



Institute of Certified Bookkeepers  
Making you count



## ATO Lodgement Dates

### Simpler BAS - Urgent Warning

Simpler BAS is here and we have the software companies scrambling to implement it.

#### Key Message

- It appears some software will **automatically** change configurations of their codes
- It appears add-ons may not be able to connect with the software due to these changes
- It is only the end reporting to the ATO that needs to change

### Recommendation for now

- **It may be simpler to change the software settings to remain on the complicated BAS**

#### Important Points

- It is only the lodged form that may need to change. (If you use a different lodgment mechanism then only complete the required fields)
- The ATO portal apparently will also change to fewer fields: 1A, 1B and G1
- All businesses under \$10m turnover are automatically eligible on ATO systems

### Warning

- It appears some software will **automatically** change configurations of their codes
- This will affect the application of GST law for relevant businesses
- The application of GST law and preparation of the BAS is a BAS Agent/Tax Agent service, therefore the person who is checking that the software continues to apply the GST law and BAS preparation correctly for that business must be a registered agent
- You need to check how the software has changed!
- If you use an add-on for any part of the sending or receiving of invoices then make sure it is still working.

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** – May Activity Statement: 21<sup>st</sup> June, 2017 final date for lodgement and payment.

**BAS/IAS Monthly Lodgement** – June Activity Statement: 21<sup>st</sup> July, 2017 final date for lodgement and payment.

**BAS/IAS Monthly Lodgement** – July Activity Statement: 21<sup>st</sup> August, 2017 final date for lodgement and payment.

**4th Quarter of FY 2017: BAS Lodgement – June Quarter 2017 (including PAYGI)** 28th July, 2017 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:

**4th Quarter of FY 2017**, April to June 2017 - contributions must be **in the fund** by 28th July, 2017.

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

## The Ideal

Simpler BAS has been known for a while but has taken time to implement. The software should be allowing the simpler new world of just having two codes: GST and NOT. In this way we use the GST codes to calculate the amount of GST we are allowed to claim back or have to pay. However, software has to transition from the concept of the detailed reporting and all the behaviour we have learnt for 17 years.

- 1A GST collected could be calculated from the credit amounts of GST charged/collected from clients
- 1B GST paid could be calculated from the debit amounts of GST paid/incurred from all suppliers
- G1 Total reportable sales could be calculated from the chart of accounts normal reporting (the Profit and Loss)

Super Guarantee Contributions must be paid (**to fund**) by 30th June to qualify for a tax deduction in the 2016–17 financial year.

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

### PAYMENT SUMMARIES

#### LODGEMENT

Payment Summaries EMPDUPE file needs to be lodged by 14th August, 2017



## Single Touch Payroll (STP) Update

### STP Update and Status Alert - June 2017

Only a **limited release** of STP is occurring in July 2017. There is **no** requirement for employers to have any interaction with the **ATO** or with **Software Companies** about Single Touch Payroll yet!

The systems are just not ready yet!

A limited number of software companies are engaged with an early Limited Release of STP, which means they are likely to be submitting payroll information for a very small number of employers to the ATO sometime soon. It is really to test the systems and get things rolling.

#### Action Plan for Employers and Bookkeepers

Keep watch for information from your software providers. You should expect some guidance and information around October this year. If not from your payroll supplier, ICB will keep you informed.

#### Complicated Payrolls

Employers should consider tightening up their payroll processes now to prepare for an easy transition to meeting STP requirements. We believe many employers will already have systems and software in place that will make STP a seamless inclusion in existing processes.

## STP ready processes (from an employer's perspective) would include:

- All employee details entered accurately in the software
  - Complete details in all the standard fields that your software asks for. STP doesn't add any new information.
- Provide payslips at the time of payment
  - All employee pays should be processed through software that provides ATO and Fair Work Act compliant payslips at the time of payment.
- Super entitlements must be calculated and the accrued amounts able to be reported on every payslip.
- Payroll software will need to be able to process and report termination payments.
- Consider all workarounds that may exist in your payroll processes and banking instructions to automate them within your software programs.

## Things we are waiting for:

- Who has to authorise what and when?
- Documented explanation of what to do if we make a mistake? (ICB has been involved in the design of this outcome and it will effectively say "Fix it in your software and report the new figures next payday". There is **no** need to go back and re-lodge a previous report.
- What will the ATO do with the data and what is the impact on the employer? What is the compliance action the ATO will take now that they can see what is going on more regularly? (ICB has been involved in this discussion and believe that the increased visibility will result in follow-up communication and eventually compliance penalties. The grace period in the law provides for a penalty free transition period until at least 1 July 2019, unless you are really doing something wrong and don't fix it).
- Details around the transition into STP. These have been designed but the communication is only just starting to reach the software companies and this will develop as explanations to employers.

## Explanation

The first key date for Single Touch Payroll has previously been advertised as 1 July 2017.

The first real **legislated** action date for employers is 1 April 2018 which is when you must do the headcount of employees. 20 or more employees are required to enter the STP system from 1 July 2018.

The only legislated part of STP is for "substantial employers" to provide specific payroll reporting.

Single Touch Payroll currently has 3 elements to it:

1. Payroll Reporting
2. Super Payment Reporting
3. Employee Commencement

**Payroll Reporting** is your payroll system advising the ATO each time an employee is paid, (at the same time the payslip and payments are being made), the **year to date** values of salary and wages (or OTE), PAYG tax withheld and the amount of superannuation accrued to be paid by the employer.

Payroll reporting also includes the W1 (gross salary and wages) and W2 (PAYGW) values for each pay cycle. Note these are the amounts of gross salary and wages for the "pay period".

Software should be able to create and provide this information on behalf of the employers.

Only Payroll Reporting is being considered as the implementable legislated obligation for employers.

**Super Payment Reporting** has been rethought and fortunately we may end up that the employers will **not** have to provide the super payment information to the ATO. Current thinking is that the super funds who receive the payments will then report to the ATO that they have received payments on behalf of employees. This provides an independent check of the super payments being reported.

**Employee Commencement** is what you do now to document that you have employed a new employee. STP will enable enhanced processes about software interacting with the ATO to verify the employee's details, including TFN declarations, super choice forms and validation of the information.

## What will STP give us?

1. Prefill of the BAS: The W1 and W2 numbers submitted in the Payroll Reporting will be aggregated and provided in the BAS to the employer. The employer can overwrite them if the prefill is no longer correct. (Watch this space for a new system about the BAS).  
Timing: eventually .... Maybe July 2018
2. Employee pay amounts will be displayed on myGov/ATO Online and to Tax Agents as prefill of Tax Returns.  
Timing: eventually ... Maybe December 2017
3. Employer will no longer need to provide the Payment Summaries, (at least those that are on myGov), to employees on the basis that the ATO will have that information available on myGov.  
Timing: Any employer that is in STP during the 2017–18 year will be able to refer their employees to myGov for their 2017–18 payment summaries. (Await the detail)
4. TFN declarations and super choice forms will eventually be online.  
Timing: Don't hold your breath. Maybe by July 2019.

## Summary

The systems are just not ready!

There is nothing you or your employers need to do to engage in STP yet.

Prepare and clean up your systems in preparation for your payroll to be reported more regularly to the ATO.

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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