

## Single Touch Payroll

Single Touch Payroll (STP) is a reporting change for all employers.

**It starts from the 1<sup>st</sup> July, 2018 for employers with 20 or more employees and from the 1<sup>st</sup> July, 2019 for employers with 19 or less employees.**

STP is the next step in streamlining your payroll reporting to the ATO. You will have to report payments such as salaries & wages, PAYG withholding and super information to the ATO when you pay your employees.

So what does it mean?

Employers already report salaries & wages, PAYG Withholding and super information to the ATO, the difference now is the timing of reporting. Under STP employers need to report to the ATO when you pay your employee; that is you need to report to the ATO each and every payday as you make the payment to your employees.

If you are using payroll software you need to check whether the payroll software is ready for STP. If you are not using payroll software, you need to consider using a STP ready payroll software or contact us to discuss your other options.

## Super Guarantee Amnesty

**On the 24<sup>th</sup> May, 2018 the government announced a 12 month superannuation guarantee (SG) amnesty.**

Super guarantee is the compulsory superannuation paid by employers.

The amnesty is a once off opportunity for employers to self-correct past super guarantee non-compliance without penalty.

Employer's who voluntarily disclose previously undeclared super guarantee shortfalls during the amnesty, and before the commencement of a super guarantee audit, will:

- Not be liable for the administration component and penalties that may otherwise apply to late SG payments &
- Be able to claim a deduction for catch up payments made in the 12 month period.

Usually late SG payments are not deductible and are subject to large administration fees and penalties. Now is the time to sort out any late super payments for your employees. This includes super on associated wages and directors fees.

You can pay the full SG shortfall amount directly to your employee's super funds then complete a payment form and submit it to the ATO electronically through the business portal. If you cannot pay in full, complete and lodge a payment form and contact the ATO to arrange a payment plan.

Employers who are not up to date with their super guarantee obligations and do not take up the amnesty can expect to receive higher penalties in the future.

Superannuation has become a high profile issue for the government and there will be a significant crack down on non-compliance once this amnesty period has passed.

## Contractors

One of the major issues a lot of business clients are facing (especially trade based business) is the question on whether individuals are legitimate contractors or should be employees.

The ATO is continually looking at this as it is a major issue of concern. The main reason for the attention to this area is that the ATO are missing out on large amounts of tax withheld as many individual contractors do not have a great tax lodgement record. The ATO & government are also concerned that superannuation is not being paid to the individuals that are incorrectly paid as contractors.

The ATO is now armed with several years of subcontractor reporting through the TPAR system. They are ready to start audits utilising information gained through the TPAR's.

There is also a lot of misinformation about contractors and the rules associated with determining the status of a contractor. For example the 80/20 rule is often mis-quoted as this rule does not actually apply to whether a person is a legitimate contractor.

The best way to determine the status of a contractor is to review the following information from the ATO.

Difference between employees and contractors: <https://www.ato.gov.au/Business/Employee-or-contractor/Difference-between-employees-and-contractors/>

Employee or contractor decision tool: <https://www.ato.gov.au/Business/Employee-or-contractor/How-to-work-it-out--employee-or-contractor/>

## New Award Pay Rates

There has been a change to the national minimum wage which also applies to apprentice and trainee wages. Employers and employees should check the updated 1 July 2018 pay rates at the Fair Work website.

Check your award and pay rates at: <https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/2018-annual-wage-review-our-pay-tools-are-ready>

## Trading Names removed from the ABR

As of November 2018 all trading names will be removed from the Australian Business Register (ABR). Trading names are different from registered Business Names.

If you registered for an ABN prior to May 2012 you could provide the ATO with your trading name. This trading name did not need to be registered with ASIC to be recorded with the ATO and listed on the ABR.

From May 2012 all business names must be registered with ASIC and from November 2018 all non-registered business names will now be removed from the ABR.

**You should review the ABR and also ASIC to ensure the business name you are trading under is registered.**

## **Do you have a MYGOV account?**

If you have an online MYGOV account the ATO will upload your Notice of Assessment to your MYGOV account. Carroll Accounting will **not receive a paper copy of your notice of assessment.**

## **Have your bank details changed?**

Please ensure you provide us with your bank account details (BSB & account number) for payment of your refund. **NOTE: It is your responsibility to check the details shown on your tax return or trust authority are correct before lodgment of your return.**

## **Work Related Claims**

The ATO have warned that excessive work-related expense claims, in particular motor vehicle claims, will be a focus of their attention in 2018 tax returns. This focus will be on all work related expenses such as travel incorrectly claimed from home to work and in particular any work related expenses that have already been reimbursed by employers.

