

## Where to now?

25<sup>th</sup> May 2020

Dear ICB Member

We are hearing of immense stress from the profession on the back of COVID-19, JobKeeper, and now the end of year is looming and 2020 EOY and preparation for Income Tax Returns needs to be completed.

We hope you are taking care of yourself and we feel that as ICB members you can be well positioned to take the next 90 days in your stride with careful planning.

One of the challenges is ensuring you take your clients and their other advisors on the same logic journey to reduce their worry and stress.

Let's work together through an approach to your clients and develop up an approach to helping businesses now and for the next 90 days of survival and the 90 days after that of hopefully post COVID-19.

- Dear Business (Draft Letter below)
- An approach to business survival and development (under development)

Dear Business (from the member)

### **Where are we now? and What is before us?**

We enclose for your attention and information 2 reports in relation to the status of the Governments JobKeeper and CashFlow Boost Programs. These documents highlight the actual facts of the scheme and how they should be understood.

Specifically let me call out

1. The Cashflow Boost (CFB) payment has offset March BAS. Any excess refunded to you or you leaving balance to pay. There may be further CFB amounts credited to offset part of the normal BAS payments up to and including the lodgement of the September BAS. We will advise you of the detail with each BAS lodgement.
2. JobKeeper (JK) payments are being paid direct to your account and require a monthly declaration that you have paid the employees, as required, declared actual turnover for the month and estimated the turnover for the next month, in order for you to then receive the reimbursement.

We are monitoring both of these for you.

## The end of year is coming

Despite COVID-19, your business is **well positioned** to meet its compliance obligations (BAS, Payroll, STP, Income Tax, JobKeeper) based on the systems we have in place and the work performed so far this year.

We will leave it to your accountant to work with you in relation to any changes to the Income Tax requirements, however we specifically note that we will be in a position to provide your accountant with access to the reconciled and verified file as we have in the past.

There is no need to alter the lodgment of BAS or the end of year payroll as a result of COVID-19, JobKeeper etc. and there is no additional work to be performed at the end of year.

We will advise you and your accountant when we believe the information is ready for them and then work with you in resolving any additional requirements.

## A summary of your requirements

Cashflow Boost payments are generated following preparation and lodgement of your Monthly/Quarterly BAS. This is now business as usual and we will explain the amount of any additional credits you are to receive and how much to pay.

### **JobKeeper:**

1. Payroll processing needs to include the JK top-up payments and also notify the ATO of any changes to employees starting or finishing. It is important that we receive this information in a timely fashion.
2. The JK Monthly Declaration claim form is to be submitted to the ATO, which includes declarations of the amount of turnover for the month, likely turnover (estimated) for next month and the number of employees that have been paid and are claiming the JK subsidy (including the claim for any Eligible Business Participants) for each of the JK fortnights. We have this information as part of the payroll process.

### **End of Year Payroll:**

- a) In the same way as previous years, your payroll needs to be checked and reconciled for the year to ensure that the information reported to the ATO through Single Touch Payroll is correct.
- b) Then we will finalise the payroll reports to the ATO which has replaced the need for you to provide the official tax office format of payment summaries to each employee. However, we note that it may be wise for us to provide the form of advice to each employee about this end of year process (only in its second year).
- c) Payroll Tax reporting will need to be reconciled and submitted which includes taking into account the COVID-19 concessions. We will also be ensuring that you do not incur payroll tax as a result of the JK payments. The Annual Reconciliation is due in July.
- d) Workers Compensation, leave accruals and other entitlements are impacted by the JK system, accordingly we will ensure that your accruals of leave etc are in accordance with requirements.
- e) Single Touch Payroll reporting, which happens with each payroll process, requires authority to be updated annually to allow us to perform our services for you. **Attached is the new Authority for the upcoming year.**

### **End of year financial information to the Accountant**

- a) Following and included in the above processes, we will complete the verification of your accounts and either provide reports to your accountant or access to the online file.
- b) **We will/please liaise** with your accountant as to their workplans so that we can provide this information in a timeframe that works for all of us.

