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AUSTRALIA + NEW ZEALAND

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Quarterly Newsletter

Green Taylor Partners

Mount Arapiles

This edition

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Carry-forward Superannuation Contributions – A new opportunity

Matt Richardson

The 2019-20 financial year is the first year you may be able to contribute "unused" concessional contributions from a prior year.

Any unused concessional contributions (annual limit currently $25,000) from the 2018/19 financial year and onwards can be used on a rolling basis for up to 5 years! Any amount not used after 5 years "expires".

Concessional contributions are:

- Employer contributions (including contributions made under a salary sacrifice arrangement; and
- Personal contributions which have been claimed as a tax deduction.

Eligibility Requirements – check your Total Super Balance (TSB) ***

To take advantage of these rules your Total Super Balance must be under $500,000. This is the accumulated value of all superannuation accounts in your name as at the most recent 30 June.

If you wish to make a carry forward contribution in the 2019/20 financial year your TSB will be measured as at 30 June 2019. *** It is critical you check your TSB prior to making a contribution under this measure.

Example 1

Miss B has $200,000 in her super account as at 30 June 2019. During the 2018/19 year she took time off work to care for her child, so there were no concessional contributions made on her behalf during the 2018/19 year.

Miss B is eligible to contribute $50,000 in concessional contributions in the 2019/20 year.

Example 2

Mr D has $370,000 in his super account. During the 2018/19 year the total concessional contributions made to his account was $10,000.

Mr D is eligible to have $40,000 in concessional contributions made to his super account during the 2019/20 year. This is comprised of $15,000 unused from 2018/19 plus $25,000 for the 2019/20 year.

Opportunities – who can benefit?

The original purpose of the legislation was to assist taxpayers with non-standard or interrupted work patterns as a means to boost their retirement savings. Those that take leave without pay, work part time, or who have "lumpy" income patterns will be ones that benefit the most.

However, there are also opportunities in years where higher than normal taxable incomes are derived (due to unexpected seasonal income, large realised capital gains, etc) where unused concessional contributions can assist with not only minimising your tax burden, but also ensuring you are saving for your retirement.

Exciting enhancements for MYOB Essentials!

Georgia Francis

MYOB have recently announced that they will be rolling out some changes to its MYOB Essentials software product. Don't worry, MYOB Essentials isn't changing completely, it will still have its core simplicity and features that we know and love, it is just a few tweaks here and there to make Essentials even better!

The enhancements to Essentials have been designed with the client in mind, meaning they have listened to the feedback given to them by those who use Essentials in their day to day business and want improved functionality within the software. Sometimes it's the little things in life that make a big difference, and this is exactly what I believe these new changes will bring.

Of the numerous enhancements announced by MYOB we are most excited by the improved reporting capabilities, flexible payroll processing features, as well as a new design to support mobile/tablet device screen sizes.

The newer version of Essentials will be available to new customer subscriptions from March onwards. Those of you who are reading this are most likely already MYOB Essentials users and you're probably thinking "when is mine going to change?". A great question! The roll out will be performed progressively, and this is due to begin in May for existing MYOB Essentials users and this is completed on a file by file basis. Be on the lookout for emails and notifications from MYOB during this time for updates.

As an MYOB Essentials enthusiast, I am excited by these changes and I think you will be too! Keep an eye out for more information from Green Taylor Partners on this topic! We will be running sessions towards the end of the financial year to assist with all things MYOB Essentials including an in depth look into the new enhancements, Single Touch Payroll finalisation for the year end, and other processing tips and tricks.

