



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



GREENTAYLOR
PARTNERS

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Quarterly Newsletter

Green Taylor Partners



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Land Tax
Ross Laycock

The State Revenue Office (SRO) of Victoria is currently checking if they are collecting the correct tax from certain property owners.

They are currently focussing on property held by trusts or companies.

Land Tax is applied to properties (land and improvements) with a value above \$250,000 and owned by individuals as at December 31st of each year. Your primary residence or farming land are usually exempt from land tax.

There are set land value levels and the land tax rate starts with a set fee at each level plus a percentage fee which scales up from 0.2% up to 2.25% depending on market value.

If the property is owned by a trust the land tax or surcharge applies from \$25,000. The rate also starts with a set fee per level plus a percentage fee which also scales up from 0.375% to 2.25%.

The SRO is also investigating Absentee Owners.

Absentee owners can be :

Individuals

- ❖ not Australian citizens, or
- ❖ not permanent residents here
- ❖ absent from Australia and on December 31 or for 6 months

Corporations

- ❖ incorporated outside Australia
- ❖ absentee individuals have controlling interest

Trusts

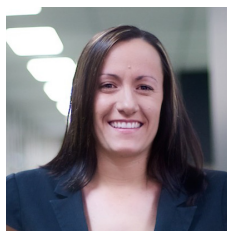
- ❖ where beneficiaries are considered absentees

There is an additional surcharge on absentee owners which has risen from 0.5% to 1.5% from January 1st 2017.

The SRO is currently sending out questionnaires to establish who actually owns certain properties.

These questionnaires have a date they need to be returned by and penalties may apply if not returned on time.

If you are unsure please talk to your accountant who may be able to advise or assist.



Taxable Payments Annual Report
Kerry Schultz

From the 2012/13 financial year businesses who perform more than 50% of their business activities in the building and construction industry are required to lodge a Taxable Payments Annual Report (TPAR) due by 28 August each year. The TPAR is aimed at ensuring contractors are including payments in their income tax and GST obligations.

The Tax Office is currently contacting taxpayers to follow up unlodged TPARs via emails, letters and phone calls.

Affected businesses are required to report details of payments made to contractors during each financial year. Only payments made for partly or wholly for labour are required to be reported, you are not required to report amounts paid where the cost of the labour is incidental.

Details required to be reported for each contractor are;

- ❖ ABN
- ❖ Name
- ❖ Address
- ❖ Gross amount paid for financial year
- ❖ Total of GST (if applicable)

The ATO will data match these reports with tax return and BAS lodgment's to detect contractors who are not correctly lodging.

These TPARs can be completed and submitted through most current versions of accounting software – please contact your accountant who has access to your file for assistance with the setup of this.

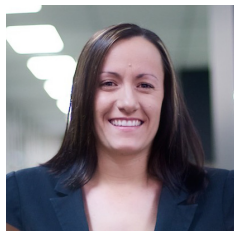
Alternatively paper forms are available from our office which can be completed and forwarded to the ATO.

The 2017 Budget proposed that from 1 July 2018 this regime will be extended to contractors in the courier and cleaning industries.



GTP Anniversaries

- ❖ 10th December - Chris Foster (38 years)
- ❖ 10th December - Peter Cramer (38 years)
- ❖ 17th January - David Hadley (18 years)
- ❖ 29th January - Jess Sluggett (10 years)
- ❖ 3rd February - Karen Grainger (15 years)
- ❖ 15th February - Ryan Schirmer (8 years)
- ❖ 16th February - Kathryn Bowles (7 years)
- ❖ 19th February - Jodie Mills (17 years)
- ❖ 28th February - Kylie Millington (2 years)



Updating of SMSF Trust Deeds

Kerry Schultz

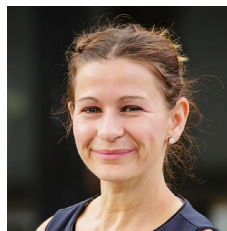
1 July 2017 saw the most significant change in Superannuation Law since 2007 when Simpler Super was introduced.

In 2007 we assisted our clients to upgrade their Deeds to ensure they allowed their Funds to comply with the new laws at that point in time. The changes enacted from 1 July 2017 require a review of all Superannuation Fund Deeds to comply with the latest changes in legislation.

