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Is your Business ready to employ staff?

Principal Marni McGrath recently presented at a Lunch n Learn session at SmartHub on a topic that is relevant to most businesses. For those of you who missed it, we've summarised her top points below.

It is a big decision for a business owner to consider when it might be time to employ staff - whether that be your first employee, or additional employees. The triggers might include whether you are having to turn down work or business as you are too busy as business owner to take more work on, you want better work/life balance, or maybe you are thinking of diversifying or offering new services or products. Whatever the reason, there are a number of things to consider before making the final decision.

- What do you want from the business? What are your business goals?
- What would you want from a new employee? What skills would they have to complement your skills and knowledge? In what employment capacity would you hire them and for how long? Do they have the right values and traits to align with your business goals and objectives?
- What is your likely return on investment? How long will it take you to train them? Can they help generate more profits for the business or more time for the business owner to generate additional business in the form of new customers or revenue streams?
- Have you considered the financial impact on your business? Have you done short and long term cash flow projections?
- Have you considered Government Assistance Programs that may be applicable?

Once these questions have been answered and you've found the right person who fits with your business and has the required skills for the role, there are a number of things that you need to do when employing staff, including:

- Registering for PAYG withholding (PAYGW)
- Determining your employer-nominated (default) superannuation fund and making superannuation payments
- Applying for a WorkCover policy if applicable
- Developing appropriate safety management systems
- Determining which Award applies to your business and the position - if any
- Complying with the minimum National Employment Standards
- Providing all employees with a Fair Work Information Statement
- Having a relevant position description for the role
- Ensuring you issue pay slips within 1 working day of payment and include all relevant information.

There is a lot to consider when you are looking at employing staff (or if you are considering employing yourself as a business owner depending on your business structure), so it's good to consider some of these questions above. Further information can be found on the ATO website, Fair Work and Worksafe Queensland, or give Marni or your Accountant a call to see how they can help you on the right path to make a decision that best suits your business. For anyone who would like to view Marni's presentation there is a live recording available on the SmartHub Rockhampton Facebook page.

Targeted amendments to Division 7A

The Government has indicated that from 1 July 2019, unpaid present entitlements will come within the scope of Division 7A of the ITAA 1936.

This will apply where a related private company is entitled to a share of trust income as a beneficiary but has not been paid that amount (unpaid present entitlement).

Additionally, the targeted amendments announced in the 2016/17 Budget, aimed at improving the operation and administration of Division 7A, which were due to apply from 1 July 2018, will now apply from 1 July 2019.

The following measures will be introduced:

- A self-correction mechanism to assist taxpayers to rectify inadvertent breaches of Division 7A.
- Appropriate safe harbour rules to provide certainty and simplify compliance for taxpayers.
- Simplified rules regarding complying Division 7A loans, including loan duration and the minimum interest rate.
- A number of technical amendments to improve the integrity and operation of Division 7A and provide increased certainty for taxpayers.

The measures are aimed at improving the operation and administration of Division 7A which is extremely complex and problematic. The safe harbor and self-correction measures will provide relief against unintended tax consequences where liability is due to honest and unintentional mistakes.

If you have any questions regarding unpaid present entitlements or Division 7A loans, please give our team a call to discuss how this may affect you.

Evans Edwards Financial Advisors Wealth Creators

Looking for information on aged care services or do you have a family member, relative or friend in need of assistance? It is quite a complex area and there are many things to consider. While the financial impact of accessing Aged Care services can be daunting, we aim to simplify it and help you maximise benefits and minimise costs, empowering you in your decision making in this area. For more information, 'Money Smart' has a good overview of what is involved and some of the options available, or give us a call on 4927 4588 to see how we might be able to help you.



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