



CHARTERED ACCOUNTANTS
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GREENTAYLOR
PARTNERS



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2022 DECEMBER

Quarterly Newsletter

Green Taylor Partners



GTP Christmas Message

The team at Green Taylor Partners send a festive greeting to say thank you for the opportunity to work with you.

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

Please note our office will be closed

From 4pm Friday 23rd December 2022 and will reopen at 8:30am on Monday 9th January 2023.

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



Single Touch Payroll (STP) PHASE 2

Emma Koschitzke

The term STP will be a familiar term to those business owners paying employees. It was a learning curve for us all when this was introduced by the Tax Office, but hopefully most businesses will be well versed in using the first phase of STP by now.

STP was a Tax Office initiative designed to streamline the reporting of employee pay, tax withheld and superannuation with the help of software providers such as Xero and MYOB.

The purpose of STP 2 is to report additional information through payroll. This information will include more detail such as income, payment types, and the reason for any cessation of employment.

The introduction of the phase 2 initiative is now underway and businesses will be required to report additional information via STP 2. Businesses must comply or potentially face penalties from the Tax Office.

The original start date for STP 2 was 1 January 2022, however, most software providers have extended this deadline by 12 months to 1 January 2023.

Xero have announced they have a further extension of the start date to 31 March 2023. This gives Xero payroll users additional time to ensure their payroll records re STP phase 2 are compliant.

There is no extension at this stage for MYOB AccountRight and Essentials users and the deadline of 31 December 2022 still applies.

What are the main changes in STP Phase 2?

❖ Employment & Taxation Conditions

There are many factors that influence how you manage your employees in your payroll. These include:

- their employment basis.
- the information on their TFN declaration.
- details of when and why they leave.

You currently provide this information in different ways and on different forms.

Phase 2 streamlines this process by including the information in your STP report.

❖ Income Types

This is being introduced to report the following more flexibly:

- identify payments you make to your employees with specific tax consequences.
- make it easier for them to complete their individual income tax return.
- help us identify where you are using a concessional reporting arrangement.

❖ Employee Separation Certificates

These certificates are no longer required as the reason why an employee has left the business will be reported via STP records.

❖ Lump Sum E Payments

Previously, a separate form/letter would need to be provided for this. This information will now be included in Phase 2 reporting, with details of the payment appearing on the employee's income statement.

❖ Child Support

Businesses will now have the option to include child support garnishees and deductions in your STP report. This will reduce the need to give a separate remittance advice to the Child Support Register.

❖ Employment Type

This previously was optional; but will now become a mandatory field which needs to be completed.

❖ Disaggregation of Gross

Instead of reporting all wages as a gross amount, you will now report these in more detail. Income will no longer be reported as a gross sum, instead each component must be itemised including salary sacrifice, overtime, paid leave, bonuses, commissions, director's fees and allowances (allowances must also be individually itemised).

❖ Country Codes

If you make a payment to an Australian resident working overseas, you will need to provide information about the host country.

For more information please check with your service provider, most will have information on their website or get in touch with us here at Green Taylor Partners.



GTP Tid Bits

The team at GTP would like to congratulate Georgia and husband Jack on the safe arrival of their first child, Hallie Grace, born Sunday 20th November.

We also congratulate Georgia on successful completion of her CPA (Certified Public Accountant) studies.



Superannuation & holiday employees

Lewis Thomas

The ATO is reminding employers that the holiday season is fast approaching, and that their holiday casuals may now be eligible for super.

From 1 July 2022, employers need to pay super for employees at a rate of 10.5%, regardless of how much they are paid, because the \$450-per-month threshold for super guarantee ('SG') eligibility has been removed.

The ATO provides the example of Jane, a 22-year-old employee working a short-term job at a restaurant over the holiday season. She works 23 hours in a month, earning \$430 before tax.

In the past, holiday employees such as Jane would not be paid super as they earned below the \$450 threshold. Now, Jane will be eligible for super paid on her ordinary time earnings at a rate of 10.5%.

