

Do you have super owing to employees?

Whilst superannuation must be paid by employers 28 days at the end of each quarter, we understand along the way employers may have missed some payments. If you have super owing to employees that relate to the period 01/07/1992 - 31/03/2018 then the Super Amnesty is specifically aimed at you.

The one-off Super Amnesty has now passed both houses and at the time of writing is awaiting Royal Assent. To take advantage of the amnesty the correct forms must be filed with the ATO within 6 months of the date of Royal Assent and superannuation must then be paid.

The Amnesty allows for employers to claim a tax deduction for any late super they declare and pay during the 6 month time period. Normally, superannuation paid late does not qualify for a tax deduction. The Amnesty also excludes the employer from having to pay additional penalties

normally imposed when an SG statement is lodged for late or unpaid super.

As an employer you will still be liable for the general interest charge that will be calculated on top of the unpaid super and paid to the employee for reimbursement of lost super earnings. However, under the Amnesty you will also not be liable for the \$20/employee/quarter administrative charge that is normally imposed.

The Amnesty law has also recognized that anyone who does not come forward and declare late super during the amnesty period will be harshly penalised if caught up with at a later date. The penalties imposed will be a minimum of 100% of the super outstanding, up to 200% in some circumstances.

If you wish to declare and take up this amnesty please contact us for assistance.

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Please Remember

By necessity the contents of this newsletter are summary only. Clients should contact us on 6431 3933 to discuss matters prior to acting.



Replacing AUSKey

myGovID and Relationship Authorisation Manager (RAM) will replace AUSKey at the **end of March 2020**. Therefore, if you use an AUSKey to access the business portal, you will need to move to myGovID before the end of March. myGovID is the Australian Government's digital identity provider that allows you to prove who you are online. **It is important to note that this is different to your myGov account.**

You can download the myGovID app from the App Store or Google Play Store. The app is compatible with most smart devices using:

- iOS 10 or later on Apple devices
- Android 7.0 (Nougat) or later.

Please note that it must be downloaded onto a compatible device and it cannot be installed onto a PC for example.

Once installed, you will need to set yourself up. You'll need two of the following Australian identity documents to achieve

a standard identity strength (your name must match in all):

- passport (not more than three years expired)
- driver's licence (including learners permit)
- birth certificate
- Medicare card

Once set up, you can then use your myGovID to unlock selected government online services, such as the Business Portal. Future enhancements to myGovID will mean that people will be able to apply for a tax file number (TFN) entirely online.

More information can be found at <https://www.ato.gov.au/General/Online-services/Accessing-online-services-with-myGovID-and-RAM/>

If you require assistance setting up, please do not hesitate to contact our office.



Employment Obligations – Payment & Reporting

We have previously featured an article on what to do when initially hiring staff and a general checklist to make sure you are complying with documents and registrations required. This article will focus on the payment and reporting obligations. The first step in the right direction is to ensure you have sound payroll software that fits the needs of your business; the number of employees and the complexity of your payments. As reporting your wages under Single Touch Payroll (STP) is now law, you must have electronic payroll software that is STP compliant.

Once you have found a suitable candidate it is crucial you agree on an employment basis, ie. casual, part-time or full-time as well as a base hourly rate. The base hourly rate must be in line with or above the minimum rate set out in the applicable award. Yes!, you need to also refer to the most applicable award for guidance on pay rates, depending on employee classification as well as requirements for hours of work, penalties, allowances and any special rules for your industry. There are tools available on the Fairwork Australia website to help you find the applicable award. It is also a great

idea to document the agreed upon rates and understanding of employment basis in a contract and have the employee and yourself sign to confirm your understanding.

The next step is to ensure you're setup correctly in your chosen software. A robust initial setup, should then mean your weekly/fortnightly pays are a breeze, with the software doing most of the hard work for you. When setup correctly, good software will calculate the gross wages based on the inputs you have entered, tax to be withheld, super accrual, leave entitlements etc., leaving you to physically pay the employee. Via the software you will also need to electronically remit the information to the ATO so that you are STP compliant.

Crucially you must also then arrange payment of superannuation to the applicable employee funds at least once a quarter. Super is due by the 28th day after the end of each quarter.

Please contact us if you would like to discuss your payroll situation.

SMSs for SMSFs!

In the interests of protecting SMSF members and their retirement savings from fraud and misconduct, the ATO has announced it will send out an email and/or a text message via an SMS when changes (including updates to the SMSF financial details or member information) are made.

Accordingly, the ATO has urged all SMSF members to ensure they update their contact details either:

- online at abr.gov.au (with an AUSkey or an ABN linked to their myGov account);
- through their registered tax agent;
- by phoning 13 10 20 (for authorised contacts of the relevant SMSF); or
- by lodging the paper form (NAT 3036).

The ATO has urged SMSF members who are concerned about notified changes to first speak with the other trustees of the SMSF or the authorised agent of their SMSF, before contacting the ATO.

Lifestyle Assets Continue to be an ATO Audit Target

The ATO has revealed it will request a further five years' worth of policy information from over 30 insurance companies about taxpayers who own marine vessels, thoroughbred horses, fine art, high-value motor vehicles and aircraft.

