

Compliance Newsletter – December 2020

A newsletter for our business clients, those with an investment entity (eg a trust), and super funds

JobKeeper 2.0 Jan-March Extension

Please refer separate enclosure or our email sent this week. Tight deadlines apply that we know many of you will struggle with. Please get in touch ASAP if you require our assistance with the next extension.

You do not previously have to have received JobKeeper to be eligible for this period.

Our latest publication can be found on our website under Resources and Links and then Useful Links.

<https://www.kdcaccounting.com.au/useful-links/>

JobMaker

JobMaker is now law.

JobMaker is a credit available to eligible businesses and non-profit entities that create new jobs (not if you are merely replacing someone who left). The hiring credit is available for jobs created from 7 October 2020 until 6 October 2021 and provides:

- \$200 per week for new employees between 16 to 29 years of age; and
- \$100 per week for new employees between 30 to 35 years of age.

Our latest publication can be found on our website under Resources and Links and then Useful Links.

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Please get in touch if you need assistance with the registration or claiming process.

E-Invoicing is still coming

E-Invoicing (or Electronic Invoicing) is the automated digital exchange of invoice information between the buyer and seller/supplier. It is a digital exchange between your accounting systems.

The Govt is still consulting on options and deadlines for mandatory adoption for small business.

Paper invoices, email, snail mail, and associated risks will be a thing of the past. Research suggests that the benefits will include significant cost savings among other things.

Software companies have begun rolling out their E-Invoicing solutions, but it is not yet compulsory and we don't yet have a date for when it will be compulsory.

Loss Carry Back rules

Loss carry back rules allow small business companies an option to carry back income tax losses from 2020, 2021 and 2022 back to 2019. For example: If you had a profit and paid tax in 2019, but incurred a loss in say 2021, you can get an offset to refund some of the tax paid in 2019 and reduce your losses carried forward. Very useful for those impacted by COVID. You don't need to do anything. We will manage it as part of your accounts preparation process but please get in touch if you have any questions.

Apprenticeship subsidies

Subsidies of 50% of an apprentice's wage (up to \$7,000) are available for new and existing apprentices to keep them employed. Please get in touch for more information.

Instant Asset Write-off

Much has been said in the media. Sometimes it is good for your business, sometimes not. We will assess each of you individually and get in touch if we have questions when preparing your tax returns, but please get in touch directly if you have questions.

Zombie Businesses – crunch time

Australian economists are fairly united that there are a number of "zombie businesses" that are being kept alive by JobKeeper. These are the businesses that are only surviving because salary and wages are propped up by the subsidy. The danger with these businesses is that they are continuing to take on debt. JobKeeper ends in March 2021. It will be important to ensure that your business stays on top of its debtors and doesn't become a bank for your customers. It will also be important to understand your cashflow position, don't over commit, and stay on top of labour costs.

Not sure you can survive past JobKeeper? – please get in touch, the temporary insolvency concessions have been extended but won't last forever.

REGULAR REMINDERS

BAS Reminder

If we do your BAS on a quarterly basis, please send your information and queries to admin@kdcaccounting.com.au. The due dates to receive your data are

Quarter 1: 21 October

Quarter 2: 28th January

Quarter 3: 21st April

Quarter 4: 21st July

These dates should be in your diary!

Please provide your bank statements at the end of each quarter

Please provide your bank statements, so that we can maintain your financial accounts throughout the year. Getting the statements each quarter will minimise year end tasks and rework.

If you are unsure what we are after, please ask. Reconciling your bank is important, even if you have data feeds.

Using cloud accounting?

If you are using Cloud Accounting (e.g. Xero, QBO, or MYOB) please let us know when you have reconciled the period. **We will not commence your BAS until we hear from you.** It is not time-efficient for you, or us, if we are continually checking to see if you have reconciled your accounts.

Buying a New Car or Business Equipment?

Please send us **all** the purchase documents as soon as you get them. Any time of the year suits us, even if we don't do your BAS. This is especially important if we do your BAS and you have financed the purchase.

Payment Slips

Payment Slips are no longer available from the Australian Taxation Office. The payment slip that we have previously sent you with your BAS return is still relevant for every quarter. Hopefully, you pay by BPay and the details are recorded in your internet banking. Please get in touch if this causes problems.

Contactors and Superannuation

Contractors may be entitled to Superannuation. Not sure? Please get in touch with us or use the ATO decision tool which can be found on their website.

Use the correct payment reference number

Your payment reference numbers (or EFT codes) are different for each of your tax accounts (e.g. income tax, FBT or BAS). Remember to use the correct biller codes and reference numbers when paying, or your payment may not be processed correctly, and interest or penalties may apply. The payment reference code appears on your assessment notice, lodgement confirmation statement, BAS debt recovery letter, or payment slips we may have sent you in the past.

Upcoming Events

For more information, please look at our website or Facebook page,

www.KDCaccounting.com.au/events

www.facebook.com/KDCAccounting

or keep an eye out for emails/mail from us.

FUNCTION ROOM FOR HIRE

Do you need a meeting room? Training Room? Or other function room? Our training room is set up and ready for you to hire. We will be holding many events in the training room ourselves but want to provide a cost-effective venue for others to use. If you need a venue, or know someone else that might need one, please get in touch or go to our website.

Super Guarantee obligations?

If you have employees, even if just yourself, your payment **must** be received by your superannuation fund (or clearing house) by the following deadlines:

July – September 28th October

Oct – December 28th January

Jan – March 28th April

April – June 28th July

Payment leaving your bank account is not sufficient.

Failure to pay on time means the payment is not tax deductible, you must lodge a form with the ATO which comes with a fee, and interest applies from the 1st July before the super was due. There is also a penalty applied by the ATO from 25% to 200% of the due amount. None of these payments are tax deductible.

The ATO has also *promised* to apply the highest penalty possible following the generous concessions allowed in the Amnesty.

There is also the likelihood of Fair Work / HR penalties.

We cannot stress enough how important it is to pay your superannuation on time.