

Dear Vincent,

AAT News

Welcome to the August 2020 edition of the AAT Australia's eNews & Views. In this edition you'll find out all about:

- JobKeeper extension updates
- Redundancy payments 2021
- TPAR new industries
- Helping clients with business closure
- Beyond Blue Coronavirus Mental Health Wellbeing Support Service
- And more!

Check our [eNews & Views](#) page for previous newsletters.

JobKeeper Extension Updates

In July, the JobKeeper scheme was amended and extended to March 2021. The current system remains unchanged until 27 September 2020, but changes will apply from 28 September. Further changes were announced on 7 August which extend eligibility and make it easier for organisations to qualify for the JobKeeper payment extension.

Some businesses currently receiving JobKeeper will no longer be eligible and others will continue to be eligible but will receive less subsidy as per the amended rules. There are now two tiers of payment based on the number of hours worked.

Business Eligibility

Organisations wanting to claim JobKeeper beyond September will need to reassess their eligibility based on actual turnover in the September 2020 quarter. The turnover must meet the relevant decline in turnover test, (according to entity type and size), to continue to be eligible for the JobKeeper subsidy from 28 September to 3 January 2021.

Organisations must then further assess eligibility in January 2021 and demonstrate they meet the relevant decline in turnover test for the December 2020 quarter, in order to remain eligible for the JobKeeper subsidy from 4 January 2021 to 28 March 2021.

Employee and Business Participant Eligibility

Eligible employee details are available at [ATO Eligible employees](#) webpage. The main change is the criteria for casual employees. A casual employee who has been regularly employed for at least 12 months prior to 1 July 2020 now qualifies as eligible for JobKeeper.

There are no changes to the eligibility criteria for business participants and sole traders.

Employee and Business Participant Reference Period

The reference period for worker eligibility has been amended to allow more employees and

business participants to remain eligible for Jobkeeper.

The hours worked during the reference period governs the payment tier the worker will qualify for.

Businesses can reference the four weeks prior to either 1 March 2020 or 1 July 2020. The period with the higher number of hours is used as the reference period.

The [JobKeeper employer eligibility rules](#) have not changed. If a business has not met the decline in turnover tests in previous months, it can still enter the system if it now meets the criteria.

New Rates from 28 September 2020 to 3 January 2021

- \$1,200 per fortnight for employees and business participants who worked 20+ hours per week in the reference period.
- \$750 per fortnight for employees and business participants who worked less than 20 hours in the reference period.

New Rates from 4 January 2021 to 28 March 2021

- \$1,000 per fortnight for employees and business participants who worked 20+ hours per week in the reference period.
- \$650 per fortnight for employees and business participants who worked less than 20 hours in the reference period.

BAS Agents Next Steps

- Plan now for late September to early October increased workload!
- Finalise monthly/quarterly accounts as soon as possible after end of September to assess eligibility for extended JobKeeper from 28 September to 3 January. Do not wait until the September BAS due date.
- The JobKeeper payment scheme requires that employers pay eligible employees in advance of receiving the JobKeeper subsidy from the ATO. However, the latest Treasury update states that the “Commissioner of Taxation will have discretion to extend the time an entity has to pay employees in order to meet the wage condition so that entities have time to first confirm their eligibility for the JobKeeper Payment”.
- Notify employers and employees that we are waiting on further details about timing of reporting and paying during the monthly reporting period for September, (i.e., 28 September to 14 October). It is likely that employers may only need to pay employees for hours worked (or not at all) in the 12 October fortnight, and may not receive the JobKeeper top-up amount until after the employer has been able to confirm the September quarter turnover. If this proves to be the case, employers may be able to make separate payments to eligible employees for any hours worked and any JobKeeper top-up amount (up to the relevant payment tier of JobKeeper 2.1) once they are sure the business continues to be eligible.

The Treasury fact sheet [JobKeeper Payment](#) has been updated with the latest changes.