Older Deeds may not allow trustees to perform the following tasks which are allowed under current legislations:

- ❖ Roll back pensions to accumulation phase
- ❖ Segregate assets between accumulation and pension phase
- ❖ Refund contributions incorrectly received by the Fund
- ❖ Receive contributions in certain circumstances i.e. First Home Saver
- ❖ Pay excess contributions tax, excess transfer balance cap tax, and other penalties
- ❖ Allow non-lapsing BDBN's

We will be contacting all SMSF trustees in the coming months with more information and the steps required to implement the updated SMSF Deeds.



Is my Christmas Party a tax deduction?

Tracy Richardson

When it comes to work Christmas parties and deductions, one important factor to consider is whether your party involves "entertainment" or not.

- ❖ For taxation purposes, an event is considered to involve "entertainment" if:
 - ❖ Alcoholic drinks are served as part of the event, regardless of the venue
 - ❖ It's held at a restaurant, café or sporting venue
- If the event involves "entertainment", it is not deductible.

Further Christmas Party Rules

For the entire cost of a Christmas party to be a deductible expense, and for your employees to avoid being liable for fringe benefits tax (FBT – a tax imposed at a rate of 47%), your Christmas party must meet the following criteria:

- ❖ Cost less than \$300 per head
- ❖ Held on your business premises
- ❖ Held on a working day
- ❖ Held for current employees, volunteers, customers, and suppliers only
- ❖ No alcohol
- ❖ Only finger food or a light meal provided
- ❖ No employee associates (e.g. spouses, children, etc.) present

What about gifts?

If gifts to employee's meet the following criteria, a deduction & GST credits may be claimed

- ❖ It is given at a different date to the Christmas party ie. 2 weeks later
- ❖ It costs less than \$300
- ❖ It is non-entertainment
le. not movie tickets, sport or concert tickets

Gifts to suppliers and customers provided they are not entertainment will be deductible.

So may your end of year festivities be merry and some tax deductions be available to you!



GTP Tid Bits

- ❖ Congratulations to Ryan Schirmer for getting engaged to Jen Marlow while on holidays in Italy in September. Wishing you all the best for a lifetime of happiness together!
- ❖ Congratulations to Kylie Millington on her engagement to Ashley Lewis on the 4th of November 2017. Wishing them all the best for a long and happy future together!
- ❖ Congratulations to Kathryn Bowles and Greg Hamilton who have just announced they will be welcoming their second child in April 2018, we look forward to meeting the new addition!



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When was the last time you looked at your Will?

Jess Sluggett

Death is something none of us like talking about, but at GTP we consider keeping your Will up to date to be extremely important, and will try to remind you to check in with your Will regularly. So when was the last time you pulled out your Will? Are you 100% comfortable that what it says is what you want to happen if you were to pass away today? A Will should be made for now, not for the future.

Have you started a new relationship? Are you getting married or have recently married? Are you separated or divorced? Have you had children since your last Will? Have your assets or investments changed? Any change in circumstance should be a prompt to check your Will.

Did you know that getting married generally renders any existing Will to become invalid? An exception is if you made a Will prior to marriage that expressly states it is made 'in contemplation of marriage'.

On the other hand separation and divorce do not change the validity of your Will, so it is imperative that Wills are reconsidered to ensure assets are dealt with in accordance with your wishes should you die.

So what if you don't have a Will at all? Dying without a Will (known as dying intestate) could have significant impacts on your spouse and children. We consider Wills are important for everyone, not just people who has 'significant' assets.

As accountants we are not able to prepare a Will for you, however we have a wealth of knowledge that can assist you in planning how to set your Will out. If you are in need of updating your Will or having a Will prepared, we encourage you to talk to your Accountant at GTP to start the process.



Workplace Functions

Shane Bryan

Workplace functions are a great way for organisations to recognise the hard work of all staff, celebrate their achievements and give colleagues the opportunity to get to know each other in a social setting. The combination of various factors, including the glee of celebration, the relaxed party atmosphere and the consumption of alcohol, can lead to questionable behaviour and impaired judgment. Employers must therefore be aware of their legal obligations and take precautions to minimise risks arising out of incidents that occur at such functions.

