

12th March 2020

SC Accounting: Client Update

This month's update will focus on the Coronavirus Stimulus package announced this morning as well as a superannuation coronavirus update, SC Accounting phone meetings now being available to all clients and Company Directors will now be personally liable for unpaid GST.

Coronavirus Stimulus Package



The Morrison Government has announced this morning a \$15 Billion support package aimed to be proactive towards ensuring business and consumer spending over the next 6-18 months. In addition, Scott Morrison has announced that Australia still maintains its AAA credit rating and additional stimulus packages will be considered depending upon future economic conditions.

The announcement is yet to be legislated and we will update you on the specifics of the legislation once it is passed through parliament.
The key aspects of the stimulus package are:

- Business will be able to get between **\$2,000 - \$25,000 in cash payments**. Early announcements suggest that this cash payment will be automatically determined by the ATO upon the lodgement of BAS Statements and is dependent upon employee W1 and W2 categories within the BAS statement. We encourage all clients who lodge BAS statements, to contact Mark Caruso to confirm that their figures are accurate. The aim of this stimulus package is to assist in the payment of staff wages for small and medium businesses.
- Additional Cash Payments are expected to be paid out to those who are currently receiving welfare payments with the aim of assisting in stimulating the economy and provide assistance to fund everyday living expenses. At this stage it is expected to be a one-off payment of \$500.
- Instant Asset tax deduction of up to **\$150,000**: The current rules relating to the instant asset write-off has increased from \$25,000 to \$30,000 for small businesses however the proposed legislation will increase this limit to \$150,000 asset values and will also apply to medium/large businesses with turnover of \$500mil or less. The legislation is still being drafted so please contact us at SC Accounting if you are considering any major asset purchases to ensure that this applies.
- \$1.3 Billion will be set aside to support a co-payment government plan to support keeping apprentices in jobs. Business with apprentices may be eligible to receive up to \$7,000 per quarter for each apprentice.

Superannuation: Coronavirus update



Due to the current volatility in the market, you may notice a significant decrease in your superannuation balances. Those fortunate enough with financial advisors may have already received updates on actions being taken to monitor your superannuation balances.

In addition, we are receiving regular updates from Akambo regarding them monitoring the markets and the current situation. If you do not have a financial advisor and wish to speak to one, please contact us at SC Accounting and we can set up an appointment with Steve or Adrian.

UPDATE: Superannuation Amnesty

Last week the Government introduced the super guarantee (SG) amnesty. The aim is to allow employers to disclose and pay immediately any unpaid Superannuation without penalty. In addition, employers are permitted to claim a tax deduction for this payment.

We strongly suggest that if you believe that you may have unpaid superannuation, you contact us at SC Accounting immediately to perform a payroll review as the amnesty will only be available until 6 September 2020.

For More information, please see below:

<https://www.ato.gov.au/Business/Super-for-employers/Superannuation-guarantee-amnesty/>

Phone Meetings Available

Due to high demand, those that are unable to come into the office for tax, consulting or business planning meetings for concern over the coronavirus are now encouraged to call the office and book in a phone meeting opposed to a face to face. These meetings are now available to all clients at no additional charge and without question. To arrange a Phone meeting with Steve or Mark, please call Erma at reception on 95697516 to book your phone appointment as you would a normal appointment. Please also email or send any documents you have to our email address. We suggest password protecting the file and calling us with the password. For anyone unwell, we recommend phone appointments only. In addition, tax returns or other confidential documents will be emailed with 128 Bit password protection. Passwords will be provided to you during the meeting.



UPDATE: Personal Liability for directors relating to unpaid GST & Superannuation

As at the 1st April 2020, there are new laws that confirm that if a company fails to lodge their ATO obligations (e.g. BAS, PAYG & IAS) within 3 months of the due date, the directors of the company will become personally liable for the debt. After the above superannuation amnesty, Directors will also become personally liable for any unpaid staff superannuation that is one month late.



In addition, the ATO now has the ability to estimate the unpaid GST and seek recovery from directors for this estimated amount. This also applies to WET and LCT. If the required tax statements or obligations are lodged but not paid, the ATO could still issue a Directors Penalty Notice requiring payment within 21 days or may take action by placing the company into administration. Resigning directors can not avoid liabilities incurred while acting as a director. New Directors have 30 days to review the financial accounts of the company to determine if they should remain a director. After the 30 days, they may be subject to the same rules as the

current directors and liable for the existing debts and liabilities.

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)

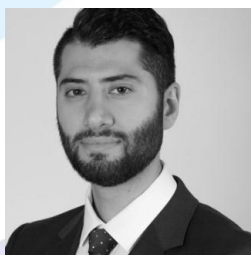


Kylie Creelman Practice Manager

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 and if any of the above applies and the outcome of this impact.