GTP Anniversaries

- 5th March – Penny Fisher (19 years)
- 12th March – Natasha Gardner (18 years)
- 29th April – Emma Koschitzke (1 year)
- 26th May – Hannah McIllree (6 years)

Xero Invoicing Hint

Kathryn Hamilton

If you are looking at ways to get paid faster and maximise the abilities of Xero Invoicing, a payment service app that integrates with your Xero may be what you need:

- **Stripe** – this is an app that that allows your customers to pay by debit/credit card by clicking a "pay now" button on your Xero invoiced emails. A small fee is payable per each payment made through Stripe, but you can pass this on to the customer as a processing fee. At the end of the day this fee could be worth it if you get paid immediately!
- **GoCardless** – this app can improve payment efficiency by offering direct debit services. Customers have the ability to set up automatic direct debits for regular invoices. This provides the ability to be paid on the due date every time without the customer having to lift a finger. You are charged a small fee which is payable per each payment made through GoCardless, which cannot be passed on to customers. This service would be ideal for those who have regular customers that are membership based.
- **Other** – there are over 30 payment services offered by Xero. Research the different services in the Xero App Marketplace and find the one that suits you and your business.

Keep in mind that you do not have to use an app to provide your customers with these options. You can provide these options to your customers by simply stating your details on your invoice. If you have any questions, please do not hesitate to contact our office.

Xero + Hubdoc = less work, more play…

Emma Koschitzke

I am sure a lot of you reading this would have never heard the word 'Hubdoc' before and in turn are not sure how it will make for 'less work, more play'… So, here is a little overview to explain what it is, why we are talking about it and how it will integrate with Xero to decrease your hours spent behind the computer.

What is Hubdoc…?

Hubdoc is here to make your bookkeeping life easier! It does this by automating the collection of documents and sending that data to Xero. It has the ability to auto-fetch bank statements, bills and receipts from over 700 financial institutions, utility and telephone providers and other online vendors. Once you connect your accounts, your recurring statements will automatically be retrieved by Hubdoc and will be added to your account so you can finally stop chasing them down when your BAS due date rolls around. Hubdoc also uses technology which can analyse data, such as receipts and other scanned documents to make your document management and data entry a breeze, so you can say goodbye to piles of paper on your desk!

Why are we talking about Hubdoc…?

Time is money and with life seemingly getting busier and busier every year, Hubdoc will simply make your life easier and more organised by saving time on reconciling accounts and storing statements and receipts.

Now for the REALLY exciting part! As of 18 March 2020, Hubdoc will be included in Xero Starter, Standard and Premium Plans at no additional cost! From that date, Xero subscribers will have access to Hubdoc and its features. By integrating directly into Xero, Hubdoc turns fetched bills and receipts into accurately coded Xero transactions, helping to reconcile your transactions in a few less clicks. Say goodbye to manual data entry and have more time to focus on what matters the most.

Important Dates

- **21st March** - Lodge and pay February 2020 monthly business activity statement.
- **21st April** - Lodge and pay March 2020 monthly business activity statement.
- **21st May** - Lodge and pay April 2020 monthly business activity statement.

GTP Birthdays

- 12th March – Krystal Osborne
- 21st March – Daniel Blay
- 30th March – Kerry Schultz
- 23rd April – Jodie Mills
- 30th May – Penny Fisher

XERO subscription price increase

Kerry Schultz

From 18 March 2020 the price of XERO business subscriptions is increasing by $2 per month, accordingly the amount direct debited for your subscription will be adjusted.

With this increase there is added value available to all business subscribers with the ability to use Hubdoc at no extra charge. Hubdoc extracts key information from your receipts, invoices and bills and feed this into your XERO file.

Why use Hubdoc?

- It automates administrative tasks like financial document collection and data entry. Think supplier invoices, receipts & bank statements.
- It saves you time chasing documents & also allows you to get rid of those boxes of receipts.
- It also allows for more accurate data in Xero and audit proofs your books.
- It even becomes a document storage solution (which can also integrate to the likes of Google Drive & Dropbox).

To find out more about Hubdoc refer to the website https://hubdoc.com.au

Business Portal access moving from Auskey to myGovID

Jess Sluggett

Are you using Auskey to access the ATO Business Portal or other government services?