Potential areas of concern for employers

In most circumstances, a workplace function that is organised and funded by the organisation (even if hosted away from the employer's premises) will be considered a work activity, and as such, most aspects of the employment relationship will remain relevant – occupational health and safety, workers compensation, discrimination and harassment, disciplinary procedures and the rights and obligations arising under the employment contract.

Areas where particular caution should be exercised in respect of these legal obligations include:

- ❖ Occupational health and safety: The safety of employees and possibility of worker's compensation claims for injuries sustained at the function.
- ❖ Discrimination: All forms of discrimination, bullying and harassment; and particularly sexual harassment.
- ❖ Company code of conduct: The proper behaviour of employees and maintaining the 'good will' and reputation of the business.
- ❖ Confidentiality: The disclosing of confidential information to other employees or guests at the function.
- ❖ Public safety and traffic laws: Safety of pedestrians/ bystanders and of the public at large as a result of rowdy behaviour and/or drink-driving.

When is the employer liable?

In most legal contexts, an employer function/staff party will be considered as part of the 'workplace' and having connection with the employment of employees. As such, all the duties and obligations of the employer that apply in the office, shopfront or yard will continue to apply for the duration of the function or party.

In practical terms, this could mean the organisation (or even individual employees of the employer) could be held liable for occupational health and safety breaches for failing to provide a working environment that is safe and without risks to health.



GTP Birthdays

- ❖ 8th December - Karen Grainger
- ❖ 23rd December - Ryan Schirmer
- ❖ 5th January - Tracy Richardson
- ❖ 6th January - Matt Richardson
- ❖ 10th January - Jess Sluggett
- ❖ 15th January - Hannah McIlree
- ❖ 13th February - Ross Laycock



Injuries or illnesses arising out of or in the course of the function may be compensable under statutory workers compensation schemes and inappropriate conduct or comments could lead to harassment or discrimination claims.

Additionally, employees must also be aware that they may be disciplined for their actions at the party, as the terms and conditions of their contract and any applicable company policies apply for the duration of the function.

The employer's liability may be limited in some circumstances where the employee has engaged in serious misconduct or for instances that occur after the completion of the organised function. However, such exceptions are assessed on a case-by-case basis. In all circumstances it is clear the employer must be able to demonstrate all reasonable and proportionate steps were taken to educate staff on appropriate standards of behaviour, to provide a safe environment, and eliminate discrimination and sexual harassment.

Steps for a successful work party

Every party or function may be different, but there are various practical measures an employer can put in place to ensure staff enjoy the evening, whilst at the same time minimising legal risks. Employers should consider the following:

- ❖ Policy and procedure review: Prior to the function, employers should review all relevant policies and procedures to ensure that they are up to date and contain the standards of behaviour, responsibilities and expectations of all employees.
- ❖ Policies to be reviewed include: harassment or discrimination policy; fitness for work/alcohol and drug use policy; acceptable workplace behaviour policy and/or the staff code of conduct and the disciplinary procedures policy.
- ❖ Policy and procedure education: Promotion, education and reinforcement of policies should occur regularly across all levels of the organisation. It is vital to ensure all employees are aware of the content of company policies, and leading into a company function is a good time to remind employees of their obligations under the company's policies.
- ❖ Venue inspection: If the function is to be held at premises other than the employers, we recommend the venue is inspected (as close to the time of the function as possible) for any risks, which may include loose cables, overhanging objects and slippery areas. Any hazards can then be relayed to the venue management to be rectified prior to the function being held. The emergency exits of the venue should also be noted and employees made aware of their location during the function.
- ❖ Food and beverages: The employer should ensure that a wide range of non-alcoholic and low-alcohol beverages are available for guests at the function, in addition to any alcohol provided. An adequate amount of food should also be served, particularly if alcohol will be readily available
- ❖ Function times: The start and finish time of the function must be clearly communicated to staff in the invitations to the event and any further correspondence. If the venue

has been hired out for a specific time and it subsequently opens to the general public, venue management should also be advised of the finishing time of the party. These measures will assist to mitigate risk of employer liability for 'after party' events.

- ❖ Transport: Employers may consider whether to provide transportation after the evening for their employees, for example by utilising mini-buses or cabcharge vouchers. Alternatively, details of local taxi providers should be provided to all staff as an additional 'risk minimisation' measure.

