

Potential remote work scenarios



While the landscape is everchanging, we are seeing remote work come to life in several ways today. Each has different features, benefits and challenges.





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Potential remote work scenarios While the landscape is ever-changing, we are seeing remote work come to life in several ways today. Each has different features, benefits and challenges.

Domestic remote worker – existing employee wishes to perform role from another part of the same country



International remote worker – existing employee wishes to perform role from another country



Remote Work Scenarios

Domestic remote new hire – organization allows new hires to join and start working from another part of the same country



International remote new hire – organization allows new hires to join and start working from another country



Virtual assignment – employees who would have been on a physical assignment working virtually for the host country entity Work from Home Scenarios

Permanent work from home – employee is wholly based at their home



Scheduledworkfrom home – employee is based at an office location and will work from home on a regular, scheduled basis



Occasional work from home – employee is based at an office location and may work from home occasionally on an ad-hoc basis

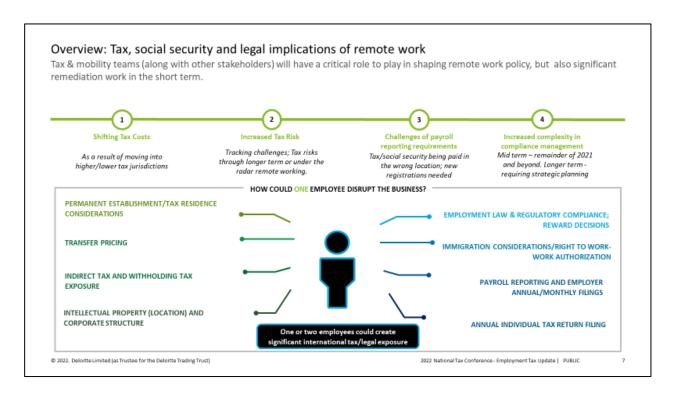


Temporary work from home – employee is based at an office location and will work from home for a limited, temporary period of time (such as for health and safety measures)

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Useful links:

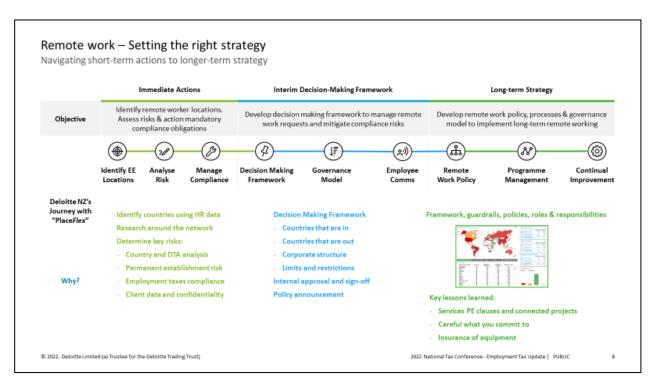
Deloitte Insight: Are you remote working in New Zealand for a foreign employer? Inland Revenue's finalised view

Deloitte Insight: Running a business with ongoing border uncertainty

Deloitte Insight: What impact will recent travel restrictions have on your company's tax residence?

Deloitte Insight: Plan some overseas travel – but plan for tax as well

Your notes:		



Your notes:				



Your notes:				

Inland Revenue guidance

Payments to employees to help cover the cost of remote working

Determination EE003 - Payments to employees working from home; Employee use of telecommunications tools and usage plans in their employment

Class	%	Reason
Class A	75% Exempt	Principally used in employment
Class B	25% Exempt	Still required
Class C	100% (de minimis)	\$5 a week (max \$265 a year)



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Useful links:

Deloitte Insight: Tax considerations for a locked down workforce

Deloitte Insight: Are you aware of changes to the taxation of telecommunication and travel allowances?

