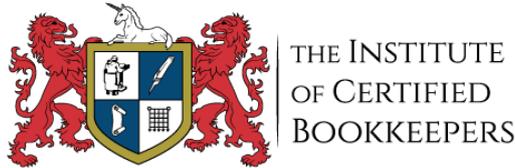


## Client eBrief



### Christmas Related matters - Christmas Gifts for your Clients and Employees

Are gifts to your employees, clients and suppliers claimable as a business expense? Gifts to employees may be classified as an exempt Fringe benefit, and are therefore not claimable, nor subject to Fringe Benefits Tax (FBT).

If the gift is a minor benefit (i.e., less than \$300 value), then the gift is not tax deductible, and therefore GST is not claimable for gifts to employees and their family members. No FBT applies to gifts of less than \$300.

For gifts over \$300, FBT may apply for employees and their family members, but FBT does not apply to clients or suppliers. You must then consider the deductibility of Entertainment rules.

Gifts to clients or suppliers such as a holiday, membership to a club, or tickets to a theatre, sporting or musical event are considered to be entertainment and are therefore not deductible.

Christmas parties held on your premises are exempt from FBT – as a minor exempt benefit – if the costs are less than \$300 per head. If held outside your premises then it is also exempt from FBT. When exempt, there is no tax deduction, and there are no GST credits.

Tax Exempt entities have slightly different application of FBT to entertainment-related expenses.

Giving your clients a gift at Christmas is a personal choice that you as the business owner can make. Be aware that some clients may not be allowed to accept gifts due to their business's Code of Conduct (e.g., government workers).

We remind you that the topic of entertainment, tax deductibility and fringe benefits tax is complex and not always straight forward and may require the guidance of your tax agent.

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:

November Activity Statement:

21 December 2019

December Activity Statement:

21 January 2020

#### **BAS Quarterly Lodgements**

Final dates for lodgements and payments:

##### **2nd Quarter 2020 Financial Year:**

**December Quarter 2019 (incl. PAYGI)**

28 February, 2020

##### **3rd Quarter 2020 Financial Year:**

**March Quarter 2020 (incl. PAYGI)**

28 April, 2020

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 2020 Financial Year:**

October to December 2019 – contributions must be **in the fund** by 28 January, 2020

##### **3rd Quarter 2020 Financial Year:**

January to March 2020 – contributions must be **in the fund** by 28 April, 2020

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.

## The ATO Explains the New SG Law with Salary Sacrificing Super

**From 1 January 2020**, salary sacrificed super contributions cannot be used to reduce your super guarantee obligations, regardless of the amount your employee elects to salary sacrifice. This means for the purposes of super guarantee (SG), the salary sacrificed amount will not count towards your super guarantee obligations.



Australian Government  
Australian Taxation Office

In addition, the amount of super you are required to pay, to avoid the super guarantee charge will be 9.5% of the employee's ordinary time earnings (OTE) base. The employee's OTE base is the sum of the employee's OTE and any sacrificed OTE amounts.

[Read the full ATO resource here](#)  
(or download as a PDF)



## Christmas Related matters - Public Holidays

### Public Holidays

Public holidays form part of the [National Employment Standards \(NES\)](#) that every employer is bound by. In addition to the NES, employees are governed by an award or registered agreement or another legal instrument. The NES allows an employee to be absent from work on a public holiday and to be paid for it. An employer may reasonably request an employee to work on the public holiday, but the employee has a right to refuse the request.

### Public Holidays Worked

If the employee works on a public holiday, they should be paid public holiday penalty rates or provided with an acceptable alternative. Awards and agreements differ in the treatment of working on public holidays. Some awards state that a worked public holiday must be paid accordingly. Others allow for substitution of another day off in lieu of the public holiday.

An employer may not coerce an employee into substituting a day in lieu if the employee wishes to be paid penalty rates. If an employee normally works overtime on a day of the week that a public holiday falls on, the employee is only due to be paid ordinary hours for that day. They would not be due to be paid the overtime they have missed out on.

### Public holidays during leave

Public holidays that fall during a period of paid leave are always paid as normal work days; they should not be taken as annual leave days. If an employee usually works a given number of ordinary hours and overtime hours, then they will be paid only for the ordinary hours on a public holiday, they will not be paid for the usual overtime hours. If a public holiday falls during a period of agreed unpaid leave, the public holiday is not paid.

## Public Holidays Worked Interstate

If an employee is required to work interstate on a day that would be a public holiday in their usual state of employment, this must be recognised as a worked public holiday, even if the state being visited is not observing the same public holiday.

## Can you ask an Employee to Work on a Public Holiday?

An employer may request an employee to work on a public holiday if it “reasonable”, and an employee may refuse a request if it is “reasonable” according to Fair Work.

**Factors to consider:**