

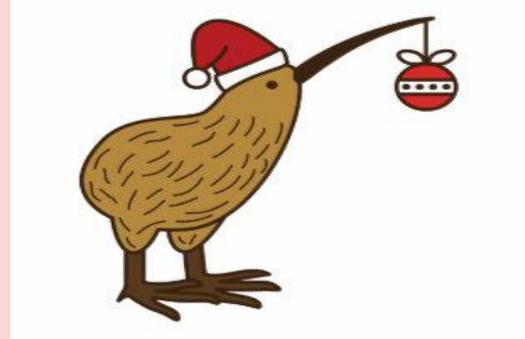
# Laydoddnews

## SEASONS GREETINGS

Our office will be closed from 12.00 pm on **Wednesday, 23 December 2020** and will re-open on **Monday, 18 January 2021**

We all thank you for your continued support and we look forward to working with you in a brighter and better 2021.

**Have a safe and happy holiday**



### Top Five Employment tips for Christmas you need to know

#### 1. A business may close down over the holiday period

Businesses can have an annual closedown for their whole business or a part of it, but they must give at least 14 days' notice in writing.

If a business closes down over the holiday period, employees are required to use their existing annual holidays to cover the closedown period. If an employee doesn't have sufficient leave, they can take leave without pay or the employer and employee can agree to use annual leave in advance. [Annual closedowns](https://www.employment.govt.nz/leave-and-holidays/annual-holidays/annual-closedowns/)

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#### 2. In most circumstances employees don't have to agree to work on a public holiday

An employer can **only** make an employee work on a public holiday if:

- ◆ the public holiday falls on a day the employee would otherwise have worked; **and**
  - ◆ the requirement to work on the public holiday is noted in their employment agreement.
- Otherwise, an employee does not have to agree to work during a public holiday.

[Public Holidays](https://www.employment.govt.nz/leave-and-holidays/public-holidays/) <https://www.employment.govt.nz/leave-and-holidays/public-holidays/>

#### 3. All employees should be paid time and a half for working on a public holiday

If the public holiday falls on the day an employee would normally work, an employee is entitled to be paid time and a half for all the hours worked, plus a paid day off at another time. If the holiday does not fall on a day they normally work, the employee is entitled to just be paid time and a half.

#### 4. Employees can ask to cash-up some of their annual holidays

Employees can request to cash up to one week of their four week's annual holidays in any entitlement year, providing the employer agrees. If an employer declines, they must do this in writing, but they don't have to give a reason.

[Cashing-up annual holidays](https://www.employment.govt.nz/leave-and-holidays/annual-holidays/cashing-up-annual-holidays/) <https://www.employment.govt.nz/leave-and-holidays/annual-holidays/cashing-up-annual-holidays/>

#### 5. Cancelling approved annual holidays is a matter of negotiation

An employer cannot cancel an employee's approved annual leave, unless they agree to it. An employee may have already arranged their holiday, for example, paid for accommodation, or organised a holiday with friends or family. If an employer would like an employee to cancel their leave, they should approach the employee in good faith and make sure that there are no consequences if the employee declines to cancel their leave.

[Taking annual holidays](https://www.employment.govt.nz/leave-and-holidays/annual-holidays/taking-annual-holidays/) <https://www.employment.govt.nz/leave-and-holidays/annual-holidays/taking-annual-holidays/>



### IRD TARGETS BRIGHT-LINE SALES

Tax agents around the country recently received a list from IRD of clients who, based on IRD records, have bought and sold residential land within the bright-line period and are required to pay income tax on any profit they've made because none of the exclusions apply.

The bright-line rules can be difficult to navigate through (particularly when applying to the main home or farmland) and there have been a number of instances where clients have inadvertently fallen foul of them. Understanding when the 2 or 5 year bright-line period applies and determining the bright-line start date for off the plan purchases or sales of subdivided land can be crucial. While IRD have issued rulings which provide guidance on the application of the farmland and main home exclusions, there are often quirky situations which create uncertainty.

If you have potential bright-line issues or you would like assistance in responding to the recent IRD letters, then feel free to contact the Lay Dodd team.

### SMALL BUSINESS CASHFLOW SCHEME

- ◆ It is for businesses with 50 or fewer full-time-equivalent employees.
- ◆ They must have been in business on 1 April 2020 and have experienced a 30% decline in revenue as a result of COVID-19 restrictions.
- ◆ The maximum amount that can be borrowed is \$10,000 plus \$1,800 per full-time equivalent employee and only one amount can be drawn down.
- ◆ The loan period is for 5 years and interest rate is 3% from the date of the loan being provided.
- ◆ No interest will be charged if the loan is repaid within 2 years.
- ◆ Restrictions on how the loan can be used have eased. As well as spending on core operating costs, businesses will be able to choose to use the loan to invest in their business, helping it to adapt to the impact of COVID-19.



Applications for the loan can now be made until 31 December 2023.



### Business Finance Guarantee Scheme

Business Finance Guarantee loans can help small and medium business access credit for cashflow, capital assets and projects related to, responding to or recovering from the impacts of COVID-19.

The scheme supports the provision of scheme loans to viable businesses. It encourages banks and non-bank deposit takers, like Building Societies, to lend where otherwise they may not by the Government taking up to 80% of the loan's default risk. Borrowers are still liable and must pay back the debt, with interest, in the usual way.

#### What the Scheme provides

A term loan or revolving credit facility may be available if your business (which can be a company, sole trader, partnership or trust) needs credit for cashflow, capital assets and projects related to, responding to or recovering from the impacts of COVID-19.

All New Zealand registered banks and non-bank deposit takers (non-banks) are eligible to apply to join the scheme.

If you borrow from a bank, it will determine the amount you can borrow and the length of the term, under one or more scheme loans up to a maximum of \$5 million, five years.

More information can be found on the Treasury website:

<https://www.treasury.govt.nz/information-and-services/new-zealand-economy/covid-19-economic-response/asures/bfg>

**Disclaimer:** This publication has been carefully prepared, but it is written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.