

4.

VOLUNTEER SCHEME WITH A DIFFERENCE (we trial this one)

Volunteers now can make a difference and there are employers that are willing to work out a compensatory scheme to make it worthwhile. Workers can design to work in a volunteer scheme for perceived final benefits. They could include a final position with the firm that is a real job. It could include training so that the individual can become independent as a contractor and run his or her own business. There could be other tangible benefits such as the development of skills in tutorial capacity or presentation or sales skills. These attributes can produce remarkable incomes at a later date in a more traditional job. For example may lead to \$100 per hour jobs.

The volunteer worker can be remunerated with some benefits such as the following:

- Operation of home office – you will need to measure rooms and have office sign
- Recovery of vehicle expenses percentage vehicle is dedicated to the business.
- Fuel and travel expenses on daily basis for field work.
- Agreed fees for Tutorial work for SSL.
- Commissions.

Some fees will be subject to IRD tax and will be treated as fringe benefits is they involve similar to employment work. In our next edition we will have a table to show the differences between a Contractor and an Employee.



Summit Manager Name _____
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For the Lord himself will come down from Heaven with a loud command, with the voice of the archangel and with the trumpet call of God, and the dead in Christ will rise first. After that, we who are still alive and are left will be caught up together with them in the clouds to meet the Lord in the air, 1 Thes 4:16-17 NIV

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**News Views Solutions
from Summit Systems
January 2023**



NZ WORKERS MAY SOON BE HIGHEST PAID IN THE WORLD

Before you raise your hand and point at me in distaste please understand that this may or may not be correct but I believe that it is correct. You will undoubtedly claim that your shopping money for food is not going anywhere. If I said that this is a direct outcome of stagflation 99% of people would not understand the difference between economic stagnation and roaring inflation.

The problem is that your purchasing power has been stolen by other NZ Government policies that have made it impossible for producers to hold their prices. Some factors that contribute to this situation are the cost of fuel, the cost of finance, high wages of employees and the cost of making a profit.

To get to the heart of the situation we firstly need to understand that Sir John Key raised the minimum wage from about \$11 to about \$15. The current Government has raised wages further from about \$15 to the current level of \$21.50 which will move to \$22.60 in the near future and then to \$25 in 2024.

If you wish to do research you will find that Germany and Luxemburg are around \$24 compared to NZ and we are on a par with London which is \$22.50. But that is only half of the story. You need to take into account that NZ holidays have increased from 3 weeks to 4 weeks. Our sick leave has increased from 5 days to 10 days. Our parental leave has increased to 26 weeks top of the world. We also had another special statutory leave day.

If you take the full income for minimum wages nation by nation plus all of the holidays you will find that NZ if now the world leader in minimum income. Australia and UK are behind us on approximately \$22. For USA the top region is DC which is \$15.20 and CA is \$15. All other states are between \$7 and \$14.

The cost of our high wages will be a very nasty loss of global contracts and other countries will simply stop buying our goods. We have to work out other ways to get remuneration and how to make your dollars real and not worthless. That is the purpose of this newsletter. My belief is that nobody will work out the consequences and taxation will outrun wage increases and all workers will get a fairly serious tax bill in July 2023. It follows that your annual tax refund is finished for years ahead.

2.

NZ WORKER WAGES ON ANNUALISED BASIS

Let us say average working week is 37 hours and 52 weeks in year = 1924 hours total and income at \$22.50 would be \$43,290.

If we deduct 4 weeks of annual leave and 2 weeks of sick leave and 3 weeks for other statutory and special leave on pay this comes to reduction of $9 \times 37 = 333$ less hours.

Take annual pay of \$43,290 for net hours of 1924 less 333 = 1591. This is \$27.20.
If you also add a similar amount for parental leaves if taken then say another \$5 and this means average annual hourly rate of \$32.20.

For many decades the charge out formula has been worker hourly rate x 2.5 times and this makes a required recovery of about \$75 per hour + GST.

NZ WORKER AS INDEPENDENT CONTRACTOR ON GST

This is a viable option and has been used and is well accepted but not by IRD for decades. IRD will try to block people from getting this benefit.

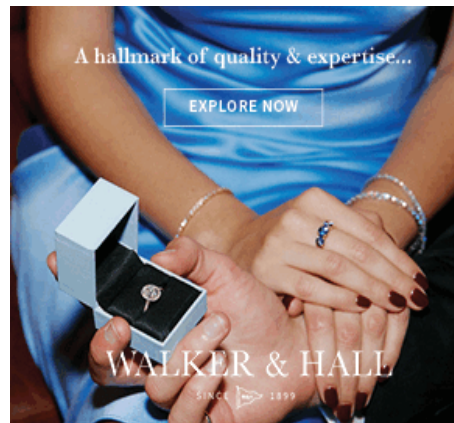
A worker must qualify for this status and must meet sufficient of the control tests to ensure that it is a genuine independent relationship.

It follows that you will be billing out for all of the work for your clients and you will likely have a handful of clients at the least. If you claim say 20% for all of your home office and outgoings on your car and home mortgage and rates and insurance and other legitimate costs it is common for your GST benefits to arrive at \$5,000 especially if you buy a new car on a regular cycle. In some cases the benefit can be as much as \$10,000 or even more. You will need an Accountant or will need to have a 10 or 15 column cashbook and we can give you example.

GLORIAVALE MODEL OF WORK FOR FREE ACCOMMODATION AND CLOTHING AND FOOD

This is possible and can be set up but needs to have cash allowances or fees to make it possible to achieve spending monies needed.

We suggest that you trial this model but you will need to design extra benefits or cash allowances to make it workable in our opinion. You may need to provide vehicle as an extra incentive.



3.

NZ WORKER BENEFICIARY ON GOVT SUPPORT

This scheme assumes that you are in receipt of a Government benefit and are keen to be able to do say 15 hours of work per week.

We will advocate for new regulations that will allow you to work for 15 hours per week at a reduced rate of pay for no reduction of your benefit and this means no clawback.

We think that the wages would be about 66% of the minimum wage and may include fuel or travel on a daily basis.

NZ SHAREMILKER ON PROBATION

This scheme may require an amendment to the 1937 Sharemilking Agreements Act. There will be a new provision and the dairy farm owner will be able to negotiate with a new worker for a probationary or provisional role and it will include three elements.

Instead of a worker getting standard \$1800 per week less tax of \$500 say \$1300. The worker will get \$900 less tax of \$150 plus will maybe get a car and cabin. The car may be on loan and the cabin will become owned over say 10 years. It will have a for sale value of say \$50,000 and can become deposit on cows or on the first home for the worker.

CHALLENGED WORKER SCHEME

This scheme is designed for people with limited abilities and limited intelligence or otherwise intellectually challenged.

The special rate will be about half of the normal wages that would be the minimum wage or what it may otherwise be for the type of job.

The challenged worker may also get fuel or travel reimbursements on a regular basis. Most people are completely unaware that this type of scheme is used by quite a few welfare organisations and NPOs.