At the function:

- ❖ Alcohol consumption: The supply of alcohol must be carried out in accordance with responsible service of alcohol ('RSA') standards. Ensure that management staff are able to instruct bar or venue staff to refuse service to employees when necessary.
- ❖ Hazards: Any hazards which eventuate throughout the function should not be ignored. This includes occupational health and safety hazards, employee intoxication hazards, and hazards relating to potential harassment or discrimination. Managers should be instructed to be proactive and act on these issues in a timely manner.

Follow up any issues:

If any allegations or evidence of employee misconduct emerge from the function, these must be investigated thoroughly and in the same manner as any other complaint that would arise in the ordinary course of business. Such matters should also be handled in a timely and efficient manner.



GTP Christmas Message

The team at Green Taylor Partners send a festive greeting to thank all of our clients for the opportunity to work with you.

Wishing you and your family peace, health, happiness and prosperity in the coming New Year.

Please note our office will be closed from 4pm Friday 22nd December 2017 and will reopen at 8.30am on Monday 8th January 2018.

If you have an urgent matter you can still contact the office and leave a message as the answering machine will be monitored.



Ryan Schirmer



Jodie Mills

Terms Nett 14 Days



Single Touch Payroll

Karen Grainger

In our September Newsletter we spoke about Single Touch Payroll (STP) and how it will change the way employers will report their employee salary and wages information.

Commencing from 1 July 2018, employers with 20 or more employees will be required to report salary and wages information through the Single Touch Payroll system typically using an online accounting software program.

Counting your employees

At 1 April 2018 employers need to do a head count of employees they have on payroll. This includes all full time staff, part time staff, casual employees on your payroll at 1 April, employees based overseas, any employee absent or on leave and seasonal employees eg harvest workers. Those employees to be excluded are casual employees who do not work in March, company directors or office holders, independent contractors and religious practitioners.

If you are part of a company group, the total number of employees for all member companies of the wholly-owned group must be included.

If you have 20 or more employees you will be classified as a 'substantial employer'.

How your reporting will change

Your payroll solution will need to be updated for Single Touch Payroll reporting.

When you pay your employees through an updated payroll solution, you will be reporting payments such as their salaries and wages, allowances, deductions and other payments, PAYG withholding and superannuation information to the ATO at the same time.

Your payroll cycle will not be changed. You will continue to pay your employees on the same basis as before.

About Payroll Solutions

If you currently use an online based accounting solution like MYOB or Xero, updates will be made to the program to enable Single Touch Payroll.

If you don't have a payroll solution and you are classified as a substantial employer at 1 April 2018, you will need to choose a payroll solution that allows for Single Touch Payroll and also suits your business needs.

These can either be done by upgrading your current

accounting system to the latest version which would be online. Or you can choose to use an online payroll program like Key Pay.

Key Pay is a cloud payroll solution that is solely for payroll. It allows you to process pay runs that is in line with your current payroll cycle. It allows your employees to log timesheets and leave applications.

Key Pay is one solution to complying with Single Touch Payroll. There are many other options and you should talk to your trust advisor for your options.

Fines and Penalties

The first 12 months of Single Touch Payroll is a transition period. This means you will not be imposed an administrative penalty for failure to report on time. You will not qualify for this exemption if you have been issued an ATO written notice advising of a penalty if you failure to lodge on time.

There are exemptions available for Single Touch Payroll:

- ❖ If you live in a rural area and do not have reliable internet connection
- ❖ You are classified as a substantial employer with more than 20 employees for only a short period of time during the year eg harvest time

If you have been granted an exemption you will still need to continue with your normal payroll obligations of reporting and paying your PAYG withholding obligation, giving employee payment summaries and report annually to the ATO.

It is also possible to defer the start of Single Touch Payroll. If your payroll solution is not ready by 1 July 2018 you should request a deferral to start. This can be done with your Tax Agent.

Talk to your advisor at Green Taylor Partners to discuss your business needs to comply with Single Touch Payroll.



Important Dates

December

- ❖ 21st - Lodge & Pay monthly Activity Statements

January

- ❖ 21st - Lodge & Pay monthly Activity Statements
- ❖ 21st - Lodge and pay quarter 2, 2017-18 PAYG instalment activity statement for head companies of consolidated groups.

February

- ❖ 21st - Lodge & Pay monthly Activity Statements



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