

Client eBrief



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SME Recovery Loan Scheme

The New SME Recovery Loan Scheme will Begin as of 1st April 2021 through to 31st December 2021.

With the first federal government's SME Loan Guarantee Scheme helping over 35,000 expanding the scheme aims to support more businesses affected by the pandemic and boost the economy.

The government will now accept a higher responsibility of the guarantee, moving from a 50/50 backing with banks to the Government providing the banks with guarantee 80% of the loan.

The banks will still assess the credit worthiness of applicants.

Understanding the Eligibility Criteria

A business is eligible for the SME Recovery Loan Scheme if it meets the following conditions:

- Receive a JobKeeper payment between 4th January 2021 and 28th March 2021.
- Have up to \$250 million turnover.

The scheme is also open to self-employed individuals and non-profit organisations.

If your business has previously accessed a loan under the SME Guarantee Schemes you are still eligible to apply for this new extended scheme.

What are The Loan Details?

The loans are up to \$5 million in total and can be either secured or unsecured, and for a repayment period of up to 10 years.

Lenders are also able to offer a repayment holiday period of up to 24 months.

The interest rate offered is determined by each lender and will generally be capped at 7.5%.

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.

See [ATO Due dates by month](#) to check monthly lodgment and payment dates.

BAS/IAS Monthly Lodgements

Final dates for lodgements and payments:

March Activity Statement: 21 April 2021

April Activity Statement: 21 May 2021

Fringe Benefits Tax Return

The FBT year runs from 1 April to 31 March

If you have an FBT liability lodgment, payment is due by 21 May 2021.

[ATO – Fringe Benefits Tax Return](#)

BAS Quarterly Lodgements

Final dates for lodgements and payments:

3rd Quarter 2021 Financial Year:

March Quarter 2021 (incl. PAYGI)

28 April, 2021

4th Quarter 2021 Financial Year:

June Quarter 2021 (incl. PAYGI)

28 July, 2021

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:

3rd Quarter 2021 Financial Year:

January to March 2021 – contributions must be **in the fund** by 28 April, 2021

4th Quarter 2021 Financial Year:

April to June 2021 – contributions must be **in the fund** by 28 July, 2021

Late payments of superannuation are **not** tax deductible. If your business has overdue superannuation guarantee payments and you are unsure of how to proceed, please contact us to discuss.

If eligible, your business can use the loan for a number of purposes including:

- To refinance existing debt.
- Purchase residential or commercial property.
- Lend to another associated entity of the business.
- Invest in assets, technology, or equipment.

Applying for the Loan

Loans backed by the Scheme will be available through participating commercial lenders. The decision on whether to extend credit, and management of the loan, will remain with the lender.

The process is as follows:

1. Approach a lender

Loans backed by the Scheme will be available through participating commercial lenders. The Government is not directly participating in the lending process.

2. Lender makes a decision

The decision on whether to extend credit, and management of the loan, will remain with the lender.

3. If a lender declines your application or you are not satisfied with the product on offer, you can approach other lenders.

Businesses are encouraged to shop around and compare products offered by different participating lenders.

Be mindful the SME Guarantee is not a grant or a handout. It is a loan, and the banks expect it to be repaid.

Why Apply for the Loan Scheme?

Some sectors still remain under pressure. For those businesses, the new scheme will provide targeted support and will also help to close the funding gap, giving businesses more time to recover.

Participating banks are also offering loans, including overdrafts, at very low interest rates, to help bridge cash flow gaps.

The Australian Banking Association provides some detail on participating banks: [The Australian Banking Association – The Business Relief Package](#)



Super and Employee Flexibility

Changes for Employee Superannuation Options

From the 1st of January 2021 the law relating to employees and their choice of superannuation fund has changed.

New workplace determinations and enterprise agreements made on or after this date must now offer employees the right to choose the super fund to which you pay their compulsory super contributions.

Once a new determination or agreement is in place, an employer needs to offer choice of super fund to:

- Existing employees who request to choose their super fund.
- All new employees.

An employee can nominate their fund by completing the standard choice form through ATO online services linked to their myGov account.

Alternatively, employers can give their employee a [Superannuation \(super\) standard choice form](#) to complete.

An employer must then pay the employee's compulsory super to their nominated fund.

If an employee doesn't nominate a fund, an employer can continue to pay an employee's super to the same fund previously contributed to, or into a default fund.

Source: [ATO – Employees now have more super choice](#)

Note: This is not the same as the legislation implemented on the 1st of July 2005, where the primary objective was to make it law to give employees the right to choose which superannuation fund will receive their employer superannuation contributions. This change is in regard to agreements made at an enterprise level between employers and employees and their union, about terms and conditions of employment.

What is An Enterprise Agreement?

An enterprise agreement is between one or more national system employers and their employees, as specified in the agreement. Enterprise agreements are negotiated by the parties through collective bargaining in good faith, primarily at the enterprise level. Under the *Fair Work Act 2009*, an enterprise can mean any kind of business, activity, project or undertaking.

Enterprise agreements made on or after 1st January 2021 need to provide employees with a choice of superannuation fund. Any restrictions placed on employees' choice of superannuation fund in enterprise agreements made on or after 1st January 2021 are not enforceable. Failure to pay superannuation into an employee's choice of superannuation fund may result in employers having to pay superannuation charges.

Source: [FWO – Enterprise bargaining](#)

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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