

23<sup>th</sup> March 2020

## **SC Accounting: Additional Stimulus** **This Weeks Announcements**

The biggest tax changes of our lifetime have occurred over the weekend. This supplementary update will focus on the next round of Victorian and Federal Government Announcements impacting every Australian. In addition, SC Accounting has enacted business assistance measures for all clients. We note that changes to our tax systems are occurring on an almost daily basis. Both Steve and Mark will continue to be up to date with all announcements and new tax rules and provide key stimulus updates as and when required. Please feel free to forward this correspondence to those that may be impacted by these changes.

We note that the below stimulus measures are in addition to the current stimulus measures we announced on our last updates.

### **Next Round Federal Announcements**



**Employers (and small Businesses):** Businesses who hire employees will be eligible for a tax free payment of \$20,000 to \$100,000. These will be credited as part of BAS payments and will be available from April 2020. We recommend that all clients who lodge BAS statements contact us for review of their BAS to ensure that it is lodged correctly and they are eligible for the maximum and correct stimulus amount.

**\$10,000 Superannuation withdrawal:** The government will allow people who are in financial stress and have been impacted by this event to access \$10,000 from their Superannuation for this financial year with an additional \$10,000 after 30 June 2020. This payment will be tax free. Full details and eligibility can be found here: [https://treasury.gov.au/sites/default/files/2020-03/Fact sheet-Early Access to Super.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact%20sheet-Early%20Access%20to%20Super.pdf)

**50% Deduction for minimum Super Pension amounts:** The minimum pension drawdown rates from those receiving Superannuation Pension amounts has been reduced by 50%. This minimum pension drawdown change has been approved for the financial years 2019-20 and 2020-21.

**Age pension / Carers Allowance / Family tax benefit/Senior Card Holders:** Individuals who receive these payments will receive a \$750 stimulus payment. This payment is in addition to the already announced \$750 payment. These payments will occur on the 31<sup>st</sup> March 2020 and 13<sup>th</sup> July 2020. We note that this payment will be income means tested. We recommend that those receiving these payments ensure tax returns are done on a timely basis and to ensure that all eligible deductions are applied to ensure your eligible thresholds are accurate and your receiving the maximum tax deduction as well as stimulus amount.

**\$250,000 Unsecured Loans:** The government is making plans to allow businesses to be able to access unsecured loans of \$250,000. The federal government will be providing guarantees for these loans. In addition, the government has confirmed relaxing of bankruptcy laws. It is highly recommended that prior to applying for these loans, you contact Steve or Mark to discuss your situation including doing some cashflow modelling to ensure that your business is strategically positioned for these loans.

**Casuals and Sole Traders** (including Government Support Payments such as JobSeeker, Youth Allowance, Parenting Payments and Farm Household Allowance): Those impacted by the downturn will be eligible for an additional coronavirus supplement of \$550 a fortnight over the next 6 months. This is in addition to any Jobseeker payments. This will be means tested however sole traders and casual workers earning less than \$1075 a fortnight will be eligible for the full supplement amount. Those eligible for this additional payment will not be eligible for the \$750 stimulus payments.

### **State Announcements - VICTORIA ONLY**



As at 21<sup>st</sup> March, the Victorian government has announced the following key stimulus measures:

**LAND TAX:** The state revenue office will contact those tax payers who have total taxable landholding below \$1 million to provide them with the option to defer Land Tax payments.

**PAYROLL TAX WAIVED:** Eligible businesses who continue to lodge tax returns and who have turnover of less than \$3 million will have their payroll tax for FY 2019-2020 waived. No additional payroll tax will be payable for the remainder of the financial year with potential refunds for amounts paid to be communicated directly to businesses. In addition, Payroll tax for the first quarter of FY 2021 will also be waived.

**Liquor Licence Fees:** Eligible businesses will have their liquor licence fees waived for FY 2020 with reimbursements paid.

### **Coronavirus - Business and Individual Assurance Measures**



We are only too conscious of the concern that families, our staff and the public in general are experiencing in these uncertain times. As you have been informed, the Australian Government has put in place unprecedented restrictions which will have some impact to every Australian over the foreseeable future.

Steve Creelman and Mark Caruso have enacted their SC Accounting business support package that is eligible to all business, individuals and associates of clients of the firm. The following measures are now in place at SC Accounting:

**Free Additional Support:** A free 30 min, formal business support advisory service is available to all clients impacted by the downturn. Please call reception directly to book in the free appointment.

