



New Zealand Expense Reimbursement Procedure

This guide outlines the rules and conditions for reimbursing business-related expenses in New Zealand. All reimbursements must comply with the Inland Revenue Department (IRD) regulations and the Native Teams' internal accounting standards.

General principles

- Employers may reimburse employees for legitimate business-related expenses incurred in the performance of their duties.
- Actual expense reimbursements are generally tax-free, whereas regular cash allowances are taxable and may impact KiwiSaver employer contributions.
- Under IRD law, all expense records, receipts, and invoices must be securely stored for **at least seven years**.

Eligible expenses

The following business-related expenses are eligible for reimbursement:

- ◆ **Travel expenses** – Flights, public transport, work-related taxis, accommodation, and meals while travelling for business.
- ◆ **Vehicle expenses** – Use of personal cars for business trips.
- ◆ **Home office costs** – Internet, phone plans, power/electricity, and office furniture/equipment used for remote work.
- ◆ **Work-related purchases** – Office supplies, professional subscriptions, software, and tools/equipment.
- ◆ **Client & business entertainment** – Business meals, drinks, or events with clients or suppliers.

Reimbursement conditions



1. Accommodation and travel

- **Tax Status:** Fully tax-free if the employee is travelling for business or attending an overnight conference or training course.
- **Meals:** Meals eaten alone while travelling are 100% tax-exempt.



2. Vehicle mileage

- **Rates:** Can be reimbursed tax-free using the IRD mileage rates (updated annually).
- **Tiers:** Based on a Tier 1 rate up to 14,000 km (split by vehicle type) and a lower Tier 2 rate thereafter.



3. Home office & utilities

- **Proportion:** Reimbursed tax-free only for the proportion explicitly used for business.
- **Calculations:** Employers can use IRD square-metre or percentage calculations to establish a reasonable estimate.



4. Purchases & assets

- **Under \$1,000 NZD:** Can be fully deducted immediately.
- **Over \$1,000 NZD:** Must be capitalised and depreciated over time under IRD asset rules.



5. Business entertainment

- Client entertainment or meals with clients/staff are generally deductible only at 50%, as they carry a "private benefit" element.

! Documentation requirements

To process a reimbursement claim, the following must be provided:

- **Receipts/invoices:** Mandatory for all claims. Must show the supplier's name, GST number (if registered), date, description, and total cost.
- **Expense justification:** The employee must provide the business context (e.g., a mileage logbook, a list of attendees for client entertainment, or the business purpose for a trip).
- **Approval process:** Management review to verify the expense is genuinely work-related and falls within budget before passing it to payroll.

Special considerations

- **KiwiSaver impact:** Regular cash allowances are treated as taxable income and may alter the calculation of your KiwiSaver retirement scheme employer contributions. Regular actual expense reimbursements do not have this effect.
- **Logbook requirement:** Keeping a detailed logbook is essential for any vehicle mileage claims to prove the business context to the IRD.
- **7-Year Retention:** Employees and finance must ensure all original records are preserved for the statutory 7-year audit window.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.

Native Teams legal entity - New Zealand



◆ **Entity name:** Native Teams New Zealand Limited

◆ **Registration number:** 8735827 | NZBN: 9429051317058

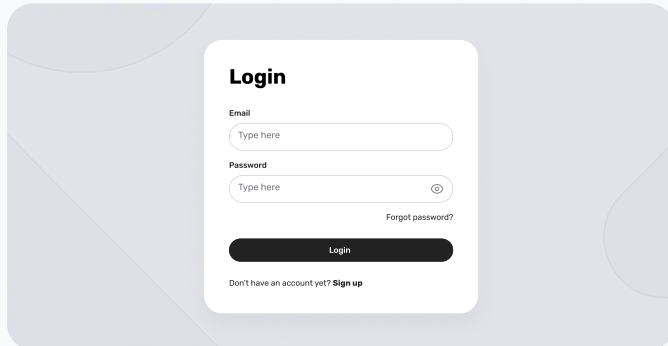
◆ **Registered address:** BDO Auckland, Level 4, Building A, BDO Centre, 4 Graham Street, Auckland, 1010, New Zealand

Native Teams

For any questions regarding expense reimbursements, please contact
customersuccess@nteam.com

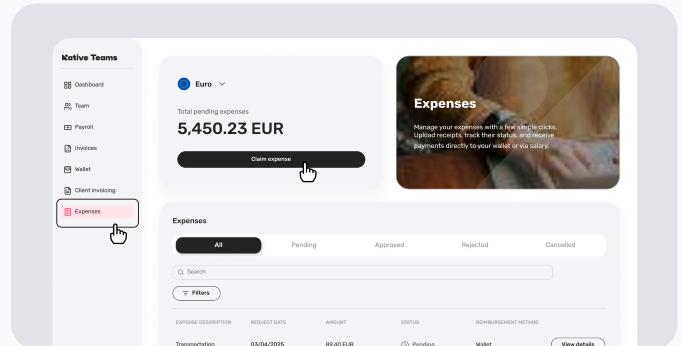
Expense Submission Process

Submitting via **Native Teams** Platform



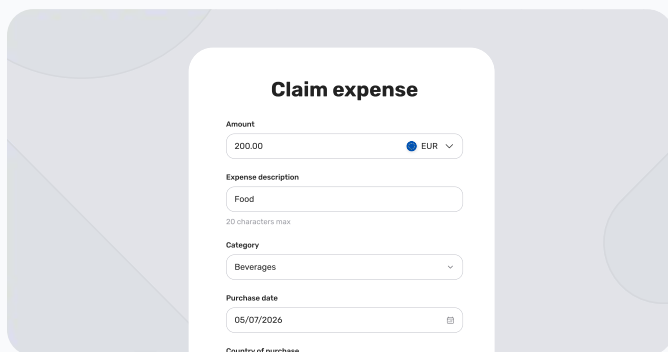
STEP 1

Log in to your Native Teams account.



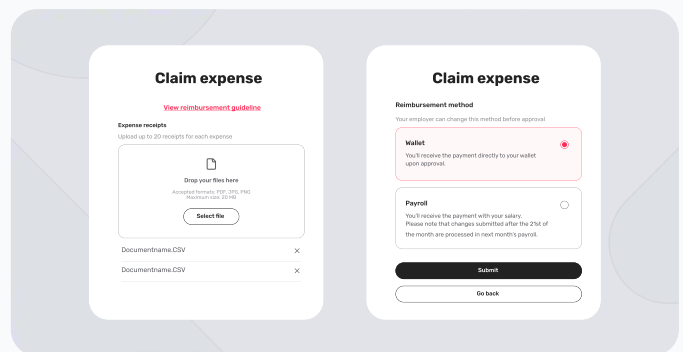
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



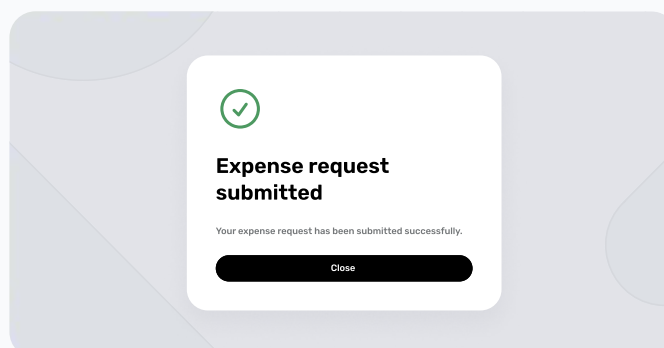
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.