From 27 March 2020 Auskey will be replaced by myGovID. This is different to myGov and is not connected!

myGovID is a way of digitally confirming your identity to gain access to government agencies such as the ATO.

To set myGovID up, you'll need to download the myGovID app onto an Apple or Android device and work through the identification process. For this you'll need ID documents such as your driver's licence, passport and Medicare card.

Once set up with myGovID, you can link your business via the ABN to continue using the ATO services. Each time you log into the ATO, you will use myGovID to prove your identity.

For more information or help setting up myGovID, visit https://www.mygovid.gov.au/

Looming annualised salary changes: What you need to know

Shane Bryan

The Fair Work Commission has highlighted annualised salary award provisions as a common issue requiring attention as part of the 4-yearly review.

A recent decision introduces new award requirements applicable to employees covered by awards with annualised salary clauses. These new obligations will commence 1 March 2020.

What is changing?

Though employers should always check the award for specific compliance obligations, generally the new clauses will impose the following compliance obligations:

- The employer must advise the employee in writing of the salary and keep a record of:
  - the salary payable
  - the award provisions satisfied by the salary
  - the method of calculation
  - the outer limit number of hours which mandate a penalty rate
  - the outer limit number of overtime hours the employee may be required to work per pay period or roster cycle*

  *if the employee works additional hours of overtime, that time falls outside the annualised salary and must be remunerated separately.
- If the employee works in excess of the maximum number of overtime hours, the employer must make a separate make-up payment
- Review the salary arrangement every 12 months and pay any shortfall within 14 days
- Keep appropriate records of employee working times including unpaid meal breaks. This record should be acknowledged by the employee, either physically or electronically each pay period.

What are the risks of getting it wrong?

There are many risks of haphazardly adopting an annualised salary. You must make sure you comply with your record keeping obligations and you must consistently check and assess, is the employee receiving, as a minimum, what they are entitled to under the Award?

A failure to comply may expose your business to underpayments claims as well as penalties for breaches of the Modern Award and Fair Work Act (Cwth) 2009.

What do I need to do?

- Know what Award covers your employees and whether it contains an annualised salary clause
- If you pay an employee an annualised salary, take steps to ensure the salary is compliant by 1 March 2020
- Ensure your payroll system satisfactorily records employee start and finish times (including unpaid breaks)
- Ensure employees sign off on records either physically or electronically

What is a car for tax purposes?

Emma Koschitzke

What is a car? Sounds like an easy question, right...? Wrong!!!

Well at least when we are talking about claiming a tax deduction for motor vehicle expenses for your business.

Here are some simple tips that will hopefully help you understand what exactly a 'car' is in the tax world and help you to understand what your business can and cannot be claiming as a deduction.

Firstly, the type of motor vehicle you drive can affect how you calculate your claim. A motor vehicle is either a 'car' or an 'other vehicle'.

Define 'car': a motor vehicle that is designed to carry:

- A load of less than one tonne, and
- Fewer than nine passengers

Which means that many four-wheel drives and some utes will fall under the category of a 'car'.

Define 'other vehicle': if it does not fall within the above requirements of a 'car' then your car is classed as an 'other vehicle'. Other vehicles include:

- Motorcycles
- Minivans capable of carrying nine or more passengers
- Ute or panel vans designed to carry loads of one tonne or more

Secondly, when it comes to claiming tax deductions for your motor vehicle you must take into consideration whether your vehicle is used for business or for personal use, and if it is for both, you must only claim the business portion of the running expenses as a tax deduction.

So, you're probably thinking, that doesn't seem so complicated, wait…. there's more!

Thirdly, your business structure also affects your entitlements and obligations when claiming deductions for motor vehicle expenses.

Sole Traders & Partnerships

If you fall under this category, you have two options in the way you calculate your deduction depending on the type of vehicle you have and how it is used. The vehicle can be owned, leased or hired.

'Cars' If you are claiming a deduction for your 'car', you have two options;

Cents per kilometre method

You can claim a maximum of 5,000 business kilometre per car at a rate of 68 cents per kilometre (based on current 18-19 rates). This covers the running expenses of your car, and it also includes depreciation.

