



Institute of Certified Bookkeepers  
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## ATO Requirements for Software Companies - 2FA/MFA -

### Introduction

If a Digital Service Provider (DSP) – best understood to be a software company – provides a software product or service that reads, modifies, or routes any tax or superannuation related information, then that DSP is in scope of the ATO Operational Framework. This includes DSPs that use an intermediary (such as a gateway or sending service provider (SSP)) to interact with the ATO.

### Context

This update is only about the 2FA (2 factor) or MFA (multi factor) authentication requirements. For the purpose of this document we will use the term “2FA”.

### ATO Requirements

1. If the product is hosted by the business (desktop, on premise, own server): 2FA is optional according to the ATO requirements.
2. If the product or service is hosted by the DSP (cloud, browser based, DSP hosted, accessible from any device type): **2FA is mandatory.**

### Impact on the DSPs

Software that has the mandatory requirement must implement and mandate a 2FA solution for all users with access to tax or super related information.

The proposed implementation date for the DSP to have this option is:

- For tax practitioners' products:  
available by 31st March, 2018 and mandated use by 30th June, 2018.
- For products with access to large volumes of tax and super data:  
available by 30th June, 2018 and mandated use by 30th September, 2018.
- All other mandated products:  
available by 30th September, 2018 and mandated use by 31st December, 2018.

## 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 Lodgements**

Final dates for lodgements and payments:

January Activity Statement:  
21 February, 2018

February Activity Statement:  
21 March, 2018

#### **BAS Quarterly Lodgements**

Final dates for lodgements and payments:

**2nd Quarter 2018 Financial Year:  
December Quarter 2017 (incl. PAYGI)**  
28 February, 2018

**3rd Quarter 2018 Financial Year:  
March Quarter 2018 (incl. PAYGI)**  
28 April, 2018

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

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

Due date for super guarantee contributions:

**2nd Quarter 2018 Financial Year:**  
October to December 2017 – contributions must be **in the fund** by 28 January, 2018

**3rd Quarter 2018 Financial Year:**  
January to March 2018 – contributions must be **in the fund** by 28 April, 2018

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.

Alternatively, they must provide assurances that sufficient controls are in place to mitigate the risk.

Moving into the future the government will develop the Trusted Digital Identity Framework (TDIF) which may alter (hopefully improve) the software and user experience as it replaces the Cloud Authentication & Authorisation solution (CAA) that is based around AUSKey, Access Manager and the Unique Software ID.

## Impact on You

The burden is on the software companies to deliver this solution to us.

If your software is unable to implement (or obtain an extension from the ATO) you may lose the ability to lodge tax and super information, or retrieve information back from the ATO through that software.

MYOB, Xero, and Intuit QBO all have 2FA solutions available.



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## Changes to Casual and Part-Time Entitlements

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Effective from the first full pay in January 2018 Fair Work Commission have revised several awards in relation to overtime payments, minimum engagement periods and conversion from casual to permanent employment.

These changes are (some may already apply in the award):

- Casual employees are now entitled to overtime rates once they work in excess of 38 hours.
- Casual employees may be entitled to payment for minimum hours.  
E.g. Work 1 hour however, minimum payment is for 3 hours so they are paid for 3 hours work.
- Casual employees that have been employed for longer than 12 months are entitled to become permanent.

It is important to always check the awards to determine if these changes are relevant as not all of the awards have been affected. Further details of these Awards that have been amended are outlined below.