This change doesn't affect other eligibility requirements for SG. In particular, workers who are under 18 still need to work more than 30 hours in a week to be eligible.

For example, Anish is a 17-year-old employee working a job at a hotel over the holiday season. Anish works 32 hours in a week at the hotel and earns \$800 before tax. He also works 5 hours at his local café, earning \$150.

As Anish worked more than 30 hours in one week at the hotel, his employer will need to pay him super on the \$800 earned. However, as Anish works less than 30 hours a week at the café, he is not entitled to super from this employer. Likewise, Anish isn't entitled to super for any weeks he works less than 30 hours at the hotel.

The ATO recommends that employers check their payroll and accounting systems are up to date so they are correctly calculating their employees' SG payments, and (of course), that registered tax agents and BAS agents can help with their tax and other obligations.



Five Tips For Bringing In More Business

David Hadley

A business has to take stock of its growth and retention strategies as much as it has to monitor its inventory. It does not have to be an overwhelming task. Here are five simple ways you can begin to bring in more business and improve your existing business:

- 1. Make a point to be available to customers.** Answer the phone or meet with clients personally. Communicate with customers regularly. It can be in person, on the phone or in writing. Schedule regular customer communications in your business calendar.
- 2. Join an association like your local business chamber or an industry association.** These are great places for networking and building strategic partnerships.
- 3. Go to the source.** Ask your existing customers for referrals and ideas on how you can improve. Offer them an incentive - a free gift or discount - to show your thanks for passing on your name & their ideas.
- 4. Track where each new customer comes from.** Was it a referral, cold call, direct mail or advertising? A pattern will develop that will show you where to focus your marketing efforts.
- 5. Keep an eye on local and national trends for new business opportunities for your services.**



Important Dates

December

- ❖ 21st - Lodge and pay November 2022 monthly BAS

January

- ❖ 21st - Lodge and pay December 2022 monthly BAS
- ❖ 28th - Super Guarantee contributions for Quarter 2 due

February

- ❖ 21st - Lodge and pay January 2023 monthly BAS
- ❖ 28th - Lodge and pay Quarter 2 activity statement



The risks of public WiFi and how to protect yourself

Kane Hendy (*Guest Contributor*)

The explosion of free public WiFi could be considered a major convenience for staying connected on the go, but using public WiFi comes with risks you should be aware of. Whether you're using at the airport, hotel, or cafe, be alert to the potential dangers and take measures to reduce the risk of malicious attacks and data theft.

What's public WiFi?

WiFi is a technology enabling computers and other devices to connect to the internet wirelessly. At home and work your WiFi is usually a closed network, which means you need a password to use it. In public places however, WiFi can be completely unsecured.

While it might seem safe to check email, social media, and the bank balance as you wait for your flight, public WiFi presents real dangers.

What are the risks of public WiFi?

Data theft, malware attacks, and malicious hotspots – these are some of the biggest risks of using public WiFi.

Access to your information

Since public WiFi usually requires no authentication, it offers a tempting avenue for would-be hackers to obtain access to unsecured devices using the network. Malicious attacks through the network can result in your data being stolen, whether it's client documents you've been working on, your email login details, or your credit card information. It could also include log-in details for your work or business intranet or database.

Malware distribution

If you have enabled file-sharing across networks, the hacker can gain access to your public folders when you connect to the public WiFi. The hacker can then take the opportunity to install malware on your device. The malware that's installed without your knowledge could give hackers access to everything on your devices, such as files, photos, and microphone and webcam (for eavesdropping).

Compromised devices on the network

When you connect to public WiFi, you might be unknowingly linking to other compromised devices using the same WiFi network. If you have home or work network settings enabled instead of the public network settings, you could be allowing

these compromised devices to view and access your shared folders.

