

Client eBrief



Institute of Certified Bookkeepers
Making you count



HR Systems and Support Services: Key Questions to Ask Before You Commit

Have you noticed how often you are asking HR-related questions? Questions like these are now commonplace:

- Which Modern Award applies to my employees?
- How much do I need to pay my staff?
- Can I deduct an amount from an employee's final pay?

Though these questions are common and may appear simple, the reality is that the Fair Work Act 2009 (including the National Employment Standards – NES) and Modern Awards are a complex minefield of rules and regulations. And getting it wrong can cost you thousands of dollars in back payments and penalties.

It's not surprising then, that many bookkeepers & business find themselves looking for HR answers from respected experts in the field. But beware: not all HR systems and support services are created equal!

Here are some key questions you should ask before committing your business to a service provider:

1. Is the service built for Australian Employers?

Many international HR service providers set up in Australia and begin offering the same range of systems and services as they provide in overseas markets. That would be fine if Australia didn't have the world's most complex employment laws!

A system that works well in the UK, Canada, or even NZ will be of little benefit here in Australia, unless the content has been specifically tailored to take account of the Fair Work laws and Australia's unique system of Modern Awards.

ATO Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgement – March Activity Statement: 21st April, 2015 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – April Activity Statement: 21st May, 2015 final date for lodgement and payment

3rd Quarter of FY 2015: BAS Lodgement – March Quarter 2015(including PAYGI) 28th April, 2015 final date for lodgement & payment

4th Quarter of FY 2015: BAS Lodgement – June Quarter 2015(including PAYGI) 28th July, 2015 final date for lodgement & payment

When a due date falls on a Saturday, Sunday or Public Holiday, you can lodge or pay on the next business day.

A public holiday is a day that is a public holiday for the whole of any state or territory in Australia

Due date for super guarantee contributions, for **3rd Quarter of FY 2015**, January to March 2015 - contributions to be made to the fund by 28th April, 2015.

2. Will you be locked in for years?

A minimum 12 month subscription term is to be expected, but contracts which will bind you for between three and five years are, quite disturbingly, becoming more and more common.

Before you subscribe to any service, make sure you confirm how long you will be locked in to paying subscription fees. If it's any more than 12 months, think again.

3. Is the service reasonably priced?

We all know that 'legal advice' is usually incredibly expensive. Indeed, this is one of the reasons why subscribing to the services offered by an professional HR and employment relations firms (as opposed to law firms) makes such good sense.

So it's therefore very important to double check the charges for your preferred HR service before you sign on the dotted line. Any service that's priced at more than \$3000 per year should be considerable cause for concern.

At the end of the day, the HR service is meant to help – not hinder – small busines, so anything costing thousands and thousands of dollars per year is probably best avoided.

4. Can You obtain Written Advice?

Make sure the service you select allows you to obtain unlimited answers and make sure the advice is provided in writing too, otherwise you'll become liable when you 'reinterpret' the advice you were given over the phone!

5. Who Owns the Service?

We're used to buying products without thinking too long or hard about who owns the brand, but when it comes to HR services this is a very important consideration.

Make sure you choose a service that understands small businesses, and one that provides clear, practical and plain-English answers. There's little point in obtaining advice if it's all written in 'legalese', or is no more useful than the free 'advice' published on the Fair Work Ombudsman's (FWOs) own website!

Due date for super guarantee contributions, for **4th Quarter of FY 2015**, April to June 2015 - contributions to be made to the fund by 28th July, 2015.

The super guarantee charge is not a tax deduction if not paid by these dates.

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.



SuperStream is Here!!!

How will SuperStream benefit employers?

These changes have a range of potential benefits for employers, including:

- the opportunity to use a single channel when dealing with super funds, regardless of how many funds your employees contribute to
- less time spent dealing with employee data issues and fund queries
- greater automation and reduced cost of processing contributions and payments
- more timely flow of information and money in meeting your superannuation obligations

When do I have to start using SuperStream?

20 or more employees: must be compliant by 30 June 2015

19 or fewer employees: SuperStream starts the 1 July 2015 and you have until 30 June 2016 to meet the SuperStream requirements when sending superannuation contributions on behalf of your employee. If you are ready you can begin now

What are my options for meeting SuperStream?

Every business is different, so there's no 'one size fits all' approach to adopting SuperStream

Employers have options for meeting SuperStream – either using software that conforms to SuperStream; or using a service provider who can meet SuperStream on your behalf. We recommend that you start investigating your options now.

Your options may include:

- upgrading your payroll software
- using an outsourced payroll function or other service provider
- using a commercial clearing house or the free Small Business Superannuation Clearing House (19 or fewer employees).

Your default fund may also have its own electronic channel that can be used during the transitional period up to 30 June 2016. This fund can provide you with details about how to comply with the SuperStream using their preferred facilities.

Do I need to collect additional information to make contributions using SuperStream?

Yes. To support contributions being made using the SuperStream standard employers will need to collect some new data that will be included in their payroll file to facilitate electronic processing.

Employers will need to collect the following information:

- unique superannuation identifier (USI) for APRA-regulated funds
- ABN for SMSF funds,
- bank account details,
- electronic service address
- for new employees, the choice of superfund form will be updated to include this information

Your HR or payroll provider will provide you with options to support the capture of this information whether this is updating your existing payroll file or storing this information until an update is made available.

My clearing house shields me from a lot of this complexity, so why do I have to change?

Provided your clearing house submits data and payments electronically on your behalf in accordance with SuperStream, you will not have to make any change to how you provide information or payments to them.

Over the next 12 months we will be updating the eBrief every quarter regarding SuperStream

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

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