### **Taxable Payment Annual Reporting**

The Annual TPAR report must be prepared and lodged by 28<sup>th</sup> August. There is no payment due to Government in relation to this report unless it is lodged late, which will incur fines and penalties. This ATO report provides the information about how much has been paid to contractors during the year.

### **Paying Tax Debts**

The ATO are taking a very proactive approach to allowing businesses impacted by COVID-19 to enter payment plans or defer the due date for the payment of amounts of tax (activity statements and income tax). With the lodgment of each Activity Statement we should review your ability to meet the payments and enter payment arrangement with the ATO that are achievable by you.

### **Superannuation**

There is no flexibility in the current laws for the ATO to allow late payment of Superannuation Guarantee payments. Accordingly, you must plan for the at least quarterly payment of the super for your employees. This is part of our normal services as part of payroll.

The previously legislated Superannuation Guarantee Amnesty remains valid until 7<sup>th</sup> September which removes penalties on any unpaid super for periods prior to 31 March 2018. If applicable to you, we should ensure that we take advantage of this amnesty.

### **The End of JobKeeper**

We note that the current Government programs of JobKeeper and CashFlow Boost cease at the end of September.

We will work with you towards the end of the JK program to inform your employees about what will happen to their JK subsidised payroll and where to now. The end of this program feels a long way away and the economic circumstances around us and with your business are a little hard to predict at this time.

The Cashflow Boost credits to offset PAYGW on your Activity Statements etc will apply in different ways between now and the lodgment of your September Activity Statement. The CFB will reduce the money that you would have needed to pay each BAS. Following September, the full amount of your Activity Statement will need to be paid by you.

We continue to work with the Institute of Certified Bookkeepers (ICB) to ensure we are aware of any further thoughts or initiatives from Government and we will inform you as soon as anything emerges.

### **Minimum Wage review**

Each year the Fair Work Commission releases the update into changes in the Minimum Wages in all Awards. We will continue to monitor these and advise of any changes, should they occur, for commencement in July.

## A timeline of your requirements

March Activity Statement	Our extended due date 26 <sup>th</sup> May	Lodged
March Quarter Super Guarantee	Due for payment by 28 <sup>th</sup> April	Lodged & Paid
April Activity Statement	Due 21 <sup>st</sup> May	Lodged
JK Enrolment Form & Employee notification to ATO	Due by 31 <sup>st</sup> May	Lodged
April Monthly JK Claim form	Due by 31 <sup>st</sup> May	Lodged
May Monthly JK Claim form	Due by 14 <sup>th</sup> June	Scheduled
May Activity Statement	Due 21 <sup>st</sup> June	Scheduled
June Monthly JK Claim form	Due by 14 <sup>th</sup> July	Scheduled
June Quarter Super Guarantee	Due for Payment by 28 <sup>th</sup> July	Scheduled
Payroll Tax Annual Returns	Dift state requirements in July	Scheduled
June Activity Statement	Due 25 <sup>th</sup> August	Scheduled
End of Year Payroll Finalised >20	Due by 14 <sup>th</sup> July	Scheduled
End of Year Payroll Finalised <20	Due by 31 <sup>st</sup> July	Scheduled
July Monthly JK Claim form	Due by 14 <sup>th</sup> August	Scheduled
Payment Summary Annual Report	Due by 14 August	Scheduled
July Activity Statement	Due 21 <sup>st</sup> August	Scheduled
TPAR Report on Contractors	Due by 28 <sup>th</sup> August	Scheduled
August Monthly JK Claim form	Due by 14 <sup>th</sup> September	Scheduled
August Activity Statement	Due 21 <sup>st</sup> September	Scheduled
September Monthly JK Claim form	Due by 14 <sup>th</sup> October	Scheduled
Sept Quarter Super Guarantee	Due by 28 <sup>th</sup> October	Scheduled
September Activity Statement	Due 25 <sup>th</sup> November	Scheduled
October Activity Statement	Due 21 <sup>st</sup> November	Scheduled
November Activity Statement	Due 21 <sup>st</sup> December	Scheduled

## Anything else

Annual – council / other licencing registration

Other renewals such as Domain Names, Business Registration, ASIC