.

If you have any suggestions email admin@maq.co.nz

Managing Cashflow and Working Capital

Have you ever had your accountant or even your bank manager ask about your cashflow forecast or budget, and you're not sure why you really need one?

Have you heard the term "Working Capital" and you weren't quite sure exactly what it means?

The answer to all these questions lies in the numbers.

Cashflow Forecasting is something a lot of businesses don't consider and wonder at the end of the year why you made a healthy profit on paper, but you don't know where all the cash went.

If you do one thing and one thing only; ask for a cashflow forecast next time you see us and we will show you how it can seriously help your business cash position and explain how you can use it to track where you might be going wrong and predict where you're headed. Knowledge is power.





How could Workflow Max help your business?

Workflow Max is a cloud-based project management software built to manage your business's projects.

Find out more [here](#)

Spotlight on Workflow Max

Workflow Max is a Xero program which is designed to increase the time you put to a project, rather than the time it takes organising and managing the project.

Suited to

Business such as creative agencies, IT services, building and construction businesses, engineers and surveyors, architects, business consultants and accountants.

Features

- Lead Management (procurement of future work), quoting and client management
- Time tracking, collaboration and job, task & staff management
- WIP management, invoicing and Xero integration for billing
- Profitability reporting, management reporting and performance reporting
- Dynamic customisable fields and templates to personalize to your suit your business
- Mobile friendly apps for iOS and Android

Integration

- CRM software – Practice Ignition, Hubspot and Salesforce CRM Connector
- Accounting programs such as Xero and MoneyWorks
- Customer Support apps – Zendesk and Freshdesk
- Staff Scheduling apps like Deputy and Better Scheduling
- Time Tracking apps – EON, Adobe Time Tracking Widget and Time Doctor

For pricing [click here](#)



Struggling with your payroll compliance?

MYOB Essentials Payroll are a cloud-based payroll intermediary that manage payroll compliance.

Spotlight on MYOB Essentials Payroll

How MYOB Essentials Payroll works: all you need to do is enter your employees' timesheet info and MYOB Essentials does the rest. MYOB Essentials Payroll also has an employee payroll app that lets employees manage their payslips and leave.

Perfect for small business - Ideal for a business that employs less than 10 staff, makes standard PAYE deductions and wants to run payroll from anywhere.

Process payroll in 3 easy steps - Simply pick the dates and select your employees, review the payslips and finalise the pay run.

Make your PAYE obligations easier - Make your PAYE obligations easier Automate your wage and PAYE payments as well as your monthly IR filing.

Timesheets in far less time- With real-time access to staff timesheets save hours on manual data entry and improve accuracy.

Integration

- MYOB Essentials Accounting

For pricing & more information [click here](#)



BUILDXACT

Could BuildXact help build your business?

BuildXact manages the build process of projects, including tracking purchases, managing variations and issuing client invoices.

Find out more [here](#)

Spotlight on BuildXact

Buildxact provides builders and tradies with simple online business tools. They help with estimating and job management software to manage the job end-to-end, from first contact and quote to final invoice.

Suited to

Builders, carpenters, landscapers, roofers, plasterers and most other tradies

Features

- Measure and price jobs with takeoffs
- Cost jobs by loading your own supplier pricing
- Turn estimates into professional quotes with your branding
- Create job schedules automatically from your estimate
- Create purchase or work orders, and enter supplier/contractor invoices
- Produce variations based on refunds, item changes, overspends or additional customer requests.
- Create professional invoices for contract or cost-plus jobs, using BuildXact's templates

Integration

- Xero
- MYOB AccountRight
- Quickbooks

For pricing [click here](#)

SmartPayroll

No time for payroll?

Smart Payroll are another cloud-based payroll intermediary option that can manage your payroll compliance.

Find out more [here](#)

Spotlight on SmartPayroll

SmartPayroll is an online payroll system based in New Zealand, Smart Payroll makes it simple to pay employees and contractors and send reports to the IRD.

Suited to

Organisations that want to spend less time on administration tasks like payroll compliance.

Features

- Pay your employees from anywhere through the app
- Employees can submit timesheets and view their payslips
- SmartPayroll takes care of set up and training
- Generation of payroll reports

Integration

- Xero
- MYOB

For pricing [click here](#)