**New Client Support:** We understand that some associates are requiring the CFO and specialty financial support that Steve and Mark can provide, especially relating to cashflow and business concerns of

employers. SC Accounting will extend its business support range to new clients including free ATO support and 1 hours free business support. In addition, all setup fees will be waived. This is only eligible to associates of current clients.

**Fees Discounted to 2018 rates:** Fees for all services (excluding financial planning) will continue to be charged at 2018 rates with a freeze on all fees for 2020/2021.



**Mobile Phone Urgent Hotline:** We understand the urgency of issues that will impact individuals and business. Steve and Mark's personal mobile phone numbers are now available to clients directly.

Steve Creelman: 0418 545 119

Mark Caruso: 0439 909 467

**Meetings:** To ensure we play our part in decreasing the spread of the virus, we will be encouraging all meetings to be held via phone. Any essential office meetings will be conducted in our meeting room and limited to one person at a time.

**Lockdown Procedure:** We have implemented lockdown protocols whereby Steve, Mark, Kendra, Erma and Mai will be available in the event of a full state wide lockdown of all services. Home offices have been set up for all key staff members to ensure that you will be able to obtain tax returns, refunds and stimulus packages.

#### **SENSIBLE BUSINESS MEASURES:**



At SC Accounting, we understand your concerns and we steadfastly support you, your family and business. Please do not hesitate to contact Steve or Mark directly should you feel the need to discuss fundamental aspects of your business. We are here to assist everyone and our commitment is to your business needs through a friendly complimentary phone call with us. Please note that SC Accounting takes pride in making it our business to help you enjoy your business, even in difficult times!! Your success is our success.

We recommend the you address these measures as a normal matter of course to assist with cash flow relief:

- 1) Maintain a close working relationship with your client base and suppliers – frank discussions about financial support are always looked upon favourably;
- 2) Liaising with Banks and other lending institutions to advise them of any cash flow concerns and to discuss any relief measures that you might need;
- 3) Liaise with landlord to explore cash flow relief and review lease options;
- 4) Remain vigilant to business opportunities especially where competitors maybe exiting your business environment. New business opportunities might exist;
- 5) Look at employment remedies that might exist with staff eg annual leave and sick leave within the Fair Work Act laws.

### **HOUSEKEEPING MEASURES**



Not unlike the wider public, SC Accounting has a responsibility to provide a safe and secure workplace for staff and clients of the firm. Whilst we are a relatively small business, we still have an obligation to maintain social distancing in the workplace. As a result, some staff will be working remotely on occasions as best practice suggests. We are able to function quite effectively and it will still be business as usual with client services.

Whilst SC Accounting will make every effort to satisfactorily complete client tasks, we ask that clients please understand and respect that meeting urgent deadlines may be difficult to achieve in this environment and, to that end, please ensure that you provide clear instructions so that we can plan workflow requirements with little disruption.

Whilst it is business as usual at SC Accounting, we would like to that this opportunity for all staff, clients, business contacts and suppliers visiting our offices, to please observe and adhere to the following health and hygiene practices:

- If you are unwell, please reschedule your appointment by calling Erma Mencin on (03) 9569 7516 to make a convenient time (at this stage we would recommend all appointments to be via the phone if possible);
- if you normally make an appointment and, feel uneasy about this, please contact Erma and forward relevant documents to us via email or mail system;
- If you have been overseas in the last 14 days, please reschedule your appointment;
- We will provide hand sanitizer in the entrance and meeting rooms and ask that this is used where necessary (as always, our staff will maintain clean work environments & meeting spaces which will be regularly sanitised);
- we ask as practicable as possible, that social distancing be observed in all meetings

## UPDATE: OUR TEAM



### **Steve Creelman CA**

**Principal**  
BBus (Accounting),  
CA SMSF Specialist,  
AdvDip (Financial  
Planning)  
Registered Tax Agent



### **Mark Caruso CPA**

**Partner**  
BBus (Accounting),  
BBus (Banking &  
Finance),  
Dip (Business)  
Registered Tax Agent



### **Erma Mencin Administrator / Bookkeeper**



### **Mai Tran CPA**

**Senior Accountant**  
BBus (Accounting)



### **Kendra Caruso CPA**

**Senior Accountant**  
BBus(Commerce)



### **Kylie Creelman Practice Manager**

Diploma of Teaching  
(Primary) , Cert IV  
(Practice Management)



### **Nick Binney Accountant**



### **Adrian Pelligra Private Wealth Manager**

BFin, CFP



### **Philippine Bourdin Accountant**

**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.*