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Name of Award	Overtime	Paid Minimum Hours	Condition Determining Overtime (OT)
Fast Food Industry	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• More than 38 hr per week; <b>or</b></li> <li>• Average 38 hr per week over roster period</li> <li>• More than 11 hrs on any day the excess is overtime</li> </ul>
General Retails Industry	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• More than 38 hrs per week; <b>or</b></li> <li>• Average 38 hrs per week over a roster cycle</li> <li>• More than 9 hrs per day provided that one day per week casual worker may work 11 hours without attracting penalty rates</li> <li>• Outside the span of ordinary working hours</li> <li>• Penalty rates applied to the ord. hrly rate of pay, with the casual loading also to be applied to the ordinary rate of pay. Rates are not cumulative upon casual hrly rate of pay</li> </ul>
Hair and Beauty Industry	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• More than 38 hrs per week; <b>or</b></li> <li>• Average 38 hrs over a roster cycle; <b>or</b></li> <li>• More than 10.5 hrs on any day excess is overtime</li> </ul>
Hospitality Industry (General)	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• More than 38 hrs per week; <b>or</b></li> <li>• Average 38 hours per week over a roster cycle; <b>or</b></li> <li>• More than 12 hours on any day, excess is overtime</li> </ul>
Passenger Vehicle Transportation	No	Yes	School bus drivers transporting students to and from school can be rostered for one or two shifts per day. Each shift is minimum 2 hrs
Pastoral	No	Yes	Minimum hours for dairy operators that are 18 years or younger, which are full-time secondary school students, is 2 hrs
Registered and Licenced Clubs	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• More than 38 hrs per week; <b>or</b></li> <li>• Average 38 hours per week over roster cycle; <b>or</b></li> <li>• More than 12 hrs on any day is excess is overtime</li> <li>• May be entitled to meal allowance when working overtime.</li> </ul>
Restaurant Industry	Yes	No	Employee works: <ul style="list-style-type: none"> <li>• more than 38 hr per week; <b>or</b></li> <li>• Average 38 hr per week over roster period</li> <li>• More than 12 hrs or per shift on any day the excess is overtime</li> </ul>
Wine Industry	No	Yes	An employee working throughout pruning or harvesting work during unexpected wet weather has the minimum hours reduced from 4 to 2.

## How is Overtime for Casuals Calculated?

The way overtime is calculated is dependent on the award. In some awards it includes casual loading on both normal hours and overtime hours; and in others, casual loading is only on normal hours and **not** on overtime.

Penalty rates may also be required if the award states this.

### Example: General Retail Award

Overtime applies when an employee works:

- More than 38 hrs per week; **or**
- Average 38 hours per week over a roster cycle; **or**
- More than 12 hrs on any day, excess is overtime

Award clause for payment of overtime is inclusive of casual loading:

29.2 (c) (iii) Hours worked by casual employees:

shall be paid at 175% of the ordinary hourly rate of pay for the first three hours and 225% of the ordinary hourly rate of pay thereafter (**inclusive of the casual loading**).

29.2 (e) The rate of overtime for casual employees on a Sunday is 225% of the ordinary hourly rate of pay, and on a public holiday is 275% of the ordinary hourly rate of pay (**inclusive of the casual loading**).

**Penalty payments**

29.4 (b) Saturday work

A casual employee must be paid an additional 10% for work performed on a Saturday between 7.00 am and 6.00 pm. Start with the base of \$20.80 add 10% for the Saturday loading **and 25% for the casual loading**.

29.4 (c) (i) Sunday work – From 1 July 2017 to 30 June 2018

A penalty payment of an additional 95% loading will apply for all hours worked by a casual employee on a Sunday (**inclusive of the casual loading**).

**Practical Example:**

Stacy works in Retail (under the General Retail Award):

- Base rate of pay \$25.00 per hour
- Casual Loading of 25%
- Worked 45 hours this week, including 7 hours overtime
- Overtime time and a half for first 2 hours on Tuesday
- Overtime double time for 3 hrs on Tuesday

Example of Stacy's Pay	Hours	Hourly Rate	Total
Normal Hours	38	\$25.00	\$950.00
Casual Loading 25%	38	\$6.25	\$237.50
Overtime Time and a Half (Rate \$12.25+\$25.00 Base)	2	\$37.50	\$75.00
Overtime Double Time (Rate \$25.00+\$25.00 Base)	5	\$50.00	\$250.00
Casual Loading on Overtime 25% Time and a Half	2	\$9.37	\$18.74
Casual Loading 25% Double Time	5	\$12.50	\$62.50
<b>Total Gross</b>			<b>\$1,593.74</b>
Superannuation 9.5% Normal Hours + Casual Loading			\$112.81

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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