

Temporary Full Expensing 12-month Extension Now Law

The Government has legislated the extension of the Temporary Full Expensing regime to continue for another 12 months, to 30 June 2023. This means the full cost of a new or second hand depreciable asset that is first used or installed ready for use by 30 June 2023 must be fully deducted if using the small business depreciation concessions.

Stop Press

We would like to congratulate the Frampton family at Gawler who have been recently announced as the Weekly Times 2021 Dairy Farmer of the year award winner. Rob and the family have put a lot of effort into sustainability over the years and won the 2021 Dairy Environmental Award. They are focused on efficiencies and herd fertility. Our next newsletter will include more details of their success and farming philosophies. In the meantime, congratulations Rob, Norm & Lesley.

Farmer of the Year Awards winners announced

WEEKLY TIMES



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.

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Extension of the Temporary Loss Carry-Back Measure

As announced in the 2020/2021 Federal Budget, legislation has now passed to allow eligible corporate entities (i.e., with, amongst other things, an aggregated turnover of less than \$5 billion) a 12-month extension to claim a loss carry-back tax offset in the 2023 income year.

The temporary loss carry-back rules were initially implemented in 2020 to promote economic recovery by providing cash flow support to previously profitable companies that fell into a tax loss position due to the COVID-19 pandemic. The law allows eligible companies to carry-back tax losses from 2020, 2021, 2022 and now the 2023 income year to previously-taxed profits in the 2019 or later income years.

A company that does not elect to carry back losses under this temporary (yet extended) measure is still eligible to carry losses forward as usual.

Beware of Scams

Have you ever received an email or letter in the mail and wondered 'is this a scam?' If you answered yes, you're one of the millions of Australians who are targeted by scams every year. Scamwatch is warning scams cost Australian consumers, businesses and the economy hundreds of millions of dollars each year and cause serious emotional harm to victims and their families.

Cryptocurrency scams are the most 'popular' type of investment scams, representing over 50% of losses. Often the initial investment amount is small (between \$250 and \$500), but the scammers pressure the person to invest more over time before claiming the money is gone or ceasing communication and blocking access to the funds.

All age groups are losing money to investment scams, but the over-65s have lost the most, with \$24 million lost this year.

Some simple steps individuals can take to protect themselves (and their businesses) are:

- Never give any personal information to someone who has contacted you.
- Hang up and verify the identity of the person contacting you by calling the relevant organisation directly — find them through an independent source such as a phone book, past bill or online search.
- Do not click on hyperlinks in text/social media messages or emails, even if it appears to come from a trusted source.
- Go directly to a website through a browser (e.g., to reach the MyGov website, type 'my.gov.au' into the browser).
- Search for reviews before purchasing from unfamiliar online traders.
- Be wary of sellers requesting unusual payment methods.
- Verify any request to change bank details by contacting the supplier directly.
- Consider a multi-factor approval process for transactions over a certain dollar amount.
- Never provide a stranger remote access to your computer, even if they claim to be from a telco company such as Telstra.



COVID-19 Vaccination Incentives & Rewards

Have you provided employees with a benefit or reward for vaccinating themselves against COVID-19? Employers are being reminded to consider their tax, FTB and super obligations when providing such benefits.

When employees are provided a cash payment, including paid leave to get their COVID-19 vaccination (or additional paid leave to recover from any vaccination side effects), employers should withhold PAYG withholding and make super contributions on the amount. The payment must also be reported to the ATO via Single Touch Payroll as part of the employee's salary or wage. When providing non-cash benefits; for example goods provided, vouchers/gift cards or prizes won in raffles; employers must consider the Fringe Benefits Tax (FBT) consequences. In some instances there are FBT exemptions and reductions that may apply. For example, if an employer provides or pays for an employee's transport to get their COVID-19 vaccination, there is generally no FBT payable.

If you have any questions regarding the tax and FBT treatment of COVID-19 incentives and rewards please contact our office.

Single Touch Payroll Phase 2

All employers should be familiar with and be reporting employee salary & wages in line with STP. STP Phase 2 commenced on 1 January 2022. Currently, Xero, MYOB & Cashflow Manager have been granted an extension by the ATO to begin complying with STP Phase 2. They will notify you when the software is ready. If you are using an alternative Digital Software Providers (DSP) please contact your software provider direct.

STP Phase 2 expands the data being collected each pay period. Most significantly, there is now a requirement to separate the components of gross earnings to assist employees with their tax return deductions. This will also assist Services Australia in identifying different types of income for the purposes of administering their programs.

The additional data will provide information to allow the ATO to validate PAYG Withholding amounts and estimate superannuation guarantee amounts to assist in ensuring employers meet their obligations.

Gross earnings components that will now need to be itemised separately include:

- Allowances (sorted into specific categories)
 - Paid leave (classified by specific leave types)
 - Overtime
 - Bonuses and commissions
 - Directors' fees
 - Lump sum payments and employee termination payments (classified by type)
 - Salary sacrifice and deduction amounts (sorted into specific categories).
- Remaining amounts not falling into one of the above categories will be reported as separate items.