The ATO expects to receive information about assets owned by around 350,000 taxpayers from 2016 to 2020 as part of its data-matching program.

This information (provided by insurers) is intended to be used by the ATO as part of its compliance profiling activities.

For example, ATO Deputy Commissioner Deborah Jenkins said:

“If a taxpayer is reporting a taxable income of \$70,000 to us but we know they own a three million dollar yacht then this is likely to raise some red flags.”

She clarified that the data will not be used to initiate automated compliance activity.

“Taxpayers selected for compliance activities are identified through other methodologies. The data is made available to our compliance teams to support their risk profiling of the selected taxpayers. Existence of an insurance policy may or may not prompt the compliance officer to pursue a particular line of enquiry.”

Aside from helping identify taxpayers who may be understating their income, the data from insurers may be used by the ATO to identify taxpayers who have made capital gains on the disposal of certain assets but who have not declared this to the ATO.

It will also be used by the ATO to identify incorrect claims for GST input tax credits where taxpayers are incorrectly claiming GST credits as if the (private) item was a business asset.

Additionally, SMSFs the ATO suspects may be acquiring lifestyle assets purely for the personal enjoyment of the fund's trustee or beneficiaries are also likely to be looked at by the ATO.

Insurers are required to provide the ATO with policy information where the value of assets is equal to or exceeds the following thresholds:

- Marine vessels \$100,000
- Motor vehicles \$65,000
- Thoroughbred horses \$65,000
- Fine art \$100,000 per item
- Aircraft \$150,000

Proposed New Record-Keeping Course

Treasury has released its Mid-Year Economic and Fiscal Outlook ('MYEFO') for 2019/20.

One new tax-related measure of note in the MYEFO was the announcement the ATO would be provided with a new discretion to direct taxpayers (found to be lacking in their substantiation efforts under audit) to undertake an approved record-keeping course, instead of applying financial penalties.

This is yet another measure designed to tackle the 'black' or 'cash' economy.

Specifically, the Commissioner will be given the discretion to direct taxpayers to undertake the course where he reasonably believes there has been a failure by the taxpayer to comply with their reporting obligations.

The Commissioner will not apply this discretion to those who disengage with the tax system or who deliberately avoid their record-keeping obligations.



I don't like pineapple on my pizza!

Did you know using a simple statement like 'I don't like pineapple on my pizza!' as a password can take more than one year and costs scammers \$107,000 to crack? The reason it's a great password is it:

- is easy to remember
- has 35 characters
- includes an apostrophe, exclamation mark and spaces.

This is just one of the tips you can find in a range of resources

developed the Australian Cyber Security Centre (ACSC) to assist in protecting your cyber security.

In a recent survey of small businesses, the ACSC found 75% of small business owners surveyed are responsible for their own IT and almost half say they don't know enough about cyber security.

If this sounds familiar, then these resources are a great place to start. You can find more information at <https://www.cyber.gov.au/small-business>

PAYG and deductions for payments to workers

The ATO has reminded business taxpayers they can no longer claim deductions for certain payments to workers if they have not met their PAYG withholding obligations from 1 July 2019.

If the PAYG withholding rules require an amount to be withheld, to claim a deduction for most payments to a worker, a business taxpayer must:

- withhold the amount from the payment before they pay their worker; and
- report that amount to the ATO.

Importantly, where a taxpayer simply makes a mistake and withholds or reports an incorrect amount, they will not lose their deduction, although any such errors should be corrected as soon as possible so as to minimise penalties.

Additionally, a deduction is still available if they voluntarily disclose to the ATO prior to the commencement of an audit or other ATO compliance activity involving their PAYG withholding obligations or deduction claims.

Client Profile – Action Auto Glass

As compiled by Rose Kemp. Elphinstone Stevens congratulates Paul and Rose on the opening of their new purpose built premises.

Action Auto Glass is owned and operated by Paul and Rose Kemp, who have been at the helm for the last 14 years. Prior to this Rose worked for the previous owners for 18 years.

During this time we have seen technology change considerably in the automotive glass space. The latest, and I would say the biggest, is the roll out of Advanced Driver Assist Systems (ADAS) in vehicles. ADAS is a safety feature which assists the driver in the event of the vehicle veering onto the white line on the road. The cameras for ADAS are mounted on the windscreen and require to be re-calibrated each time the windscreen is replaced. We have recently invested in our own re-calibration system for both Burnie and Devonport branches. This enables us to streamline the process and do the complete windscreen changeover and re-calibration in store. Initially ADAS was only available in luxury cars however it is now becoming a standard feature in most new vehicles manufactured.

We have recently moved our Devonport branch to a new purpose built premises at 9 Formby Road, Devonport. The move was due to our existing premises being demolished as part of the City Living Project. We are extremely happy with the end result; after a few headaches! We have a designated area for re-calibrations, a fully enclosed tint bay to reduce dust and office space with a large training room upstairs.



Action Auto Glass Devonport