There is no such thing as a standard claim, depending on the claim you must have receipts and/or a reasonable basis for the claim.

## **Rental Property Owners**

There have been several changes to what rental property owners can claim in the 2018 tax return. Travel relating to rental properties is no longer deductible and second hand items purchased for your rental property are no longer able to be depreciated. Please talk to us about other changes that may affect your rental property claims.

## **Client Portal**

The protection of client's private information is of paramount importance to Carroll Accounting Services. Your TFN is an important identifier for yourself and should be protected against loss and potential fraud. We have introduced a safer way to electronically send and receive documents, datafile and information between our office and our clients. The client portal is as simple as email to use and provides our clients with the ability to digitally sign off on most documents. Feedback from clients already using the portal is very positive – if you can use email you can certainly use the client portal. Talk to our team about how you can activate this time saving & secure method of communication too!

## **Paying our Invoice?**

Please use your name, client reference number, or invoice number as the description for the payee if paying our invoice through online banking. We often receive payments that cannot be allocated as they say "accounting fees" or similar.

**Carroll Accounting Services**  
867 Point Nepean Road  
Rosebud Vic 3939

**Web:** [www.carrollaccounting.com.au](http://www.carrollaccounting.com.au)

**Phone: 03 5986 2189**  
**Fax: 03 5986 2078**

**Postal Address: P O Box 309**  
**McCrae Vic 3938**

**Following is a checklist of income, deductions and rebates that may be applicable to you:**

<p><b>Income:</b></p> <p><b>PAYG Payment Summary/summaries</b>, including any lump sum or termination payments if applicable</p> <p><b>Share dividend statements</b> &amp; investment details</p> <p>Details of any <b>capital gains asset</b> sales on property and /or shares</p> <p>Details of any <b>new investments</b> made during the current year</p> <p>Details of any foreign source income, employment or pension</p> <p>Details of <b>ALL bank interest</b> earned for the financial year – we may be able to see some of your bank interest earned via the tax agents portal after mid-July.  <b>NOTE: It is your responsibility to ensure that all bank account interest is included in your tax return.</b></p> <p>Details of <b>Centrelink income/pension</b> – after mid-July we may be able to see this information via the tax agents portal.  <b>If you cannot provide a statement of earnings from Centrelink it is your responsibility to advise us if you have received any Centrelink benefits during the 2018 financial year</b></p> <p><b>Rental property</b> income/annual statement from your property manager</p> <p><b>Private Health Insurance:</b> if you have private health insurance please the annual statement you received from your insurer.</p>	<p><b>Deductions:</b></p> <p>Details of <b>employment related expenses</b> such as:</p> <ul style="list-style-type: none"> <li>- Motor vehicle (excluding travel to &amp; from your usual place of work) – <b>see work related claims above</b></li> <li>- Protective clothing/work uniforms/dry cleaning expenses</li> <li>- Self education expenses</li> <li>- Mobile phone expenses (if used for business purposes) - <b>see work related claims above</b></li> <li>- Internet expenses (if used for business purposes) - <b>see work related claims above</b></li> <li>- Stationery (if used for business purposes)</li> <li>- Union fees etc.,</li> </ul> <p><b>Income protection</b> insurance premiums paid</p> <p><b>Donation receipts</b> – if over \$2 and donation made to a registered charity</p> <p><b>Tax agents fees</b> – if you were not a client at Carroll Accounting in the last tax year</p> <p>Details of any <b>rental property expenses paid</b> by you directly – eg., rates, insurance. Note you can no longer claim travel to inspect your rental property.</p>
<p>If you are <b>self-employed</b> please provide details of all income received</p> <ul style="list-style-type: none"> <li>- Record keeping datafile, if applicable</li> <li>- Bank statements</li> <li>- Invoice book</li> </ul>	<p>If you are <b>self-employed</b> please provide:</p> <ul style="list-style-type: none"> <li>- Record keeping datafile, if applicable</li> <li>- All expenses paid</li> <li>- Purchase &amp; loan documents for any new vehicle or equipment purchased</li> <li>- Details of any superannuation contributions made for yourself or employees</li> </ul>