There will likely be some extra setup required within each software so please keep an eye out for any correspondence from your DSP.

Small Employers & STP – the ATO gets serious

Do you have employees but haven't commenced reporting payments made to them via STP? The ATO is warning they are initiating action to penalise these small employers (those with 19 or fewer employees) who are failing to comply.

STP reporting has been mandatory for most small employers from the 2020 income year, with a final 'nudge letter' being issued to approximately 700 small employers in late January 2022; and any remaining non-compliant employers will be issued a pre-penalty warning letter late February 2022.

Where an employer receives a pre-penalty warning letter, they will have a further 28 days to take action by either starting to lodge or contacting the ATO before a failure to lodge penalty will be imposed.

Please contact our office for assistance in becoming a STP compliant employer.

Superannuation News

There have been a number of new superannuation laws that have recently been made (via legislative reforms). These include:

- **Removing the \$450 monthly super guarantee threshold for employer**
- Reducing the eligibility age for making downsizer contributions from 65 to 60.
- Changes to facilitate the removal of the work test for those aged between 67 and 75 regarding non-concessional and salary sacrificed contributions. In addition, the bring-forward rule will now be available for people under the age of 75 (rather than 67, as is currently the case).
- Increasing the maximum releasable amount under the First Home Super Saver scheme from \$30,000 to \$50,000.
- Allowing super fund trustees to choose not to use the segregated assets method in certain circumstances.

Reminder – Director Identification Number

In June last year, the Government passed laws requiring all directors of a company in Australia to have a director identification number (DIN), including SMSF members who are directors of a corporate trustee.

There is currently a transitional arrangement in place wherein all new directors have 28 days to apply for a DIN after being appointed. From **5 April 2022**, however, all directors will need to apply for a DIN prior to being appointed as a director.

Existing directors who were appointed prior to 31 October last year will need to apply for a DIN before 30 November 2022.



Tax Deductibility of COVID-19 Test Expenses

The Government has announced that COVID-19 tests, including Polymerase Chain Reaction ('PCR') and Rapid Antigen Tests ('RATs'), will be both:

- tax-deductible; and
- exempt from FBT;

Broadly where they are purchased for work-related purposes.

This will require the introduction of new specific legislation (i.e., to clarify that work-related COVID-19 test expenses incurred by individuals will be tax-deductible or FBT exempt where employers provide the tests to their staff) which will apply both where an individual is required to attend the workplace or has the option to work remotely.

The Government intends that these changes take effect from the beginning of the 2022 income year and will apply permanently once enacted. Watch this space for Legislation.

Keeping and Maintaining SMSF Records

Record keeping is often one of those jobs that gets pushed to the side for a rainy day. SMSF Trustees should not discount the importance of maintain SMSF records. The ATO is reminding Trustees that keeping and maintaining good records is one of their key responsibilities and legal obligations. Good record keeping ensures trustees can maintain accurate and timely SMSF accounts, audits and income tax return lodgements.

The ATO has recently confirmed that even where SMSF trustees rely upon super or tax professionals to administer their SMSF, each trustee remains personally responsible for good record keeping.

If trustees are unsure of their obligations, the ATO has encouraged them to view the ATO's record-keeping videos available on their website (refer to QC 23333) and undertake an approved education course (refer to QC 41142) to improve their understanding and knowledge.

Client Profile - Vanders Ute Trays and Metal Works

Elphinstone Stevens congratulates Dean and staff on his recent expansion to the new workshop. We look forward to continue to work with Dean and his team as they continue their business journey.



Who We Are

Vanders Ute Trays and Metal Works is a well-established metal fabrication and engineering company, specialising in Ute trays, Ute canopies & boxes and trailers of all types, as well as stainless steel and aluminium products to customers requirements.

Commencing business in 2004, Vanders Ute Trays and Metal Works has outgrown their premises, and recently moved to a modern larger workshop, conveniently located at 159 Bass Highway, Cooee. The new workshop enables large and small projects to be undertaken undercover whilst providing ample car parking and storage.

Vanders Ute Trays and Metal Works is staffed by qualified and competent experienced Sheetmetal fabricators and tray manufacturers using contemporary equipment and technology.

Whilst Vanders Ute Trays and Metal Works is an industry leader in the design and manufacture of Ute Trays, Canopies and related storage equipment, the organisation also provides high level capability working with steel, aluminium and stainless steel.

"A Weld of Difference"

Now located at 159 Bass Highway, Cooee

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What We Do

Vanders Ute Trays and Metal Works is a recognised provider of quality metal fabrication products and services including:

- Customised Ute Trays, Canopies, Service Bodies and Tool Boxes;
- Domestic and commercial stainless-steel kitchens and benches;
- Stainless steel walkways and balcony railings;
- Customised trailers;
- Fabrication for construction sites;
- Aluminium and stainless boxes for general storage;
- Boat, trailer and caravan repairs and modifications;
- Industrial electrical cabinets and switchboards