You don't need written evidence, but you must be able to show how you worked out your business kilometres by way of a calendar or diary record. For claims over 5,000 km's you must use the logbook method (yes that's right, there's more…..)

Logbook method

You can claim your business percentage of each car expense based on your logbook records. You must record the following:

- the logbook start and end dates
- the cars odometer reading at the start and end of the logbook period
- details of each journey, eg; start and end date, odometer start and end reading, km travelled and the reason for travel

You must keep the logbook for a period of at least 12 continuous weeks and it should show a representation of your travel throughout the year. You can then use this representation period to calculate your claim for up to five years, if you:

- keep the logbook
- take odometer readings at the start and end of each year that you use it

From this logbook method you work out the percentage of business travel and use this to claim your business-related car expenses.

'Other Vehicles' For all other vehicles, you are unable to use the cents per kilometre or logbook method (not fair I know), you MUST claim based on actual costs for expenses you have incurred based on receipts. You can however use a diary to separate private use from business use.

Believe it or not, there is still more to learn about motor vehicle expenses, BUT I think that will do for today…stay tuned for more.

Disruptions to the GTP Phone System

Jodie Mills

You may have experienced some minor interruptions when calling our office over the last six months, which may have included connection failure, faulty lines or drop-outs. Following the introduction of the new NBN this has become an ongoing issue in which we have been working with our current provider to resolve.

We recommend during these times that you try calling a second time and if you still can't connect please utilise the following as these are monitored throughout the day:

- Email your accountant directly
- Email advice@greentaylor.com.au
- Direct message our Facebook account (https://www.facebook.com/greentaylorpartners/)

We apologise for any inconvenience this may cause and we thank you for your ongoing patience.

BMT

Multiple owners increase depreciation claims

BMT Tax Depreciation

Split reports help accelerate deductions

An increase in BMT Tax Depreciation Schedules for more than one owner suggests co-ownership is becoming an increasingly popular trend.

Owning a property with others can provide improved purchasing power. This can be particularly useful in capital cities where it can be difficult to break into the property market.

It can also balance out the expenses of owning an investment property including ongoing repairs, maintenance and fees. Additionally, co-ownership can provide improved depreciation deductions, allowing more items to be depreciated at a higher rate. This is where a BMT Tax Depreciation split report can assist.

How does a split report work?

A split report calculates depreciation deductions based on each owner's percentage of ownership for each asset*. This involves splitting the value of the assets based upon each owner's interest in the assets before applying depreciation rules.

BMT's split reports simplify the process for both investors and Accountants and allows owners to receive a maximised return on their investment. Each split report can be provided in CSV format for easy importing into accounting software.

There is an option for owners who prefer a depreciation schedule without any split applied should this be required.

* Under new legislation outlined in the Treasury Laws Amendment (Housing Tax Integrity) Bill 2017 passed by Parliament on 15th November 2017, investors who exchange contracts on a second-hand residential property after 7:30pm on 9th May 2017 will no longer be able to claim depreciation on previously used plant and equipment assets. Investors can claim deductions on plant and equipment assets they purchase and directly incur the expense for. Investors who purchased prior to this date and those who purchase a brand-new property will still be able to claim depreciation as they were previously. To learn more visit www.bmtqs.com.au/budget-2017 or read BMT's comprehensive White Paper document at www.bmtqs.com.au/2017-budget-whitepaper.

Visit www.bmtqs.com.au/co-ownership-example to see how a split report increases deductions for two owners.

Record keeping requirements

Shane Bryan

Employers must keep records in relation to workers for seven years from the date an entry was last changed. Records must be legible and readily accessible to a Fair Work Ombudsman inspector. Failure to comply with the requirements could result in a penalty.