Malicious hotspots

Anyone can set up a WiFi network and make it look like a legitimate network by using an official-sounding network name. A malicious hotspot can easily be set up with the intent of capturing your sensitive data. As you log into your email, social media, banking, and company sites, your private information is being captured by the hotspot's real owner.

Strategies for staying safe on WiFi

Assume no public WiFi network is completely secure. If you need to use public WiFi from time to time, take extra precautions with these tips.

Basic settings

In addition to using an anti-virus program and turning on your firewall and automatic patches to stay secure, use these basic settings to safeguard your devices.

- ❖ Auto-connect – Check to make sure the auto-connect setting on your device is switched off. By switching auto-connect off, your device won't automatically connect to any WiFi network unless you manually choose the specific connection and click to connect.
- ❖ Sharing – Turn off sharing and switch to public network settings so you're not sharing folders with any other devices on the network.
- ❖ HTTPS – Use a HTTPS extension in your browser, as this means you'll be able to access safer sites rather than HTTP addresses that have lower levels of protection

Be selective

Be selective about how you use public WiFi. Don't use it to access bank accounts, email, or other personal, sensitive sites.

Use a VPN

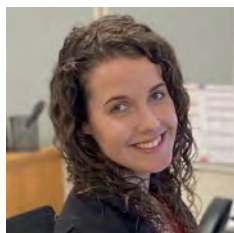
If you need to use WiFi, a virtual private network is highly recommended. The VPN will encrypt all your data, making it extremely challenging for hackers to decrypt your data even if they successfully attack the network.

Keep WiFi off when not in use

If you want to be extra careful, keep your computer in airplane mode when you're not using WiFi.

Despite the freedom and convenience public WiFi networks provide, they pose security risks for anyone using them. Unless you use a VPN, you should assume attacks and data theft are real possibilities if you choose to use a public WiFi network. By taking a few safety measures, you can reduce or eliminate the risks associated with public WiFi.

Kane Hendy is a local IT specialist.



Are you a victim of Password Fatigue?

Emily Moore

With the recent rise in data breaches being reported it is only natural that we want to ensure our online accounts are secure, both business and private. Each platform has its own set of password rules along with a request that passwords be unique.

But how are we meant to remember all these unique passwords?

If you find yourself overwhelmed and struggling to remember them all, then you may be experiencing what is known as "Password Fatigue". This ultimately leads to password simplification and reuse, with many people reusing an average of five passwords across business and personal accounts. The problem here is that simple and frequently repeated passwords pose a security risk.

So, what can we do to overcome Password Fatigue and increase online account security?

1. Password Managers

Creates a secure store of passwords and automatically fills them at login windows. Not having to remember every single password offers the possibility of more complicated and longer passwords, such as a computer-generated string of random characters.

2. Multi-factor Authentication

This can be as simple as having passwords saved and a push notification to accept or deny the login on the user's phone. Even if password fatigue has compromised passwords, the hacker would need to have the user's phone to access the account.

3. Single Sign-on Solutions

These applications, such as PassCamp or JumpCloud, save and store all passwords in a secure encrypted file that can only be accessed by a single master password. They can generate and save random, complicated passwords for each online account and will automatically fill them when a user visits a website.

These tools can help to significantly reduce the password burden, reducing the time spent remembering, inputting, and resetting passwords.



GTP Services

Ross Laycock

If I was to pose the question, "When was the last time you came into GTP?"

For some it might be a week ago, a month or two...or maybe even more. Each client has a unique situation and here at GTP we have services that are tailored to meet our clients' needs. Our aim is to provide you with advice when your business needs it - not just when you ask for it.

Let us help you turn your business idea into a reality.

If you have a good idea for a new business venture but don't have expertise in the legal or financial aspects of creating a new business, we can help you.

As most of you might already know, GTP has a wide range of services. Amongst these is Succession Planning, to ensure the long term success of your business. It is critical to establish a well-designed succession plan.

Coordination of the transition of your business to your successors can be an arduous process. However, with our years of experience we can address the complex issues of business continuation, taking the stress off your shoulders.

