

March 2019

Payroll Changes - ATO Emails & Scams

This month's update will highlight the major payroll change impacting all Australian Employees - Single Touch Payroll, ATO Scams, Tax deductible donations as well as some exciting news at SC Accounting.

UPDATE: Your Payroll Payslips will be reported to the ATO monthly from 1st July 2019

We have provided a number of updates regarding Single Touch Payroll and now many employers are being contacted directly by the ATO via email regarding this.

What does it mean for you as an Employee?

Each time you get paid, the ATO will be notified of your wages, allowances, workplace deductions and tax withheld. As your tax agent, we will also have better access to your annual PAYG summaries.

What does it mean for you as an Employer?

If you pay employee wages, you must have up to date software and start using the STP functions. Your software will already have this functionality if it is up to date.

An example from MYOB is the below button now located in the Payroll section.



For small business not using up to date software: Please contact Mark Caruso immediately to discuss your options. Please note this is mandatory from 01/07/2019. It is highly recommended that you start using this functionality now. There are low cost alternatives provided by the ATO that we can assist you with.

If you would like training on your software please contact Michelle Marshall or Kendra Caruso to book in a time.

UPDATE: ATO Scam Emails & Calls

A large number of Australian residents have been contacted by scammers claiming to be from the ATO. In 2018 there was 9 alerts from the ATO of different scams whereby tax payers have been emailed, called or even sent text messages from people claiming to be from the ATO.

If you do get contacted by someone claiming to be from the ATO, please be cautious and do not give any personal information to them unless your 100% sure that it is not a scam. Please note that in most cases, the ATO will be contacting us directly on your behalf.

Please feel free to contact us or the ATO directly if your concerned that you may have been scammed.

A listing of reported scams is listed below.

<https://www.ato.gov.au/general/online-services/identity-security/scam-alerts/>

UPDATE: ATO Changing Deductibility of payments to Workers

In addition to the major payroll amendment mentioned above, the ATO will no longer allow tax deductions for payments to workers where an employer has not met the pay as you go (PAYG) requirements for that particular payment.

In order to ensure deductibility for payments relating to workers payments you must:

- Ensure compliance with current rules and withhold the amount from that payment before you pay your worker
- report that amount to the ATO.

You may not lose your deduction if you have made a genuine mistake however penalties can apply. These changes become effective from 1st July 2019. Due to the significant impact of this deduction, it is highly recommended that you contact us at SC Accounting for a review of your PAYG systems to ensure compliance.

Click here for more information: <https://www.ato.gov.au/Non-profit/Non-profit-News-Service/In-detail/Articles/Changes-to-deductions-for-payments-to-workers/>

UPDATE: Recent Tax Announcements

Please note the following recent ATO announcements, subject to individual circumstances.:

- 1) The home office cents per hour personal tax deduction has been increased from 45c p/h to 52c p/h subject to providing stricter record keeping requirements
- 2) In the absence of having relevant sufficient records and subject to personal circumstances, you may be eligible for a \$50 tax deduction for phone, internet or other office expenditure.
- 3) The Business \$20,000 instant w/off has been extended to 30 June 2020 and is still subject to small business and legislative requirements. In addition, this amount has increased from \$20,000 to \$25,000 from 29th January 2019.

Special Topic: Is your donation tax deductible

Most of you claim donations when providing us your information to do your tax return, however it's important to remind ourselves of what is actually deductible. The question of , if a donation is deductible by a various organisation is asked very often by our clients.

To claim a tax deduction for a gift or donations, it must meet four conditions:

- 1) The gift must be made to an organisation that is registered as a deductible gift recipients (i.e. DGR). Feel free to use the following link to check the companies registration status:
<http://www.abn.business.gov.au/Tools/DgrListing>
- 2) The gift or donation must truly be a gift. A gift is voluntary transfer of money or property where you receive no material benefit or advantage.
- 3) The gift or donation must be money or property. It also includes various financial assets such as shares.
- 4) The gift or donation must comply with any relevant gift conditions for that company.

You can't claim donations that provide you with a personal benefit, such as:

- a. raffle or art union tickets
- b. items such as chocolates and pens
- c. the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
- d. membership fees
- e. payments to school building funds made, for example, as an alternative to an increase in school fees
- f. payments where you have an understanding with the recipient that the payments will be used to provide a benefit to you.
- g. You cannot claim a tax deduction for donations made to crowdfunding platforms if they are not a DGR.

Current staff at SCA

Steve Creelman CA
(Partner/Financial Advisor)

Mai Tran CPA (Accountant)
Kendra Caruso CPA (Accountant)
Michelle Marshall (Bookkeeper / Payroll)

Mark Caruso CPA
(Partner)

Erma Mencin (Bookkeeper & Admin)
Kylie Creelman (Bookkeeper & Admin)

Current Services Available:

Business Accounting & Tax	Basic Individual Tax Returns	Financial Advisory
BAS, FBT, GST, State taxes	Succession & estate planning	Super Advisory (SMSF)
Finance – Mortgage & Asset acquisitions	TRIS, Pensions, Super contributions – NCC, CC	Insurance products – Life, TPD, income protection
Investment Management & Monitoring	ASX / Compliance Board Advisory	Public Superannuation Fund Advisory / Tax
NDIS Service Provider – Financial Intermediary	Management Reporting, Cash Flow & Budgeting Needs	Business advisory, structural, business acquisitions and sales
Outsourced Payroll	XERO / MYOB / QuickBooks personalised training services	

Best Wishes from the team at SCA



Steve Creelman CA



Mark Caruso CPA

Please note that the above information is intended as a general guide only and is not intended as tax or investment advice. It is in a summarised format and not all information may be specific to your circumstances. If you believe that any of the above impact you, you are recommended to contact us on 95697516 to discuss your specific circumstances and if any of the above applies and the outcome of this impact.