What the records must include:

General

- the name of both the employer and employee
- whether the employment is full-time, part-time, temporary or casual
- ABN of the employer
- the start date of the employment

Pay

In addition to providing payslips to employees (see below), the employer must keep records of all payments including:

- the employee's rate of pay
- guarantee of annual earnings as promised by the employer (where applicable)
- the gross and net amounts paid
- any deductions made from the gross amount
- any separately identifiable amounts payable including: incentive-based payments, bonuses, loadings, penalty rates etc.

Hours worked

- If the employee is entitled to paid overtime, the records must state either:
  - the number of overtime hours worked each day; or
  - when the employee started and ceased working overtime.
- Records must be kept of any written agreements to average the employee's "reasonable additional hours" over an agreed period.
- For casual or irregular part-time employees who are guaranteed a basic periodic rate of pay, records must be kept of the hours worked.

Leave

Records of any leave entitlements must be kept and must state:

- the accrual of the leave
- any leave taken by the employee
- the balance of annual leave entitlements (recorded from time to time)
- if an employee elects to forego (i.e. 'cash in') an entitlement to leave the records must include:
  - a written copy of that election
  - the rate of payment for the amount of leave foregone and the date of payment.

Superannuation Contributions

Records of superannuation contributions must include the:

- amount of the contributions
- date of the contributions
- period over which the contributions were made
- name of the fund to which they were made
- basis on which the employer is required to make the contributions. This includes recording the employee's election of super fund and the date of that election.

Individual Flexibility Arrangements

Records of individual flexibility arrangements must include:

- a copy of the agreement
- a copy of a notice that terminates the agreement

Termination of Employment

If an employee's employment is terminated, a record must be kept of the name of the person who acted to terminate the employment and whether it was terminated by:

- consent;
- notice;
- summarily; or
- in another specified manner.

Transfer of Business

When a business is transferred or assigned (in whole or in part) and the new employer employs any transferring employees, the old employer must transfer to the new employer all the records which they are required to keep.

The new employer must request the records from the old employer, who must provide them. Once received, they must be kept as if they were made by the new employer (but are still considered to be made at the time the old employer actually made them).

The new employer is not required to make records for the previous employment which have not been received.

Alterations, Corrections and False Entries

Employers must correct an error in a record as soon as they are aware of it. When the error is corrected, a record must be kept of the nature of that error. Besides correcting errors in this way employers must not allow records to be altered.

If a person knowingly makes a false or misleading entry they may be personally liable. A person may also be liable if they make use of such an entry knowing it is false or misleading.

Inspection and Copying of Records

Employers must make copies of records available if they are requested by a workplace inspector. Employees and former employees may also request a copy of their own records, in which case the employer must provide a copy.

The records must be made available at the workplace within three business days, or by posting or faxing a copy within 14 days of receiving the request.

If asked, the employer must tell the person where the records are kept. The employer may also be interviewed about the records during ordinary working hours and they must give reasonable assistance in the interview.

Pay slips

Under current Regulations, employers must issue written pay slips to employees within one day of each payment. The pay slip must include the particulars set out below:

- the name of the employer and employee
- the Australian Business Number (ABN) of the employer
- the date on which the payment was made
- the period to which the pay slip relates
- if the employee is paid at an hourly rate:
  - the ordinary hourly rate; and
  - the number of hours in that period paid at that rate; and
  - the amount of the payment made at that rate;
- if the employee is paid at an annual rate – the rate at the latest date of the pay period
- the gross and net amount of the payment
- the amount of any incentive-based payment, bonus, loading, monetary allowance, penalty rate or other separately identifiable entitlements.
- the details of each amount deducted from the gross amount, including the name (and number if applicable) of the fund or account into which the deduction was paid
- if the employer is required to make superannuation contributions**:
  - the amount of each contribution during the payment period
  - the name of any fund to which that contribution was made

*** "Contributions" does not include a contribution in respect of a defined benefit interest in a defined benefit fund within the meaning of the Superannuation Industry (Supervision) Regulations 1994.*

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