For any business advice to assist you in making better, informed decisions along your journey, talk to us at Green Taylor Partners.



Set Activity Goals And Get Results

David Hadley

In order to reach a large goal, you must first successfully complete a series of smaller ones. Set goals that are reasonable and within reach.

Here are three tips to setting and realizing activity goals:

1. Be time sensible - By allowing too short a time scale, you'll place an unnecessary burden on yourself, resulting in added stress and poor work performance. Set realistic time frames for your goals.
2. Write goals down - Write your goals down on paper. This will take time, thought and consideration, but the more time you spend thinking and planning your course of action, the easier it will be to implement it. At the end of each week, spend a few minutes reviewing and analysing your progress.
3. Share your goals - and how you plan to achieve them. The people around you can help you achieve your goals when they know what they are.



Reducing financial risk with personal insurance

Livio Caiolfa (Guest Contributor)

The role of life insurance advice is to provide financial support to maintain your standard of living, and that of your family, should you suffer an accident, serious illness, or death.

Yet, under-insurance remains a significant problem in Australia.

The average Australian holds personal risk cover that would only meet around half of their family's basic living needs, such as maintaining standard of living until retirement.

Commonly, the most under-insured group are aged 45 to 64, with the cost of insurance premiums being a significant factor. However, the probability of suffering an event coverable by a personal risk insurance policy is high.

Claim statistics show that a 45-year-old male has a 25% chance of claiming on a Life, Total and Permanent disablement, or Trauma policy prior to age 65. Women fare marginally better, with a 20% chance of such a claim arising.

The most common claims are those for trauma or total and permanent disablement, with almost 80% of claims in middle age arising from major illnesses such as cancer.

The financial consequences of suffering an insurable event can be catastrophic for those without cover, or with insufficient cover.

Consulting a financial adviser to determine appropriate benefit types and amounts can alleviate the additional stress associated with the financial impacts of illness, injury or death.

This involves first conducting a "gap analysis" to understand what the shortfall might be between your available financial resources and the lump sum required to maintain your family's standard of living.

We begin by discussing with you what amount may be required to compensate for:

- ❖ loss of income due to temporary or permanent inability to work
- ❖ increased expenses for medical or disability needs
- ❖ debt repayment
- ❖ children's education funding or future needs
- ❖ housekeeping, home help and nursing care
- ❖ spouse taking a break from the workforce
- ❖ final expenses including funeral cost and payment of tax

We then take into consideration your existing financial resources that you are willing to access to meet financial

needs in a crisis. This might include:

- ❖ cash accounts
- ❖ shares, managed funds and other investments
- ❖ sale of investment properties
- ❖ early access to superannuation
- ❖ sources of ongoing income including sick and annual leave balances, Centrelink benefits and Workcover payments

Any gap between available resources and the lump sum required to maintain standard of living to your intended retirement age can then be filled by taking out appropriate term insurance policies including:

- ❖ Life cover
- ❖ Total and permanent disability
- ❖ Trauma or critical illness cover
- ❖ Income protection (aka salary continuance)

Summary

Consulting a financial adviser to determine appropriate benefit types and amounts can alleviate the additional stress associated with the financial impacts of illness, injury or death.

A "gap analysis" will allow you to understand any shortfall between your financial resources and the amounts required to ensure continuation of your family's standard of living.

The gap can then be filled by taking out a combination of income protection, trauma, life and TPD cover.

Livio Caiolfa is a Private Client Adviser at Prime Financial.

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GTP Anniversaries

- ❖ 10th December - Peter Cramer (43 years)
- ❖ 2nd January – Sue Olston (49 years)
- ❖ 12th January – Holly Nuske (1 year)
- ❖ 17th January – David Hadley (23 years)
- ❖ 29th January – Jess Sluggett (15 years)
- ❖ 3rd February – Karen Grainger (20 years)
- ❖ 15th February – Ryan Schirmer (13 years)
- ❖ 16th February – Kathryn Hamilton (14 years)



Christmas Parties and Fringe Benefits Tax

Karen Grainger

It is that time of the year when you are considering holding a Christmas Party for your employees.