Deloitte Insight: Employment tax issues for a remote workforce

Determination EE003

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Employee travel

· Inland Revenue kilometre rates

Vehicle type	Tier 1 rate	Tier 2 rate
Petrol or diesel		31 cents
Petrol hybrid	83 cents	18 cents
Electric		10 cents

- · Travel from home to a distant workplace (OS 19/05)
- Employee transport allowances for additional transport costs are exempt from tax (DRAFT ED 0243)



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Useful links:

Deloitte Insight: 2022 mileage reimbursement rates published – what you need to know

Deloitte Insight: Allowances for additional transport costs

Operational Statement Employer-provided travel from home to a distant workplace – income tax (PAYE) and fringe benefit tax

Your notes:				



Useful links:

Deloitte Insight: Can I claim my lunch as a tax deduction?

Deloitte Insight: Time to review your ESCT rates

Deloitte Insight: Recapping Deloitte's FBT and employment taxes webinar – key things you need to know under the

39% rate

Deloitte Insight: Christmas parties and gifts – Entertainment or FBT or PAYE?

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Your notes:				

FBT rate increase

Calculation options - from 1 April 2021

Salary band	FBT rate up to 2021	FBT rate from 2022
Up to 14,000	11.73%	11.73%
14,001 – 48,000	21.21%	21.21%
48,001 – 70,000	42.86%	42.86%
70,001 – 180,000	49.25%	49.25%
180,001 - over	49.25%	63.93%
Pooled benefits	42.86%	49.25%

Option 1 - single rate option

Single rate - pay on all benefits in all quarters at 63.93%, including pooled and non-attributable benefits. Lowest compliance, highest cost.

Option 2 - short form alternate rate

All attributed benefits taxed at 63.93% and non-attributed benefits taxed at 49.25%

Option 3 - concessionary short form rate

63.93% for attributed benefits where earn over \$160,000, other attributed benefits taxed at 63.93%, as are non-attributed benefits

Option 4 – full alternate rate option

Highest compliance but likely lowest cost. Pay at 49.25% in Q1 to Q3, then attribute for the year in Q4 (March)

Able to access lower FBT rates for employees earning under \$180,000 and for pooled/non-attributable benefits

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Deloitte Insight: The tax cost of your fringe benefits is about to increase

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Current FBT issues

Emission friendly benefits

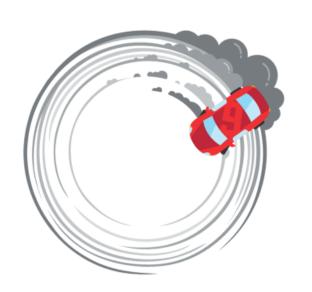
- Electric vehicles
- Chargers at work/home
- Public/shared transport/other incentives

Valuation of discounted goods and services

Application of exemptions

- · de minimis threshold
- · On premises exemption
- · Health and safety
- Business tools

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Useful links:

Deloitte Insight: The great ute FBT debate

Deloitte Insight: EV's, car fees and role of time in the path to carbon zero

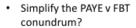
Deloitte Insight: FBT common errors and how to prevent them

Inland Revenue Guidance Clean Car Discount Scheme

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FBT stewardship review To be published April 2022- July 2022 August 2022?







 Change pooled benefits rate back to 42.86%?



 Review of the settings for vehicle benefits?



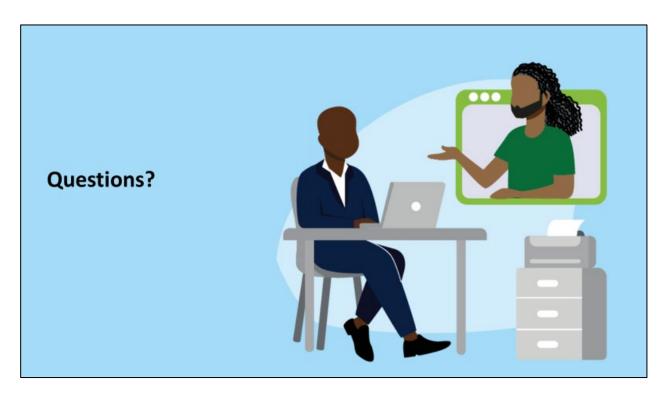
 Use FBT/PAYE to incentivise (or at least not discourage) emission friendly alternative transport options?

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