

Client eBrief



Institute of Certified Bookkeepers
Making you count



Important changes from 1st July 2012

Small Business Concessions

Assets & Depreciation – Changes for Small Business

Check with your Tax Agent if you are included.

What's Changing:

No more 'long life' pool for small business

Write off assets immediately if they cost less than \$6500 excl GST

Motor Vehicles have a \$5000 write off in the year acquired plus 15% depreciation in the first year

2nd year onwards, Motor Vehicles then have 30% depreciation

Reportable Payments System – Contractors

BUILDING & CONSTRUCTION INDUSTRY: From 1 July 2012 business in the building & construction industry will be required to report to the ATO, annually all payments to suppliers/subcontractors who provide building services.

Who has to report? A business who has more than 50% of their activity or 50% of their income for the year or the prior year in the building & construction industry, including sole traders/contractors (known as 'purchasers'). If they hire a subcontractor 'supplier' to provide building services the purchaser is required to report the subcontractor payments to the ATO.

EXAMPLES:

(1) An electrical business provides goods & services for various electrical applications. A builder pays the business for the supply & installation of wiring in a commercial fit out that he is managing. As the provision of the installation service is a building & construction activity & more than incidental to the supply of goods, the builder will be required to report the payment it makes to the electrical business.

(2) A paint store provides paint to painters as well as an in-house painting service. For a small additional service fee the store will tint the paint to the colour the painter instructs. As the provision of the tinting service is merely incidental to the supply of the paint, the painter will not be required to report the payment it makes to the paint store.

Please talk to Us regarding these CHANGES

ATO Lodgement Dates

These dates are from the ATO website & do not take into account possible extensions. Contact us to establish when your information is required for lodgement. You remain responsible for ensuring that the necessary information is with us in time.

If you use your bookkeepers - BAS Agents Portal to lodge your Activity Statements then you can be eligible for an extension.

BAS lodgement-MARCH Quarter (including PAYG I)
28th APRIL by form

BAS lodgement-MARCH Quarter For Monthly Lodgers
21st APRIL, 2012

FBT return 2012
21 May 2012

BAS May 2012 Monthly lodgement
21 June 2012

SGC PAYMENTS :
28th APRIL, 2012
(If required contributions are not made by the due date for quarter 3 the SGC is not tax deductible)

Where a due date falls on a day that is not a business day (that is, the due date is a Saturday, a Sunday or a public holiday), lodgment or payment may be made on the first business day after the due date without incurring a penalty or general interest charge (GIC). A business day means a day other than a Saturday or a Sunday, or a day which is a public holiday.



Xero – Paycycle Integration Happening

As part of the transition **Paycycle** has been included in your Xero subscription since Dec 2011 for customers on the \$49 or \$64 subscriptions. (depending on # of Employees)

<http://blog.xero.com/2012/02/payroll-update/>

SALARY SACRIFICE

Using Xero's current payroll- within the software. Please refer to last month's eBrief for detail set-up instructions. Set up a Pay item - Deduction of Salary Sacrifice

Using Paycycle (which will be totally integrated by June 30, 2012) These areas are all found under Settings.

1. Click on **Settings**
2. Enter your **Chart of Accounts**. Ensure you link to your Xero Org, this will automatically import the Xero Chart of Accounts.
3. Modify your **Company's Settings**, including contact info, default accounts and bank details. If you use adjusted accounts - make sure you check default accounts in Settings as Paycycle uses Xero's generic accounts
4. Enter the **Payroll Calendars** your company uses to process pays (for example, weekly, fortnightly or monthly)
5. Enter your **Payslip Items**, basically everything that appears in your employees payslips (earnings rates, deductions, reimbursements and leave types)
6. Include all the **Superannuation** funds your company uses.
7. Enter **Tracking Categories**, either Employee Groups of Timesheet Categories (or import them from Xero).
8. Add **Users** you'd like to access Paycycle.

Add a Deduction Type under Payslips Items. Make sure you tick 'Reduce PAYG Withholding'. For Each Employee you can add Salary Sacrifice thru Pay Templates – Add Superannuation Line & Amount

Edit Deduction Type ✕

Name

Other Pre-Tax Deductions SALARY SAC

Account

826: Superannuation Payable

Reduces PAYG Withholding

Reduces Superannuation Guarantee Contribution

Delete this Deduction Type
Save
Cancel

Pay items				Pay calculation	
Item	Qty	Rate	Amount		
Ordinary Time	38.00	25.30	961.40	Wages	1,024.65
Overtime 1.5	2.50	25.30	63.25	Plus Allowances	0.00
Annual Leave	0.00	0.00	0.00	Less Deductions	100.00
Personal Leave	0.00	0.00	0.00	Taxes	200.00
PAYG	1.00	200.00	200.00	Plus Non-taxable Allowances	0.00
SALARY SAC	1.00	100.00	100.00	Less Post-tax Deductions	0.00
Employer Superannuation	1.00	86.526	86.53	NET PAY	724.65
				Employer Contributions	86.53

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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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