It is quite common for employers to provide Christmas parties and gifts at this time of the year.

The Christmas Party is considered entertainment and in some cases be subject to Fringe Benefits Tax (FBT).

Generally, the provision of food and drink associated with Christmas Parties are exempt from Fringe Benefits Tax when they are provided on a working day, on your business premises, and consumed by current employees. If associates attend this party and the cost for them is under \$300, this is also exempt from FBT as this falls under the minor benefit exemption rules.

If the Christmas Party is at a separate location to the business then consideration must be given to the cost per head. If the cost per head is under \$300 then FBT doesn't apply and falls under the minor benefit exemption rules. If the cost per head is over \$300 then FBT will apply.

Employers should also take note that when entertainment is exempt from FBT then it cannot be claimed as a tax deduction.

When providing gifts to employees they are generally subject to FBT unless the minor benefit exemption applies when the gift cost is under \$300.

Gifts provided to clients are generally not subject to FBT and can be claimed as a tax deduction.

The treatment for FBT and claiming a tax deduction for costs of gifts can get tricky depending on what the gift is. Certain gifts like movie tickets can be regarded as entertainment and not tax deductible.

If you wish to discuss your situation regarding your Christmas Party, contact your trusted advisor at Green Taylor Partners.



Personal Use Assets

Emma Koschitzke

Did you know... Some personal use assets are subject to CGT?

I think it would be fair to say, it is a common misconception by most people that all personal assets sold are not subject to Capital Gains Tax (CGT). BUT unfortunately, that is not entirely correct...

If you sell a personal use asset that cost you more than \$10,000, then it may be subject to CGT and required to be included in your tax return.

It doesn't seem fair and to be honest and it gets worse... Capital losses on these personal use assets are ignored. This means you cannot offset a capital loss on sale of a personal use asset to reduce capital gains on the sale of other assets (including other personal use assets).

Personal use assets are CGT assets that you keep for your personal use or enjoyment, such as:

- ❖ Boats
- ❖ Furniture
- ❖ Electrical goods
- ❖ Household items

The following items are generally not classes as personal use assets:

- ❖ Your main residence – generally exempt from CGT
- ❖ Cars – which are exempt from CGT

Other items which need to be considered include:

- ❖ Collectables worth \$500 or more - eg: artwork or jewellery
- ❖ Intangible assets – eg: leases or goodwill
- ❖ Foreign currency exchanges
- ❖ Depreciating assets like business equipment and rental property items
- ❖ Gambling wins and more likely losses
- ❖ Competition prizes

It should be remembered that a lot of these personal use items are usually sold for less than you paid for them. Hence a tax obligation is not really a concern.

If you have any questions please talk to us at GTP.



GTP Birthdays

- ❖ 8th December – Karen Grainger
- ❖ 23rd December – Ryan Schirmer
- ❖ 6th January – Matt Richardson
- ❖ 10th January – Jess Sluggett
- ❖ 15th January – Hannah McIlree
- ❖ 12th February – Tilak Khatri
- ❖ 13th February – Ross Laycock



Commonwealth Seniors Health Card

Ross Laycock

Isn't it amazing how discussions within your group of friends changes over the years.

I was asked recently whether I knew anything about the seniors health card.

So I did a little research via Services Australia and found the following.

Applying for a seniors health card

Benefits

With a CSHC you may get benefits such as:

- ✦ cheaper medicine under the Pharmaceutical Benefits Scheme
- ✦ bulk billed doctor visits - this is up to your doctor
- ✦ a refund for medical costs when you reach the Medicare Safety Net.

Basically, if you are out of pocket in a calendar year by more than \$495.60 you may be eligible to receive 100% reimbursement for expenses above this amount for hospital services.

