

# Broadbase International Ltd Newsletter – January 2010

A very happy New Year to you all! There is no way of mentioning the weather in New Zealand on Christmas Day without sounding like we're gloating to those of you who are snow bound in the UK – but we hope that all of you had a lovely festive season.

In our newsletter this month we take a brief and broad look at the latest economic news from the UK and New Zealand, let you know about imminent changes to UK pension access, and look at eligible relocation expenses list for migrants whose employer is subsidising their move to New Zealand. We've also got a back-to-school tip for those of you looking forward to the start of the New Zealand school year.

## ***UK Minimum Retirement Age***

From 6 April 2010 the minimum retirement age for UK personal and occupational pensions rises 50 to 55. If you are under 55 at the deadline but you are already taking benefits from your UK pension then you can continue to do so, but if you miss the deadline then you'll potentially have to wait another few years before you draw down lump sums or benefits from your UK pension. **This includes UK pensions that have been transferred to a New Zealand QROPS but are still within the 5-year QROPS reporting period.** This is a significant deadline for people with UK pensions or a New Zealand QROPS who are aged between 50 and 55 – please [contact Jeremy](#) if you wish to discuss your options.

## ***Economic Update***

Both the UK and New Zealand Governments have released their economic predictions for the coming year over the past month or so. New Zealand's economic outlook was cautiously optimistic, with the broad view being that [things might not get as bad as expected](#). Net migration (the difference in the number of people leaving New Zealand compared with the number arriving or returning) is up, although this is acknowledged to be mainly because [New Zealanders aren't leaving in the same numbers as they were](#) rather than an influx of new arrivals.

Still, long-term migrant numbers remain relatively steady, and the Government continues to encourage immigration as an important part of stimulating the economy. They have just introduced a new "[Entrepreneur Plus](#)" category in addition to the existing Entrepreneur category for migrants starting or buying businesses in New Zealand, and the recently revamped Investor category continues to attract much attention. A new [Silver Fern Visa](#) for skilled young migrants is due start in April 2010.

The UK's traditional [December pre-budget report](#) was less cheery, with continuing concerns about national debt dominating proceedings.

## ***Eligible Relocation Expenses***

In our October newsletter we mentioned that an act had been passed by Parliament clarifying that employees who are being reimbursed for relocation expenses (or having these expenses paid on their behalf) can have these payments made free of income tax and fringe benefits tax. The IRD has now published the [full list of eligible expenses](#). Remember that this determination applies retrospectively from the 2002-2003 tax year, so it may be worth following up if an employer paid some of your moving expenses when you emigrated but you were then taxed on this benefit.

## ***Back to School Tip***

If you have a child at school in New Zealand you'll probably be organising stationery lists and trying to find that regulation sun hat as we head back in to the new school year in late January/early February (depending on the school). Most Kiwi schools request that you cover exercise books, which brings us to our back to school top tips –

1. The clear or tinted plastic book covering is much easier to handle than the foil stuff, which tends to rip and bubble a lot more. That said, applying the clear or tinted plastic book covering is still quite a skill!
2. If you're obscuring the identifying code of the exercise book, write it inside the cover – occasionally you'll get an unused book back at the end of the year, and having the code to hand makes it much easier to use the book again the following year.

Check our website for more information on [New Zealand schools, preschools](#) and [school term dates](#).

## ***Important Dates***

February 6<sup>th</sup> is Waitangi Day, or New Zealand's national day. It is more of a commemoration than a

celebration due to the complicated historical context, [which you can read more about here](#), but still for most New Zealanders is a welcome day off in the summer.

### ***Until Next Month...***

Wishing you and your family all the very best for the coming year. Please feel free to contact us any time if you have any questions about the financial side of life in New Zealand.

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