

BUSINESS AND TAX NEWS

October 2017

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Casuals may soon have rights to become permanent staff

In the Fair Work Commission's (FWC) 4 yearly review of modern awards, the FWC has developed a draft model for 85 modern awards to contain a provision which will allow casual employees to request full-time or part-time employment after 12 months of employment.

The model provision includes:

- A qualifying period of 12 calendar months;
- A qualifying criterion that the casual employee has over the qualifying period worked a pattern of hours on an ongoing basis which, without significant adjustment, could continue to be performed in accordance with the full-time or part-time employment provisions of the relevant award;
- The employer must provide all casual employees (whether they become eligible for conversion or not) with a copy of the casual conversion clause within the first 12 months after their initial engagement; and
- A conversion may be refused on the grounds that it would require significant adjustment to the casual employee's hours of work to accommodate them in full-time or part-time employment in accordance with the terms of the applicable modern award, or it is known or reasonably foreseeable that the casual employee's position will cease to exist, or the employee's hours of work will significantly change or be reduced within the next 12 months, or on other reasonable grounds based on facts which are known or reasonably foreseeable.

Although this provision is still in draft phase, the Full Bench will make its final determination later this month. Employers should prepare for these changes by seeking early advice and creating a process for dealing with employee requests.



Important tax dates

20 OCTOBER

Pay annual PAYG instalment notice (Form N). Lodge only if you vary the instalment amount or use the rate method to calculate the instalment.

Lodge and pay September 2017 monthly activity statement.

28 OCTOBER

Lodge and pay Q1, 2017-18 activity statement if lodging by paper. Pay Q1, 2017-18 instalment notice (form R, S, or T). Lodge the notice only if you vary the instalment amount.

Make SG contributions for Q1, 2017-18 to funds by this date. Employers who do not pay minimum super contributions for Q1 by this date must pay the super guarantee charge and lodge a Superannuation guarantee charge statement – quarterly (NAT 9599) by 28 November 2017.

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New measures to crack down on super non-compliance

The Australian Taxation Office (ATO) will receive additional funding for a Superannuation Guarantee Taskforce to crack down on non-compliance by employers.

The Government has announced a package of reforms to close a legal loophole used by dishonest employers that short-change employees who make salary-sacrifice contributions to super.

Funding for the Taskforce coincides with new data released by the ATO reporting a significant estimated Super Guarantee gap. This gap is the difference between the theoretical amount payable by employers to be fully compliant and actual contributions received by funds.

The ATO estimates the net SG gap as 5.2 per cent or \$2.85 billion of the total estimated \$54.78 billion in SG payments that employers were required to pay in 2014-15.

The gap exists because unfortunately some employers are not meeting their super guarantee obligations either by not paying enough or not paying at all.

The new package aims to take action on those employers who are deliberately not paying their workers' super entitlements, so they cannot hide from their legal obligation.

Some of the measures included in the package involve:

- A requirement for superannuation funds to report contributions received more frequently (at least monthly) to the ATO. This is aimed to better identify patterns of non-payment and allow for immediate action;
- The rollout of Single Touch Payroll to further improve visibility on reporting, simplify tax and super for employers while allowing the Tax

Office to better detect patterns of non-compliance;

- Improvements to the effectiveness of the ATO's recovery powers, including strengthening director penalty notices and the use of security bonds for high-risk employers, to ensure unpaid super is better collected by the ATO and paid to employees' super accounts; and
- Allowing the ATO to seek court-ordered penalties in the most shocking cases of non-payment, including employers who are repeat offenders.

The crackdown serves as a strong reminder for businesses to ensure that they do the right thing as superannuation is a legal entitlement for employees.

If you have any questions in relation to your requirements for payment of superannuation or what you may need to do with the introduction of the new measures such as Single Touch Payroll, we are here to help, so give us a call.

The Business Growth Series

Our team runs a 4-part **Business Growth series** providing business owners with a range of tools and tips on ways to grow their business through a better understanding of how their numbers impact them. We look at everything from profitability to how to effectively read the Profit & Loss and Balance Sheet; to Business Health Checks and developing Business Improvement Strategies for businesses, as well as helping business owners put them into practice.

Let us know if this is of interest to you, so you can join the upcoming sessions.

Email executiveassistant@evansedwards.com.au



ATO targeting work-related expenses

The ATO is cracking down on individuals who are over-claiming work-related expenses.

The Tax Office is reminding individuals that they can only claim a work-related deduction if:

- They have spent the money themselves and were not reimbursed
- It is directly related to earning their income
- There is a record to prove it

Expenses that cover both work and private purposes must be apportioned – you can only claim a deduction for the work-related portion.

Common mistakes include claiming ineligible clothing, claiming for something without having spent the money and not being able to explain the basis for how the claim was calculated.

The ATO has clarified it is a myth that you can claim a standard deduction of \$150 without spending money on appropriate clothing or laundry. To claim a deduction for clothing, it needs to be occupation-specific clothing, protective clothing or a uniform that is unique to the organisation you work for.

Before claiming a deduction for any work-related expenses, individuals must consider if the employer would confirm the expenses were required to earn their income and that they were not reimbursed. Remember, receiving an allowance from an employer does not necessarily entitle you to a deduction, so it's best to check.