If your out of pocket expenses reach and exceed \$2,249.80 in a calendar year, you may be eligible for 80% reimbursement for expenses above this amount for hospital services.

Additional Benefits

Your state or territory government and local council may lower any of these expenses:

- ✦ electricity and gas bills
- ✦ property and water rates
- ✦ health care costs, including ambulance, dental and eye care
- ✦ public transport fares

To apply you need to meet all the following conditions :

- ✦ be Age Pension age
- ✦ meet residence rules
- ✦ not be getting a payment from Services Australia or the Department of Veterans' Affairs
- ✦ provide a Tax File Number or be exempt from doing so
- ✦ meet identity requirements
- ✦ meet the income test.

Age Pension age

- ✦ Born between 1/7/55 to 31/12/56 – eligible at 66 years and 6 months
- ✦ Born after 1/1/57 – eligible at 67

Income Test

The income test is reviewed on the 20 September each year in line with the Consumer Price Index.

The income test will look at both your:

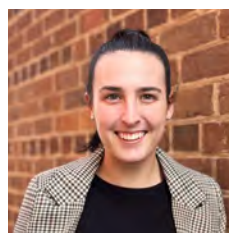
- ✦ adjusted taxable income
- ✦ a deemed amount from account based income streams.

To meet the income test, from 20 September 2022, you must earn no more than the following:

- ✦ \$61,284 a year if you're single
- ✦ \$98,054 a year for couples
- ✦ \$122,568 a year for couples separated by illness, respite care or prison.

There is no assets test.

To check your eligibility or to apply for your seniors health card please refer to Services Australia or your Medicare office.



Deductible Rental Property Expenses

Steffi McDonald

If you own a rental property that you are receiving an income from, there are a number of expenses you may be able to claim as a deduction against this income.

You cannot claim a deduction for your personal use of the property or expenses covered by the tenant.

Below is a list of the common tax-deductible expenses:

- | | |
|--------------------------------|-------------------------------------|
| ✦ Land Tax | ✦ Property Insurance |
| ✦ Council Rates | ✦ Repairs & Maintenance |
| ✦ Water Rates, Charges & Usage | ✦ Interest on Rental Property Loans |
| ✦ Pest Control | ✦ Electricity & Gas |
| ✦ Gardening & Lawn Mowing | ✦ Property Agent Fees |
| ✦ Cleaning | ✦ Legal Expenses |
| ✦ Body Corporate Fees | ✦ Pre-Paid Expenses |
| ✦ Advertising for Tenants | |

Additionally, there are other expenses that may be claimed over several years:

- | | |
|-----------------------|-----------------------|
| ✦ Borrowing Expenses | ✦ Improvements |
| ✦ Capital Expenditure | ✦ Depreciating Assets |

You need to keep accurate records in order to claim these deductions.

If you have any questions, please refer to us at GTP.



Summary, photo and raffle winner movie night

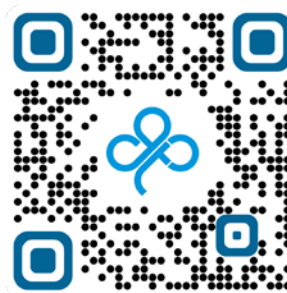
On Wednesday 19th October, the GTP team hosted our annual Client Movie Night.

Clients enjoyed nibbles and drinks down at the Horsham Town Hall and then made their way to the Horsham Centre Cinema to see the movie "See How They Run".

We also held a Raffle leading up to and on the night, in which we raised \$810 for the Cancer Council. Thanks to everyone who purchased a ticket!

The winners of the 1st prize received a hamper full of local produce and goodies.

The team here at GTP would like to thank everyone that attended the movie night and we hope you all enjoyed the evening.



Schedule appointments online

Making a time to see your trusted advisor here at Green Taylor Partners has never been easier.

<https://greentaylor.com.au/schedule-appointment/>

Merry Christmas



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