

7. Debts

Designated employees must disclose in an annual return the name and address of each person or organisation to which they are liable to pay any debt arising from the loan of money or the supply of goods or services.

The designated employee need not disclose debts if they are to be paid to a relative or arise from a loan you were liable to pay to a bank, building society, credit union or other person (whose ordinary business includes the lending of money) and the loan was made in the ordinary course of the lender's business. Such debts would include housing loans, business loans, overdrafts and credit cards with banks, building societies and credit unions.

In the case of an annual return, a designated employee must disclose the debts held at any time during the return period. This applies whether or not the amount to be paid, or any part of it, was due and payable at any time during the return period.

There is no requirement for the designated employee to disclose in a return a liability to pay a debt if the amount to be paid did not exceed \$500 at any time during the return period. However, a designated employee must disclose the relevant details for each debt that was one of two or more debts which they were liable to pay to one person on at any time during the return period and the sum of the amounts to be paid exceeded \$500.

In the case of debts arising from the supply of goods or services, the debts need not be disclosed if the goods or services were supplied during the return period.

Examples of such debts would be:

- money owing on credit or store cards;
- outstanding accounts for telephone etc.; or
- the amount owed to a plumber who has undertaken work on the Employees home.

Similarly debts arising from the supply of goods or services that were supplied in the ordinary course of the designated employees occupation (which is not related to their duties as an designated employee) need not be disclosed. Examples of such debts would be a tradesman or farmer who receives goods from a supplier and is given time to pay.