Redundancy Payments 2021

Redundancy payments are treated differently to regular termination payments.

For genuine redundancy payments, there is a tax-free portion allowed, and any amount above this tax-free amount is treated as an Employment Termination Payment (ETP) which has separate tax treatment.

In October 2019, the age at which employees can access the concessional tax treatment for redundancy payments was changed from 65 to [age-pension age](#).

- The tax-free limit for 2021 is \$10,989 + \$5,496 per each year of full service.
- This is reported at lump sum D on the Single Touch Payroll income statement or PAYG payment summary.
- For any amount of redundancy payment over the tax-free limit, it is treated as an Employment Termination Payment (ETP) and taxed according to [ATO preservation age](#).
- [ETPs are concessionally taxed up to a cap](#) and the maximum tax rate applies to amounts over the cap; check which of the ETP cap or whole-of-income cap applies to the redundancy payment.

Visit the [ATO Redundancy and early retirement](#) and [ATO Taxation of termination payments](#) webpages for more details and for information on non-genuine redundancies and early retirement schemes.

Fair Work Ombudsman Notice and Redundancy Calculator

Check the [Fair Work Ombudsman website for the redundancy process](#). There are many guidelines for working out the notice period, pay in lieu of notice, redundancy while the employee is stood down and coronavirus award variations.

Work out how much notice and redundancy pay is required with the [FWO Notice and Redundancy Calculator](#). This calculator should only be used for award and National Employment Standards provisions.

If an employee is covered by a registered agreement, that agreement governs the redundancy notice and payment provisions.

Results from the calculator can be saved and printed for the employer's records.

Taxable Payments Annual Report New Industries 2020

This is the first year that three new industries are required to submit a taxable payments annual report (TPAR).

- Road freight services
- Information technology services
- Investigation or surveillance services

Established businesses may be aware of these requirements, but if you have clients that only started in one of these industries within the last year, they may not be aware they need to submit a TPAR.

Essential Information

- Contractor name, ABN and address
- Total including GST for invoices relating to labour services only or a combination of services and materials
- TPAR is reported on a cash basis, that is only invoices paid to contractors from 1 July 2019 to 30 June 2020
- Businesses that provide mixed services may need to report if more than 10% of turnover is providing services within any of the listed TPAR industries

The first report for these new industries is due by 28 August.

See the [ATO Taxable payments annual report](#) for full details of each industry's activities that must be included in the report.

Helping Clients Before Business Closure

Earlier this year we saw new measures for support during COVID-19, including changes to the Commonwealth bankruptcy law.

Because of this measure many businesses have been able to put off bankruptcy and start the recovery process.

However, many other businesses will still face the likelihood of closure because of unmanageable financial difficulty due to COVID-19.

The bankruptcy law changed the temporary debt protection (TDP) period from 21 days to six months, during which time unsecured creditors cannot take enforcement action to recover monies owed to them.

Businesses must apply for TDP with the [Australian Financial Security Authority](#) to take advantage of the temporary debt protection period to negotiate payment plans, get financial advice and consider insolvency options.

What can Bookkeepers and BAS Agents do?

As the bookkeeper you will have a close understanding of the financial performance of your clients. You are in a position to initiate conversations with the business owners and discuss their options or advise them to seek other professional help if you do not want to talk about insolvency – it may be a difficult conversation.

- Regularly review financial reports and raise issues or potential problems.
- Ask questions and check if the owner is already discussing these areas of concern with their tax agent or other financial advisor.
- Discuss any director personal guarantees that may exist with suppliers.
- Discuss relevant [ATO lodgment and payment deferrals](#).
- Address any unpaid superannuation, PAYGW and GST in relation to [ATO director penalties](#).
- Provide [ASIC COVID-19 regulatory information](#) to directors and business owners.
- Provide insolvency information from the [Australian Financial Security Authority](#) and [Australian Securities & Investments Commission](#).
- There may be many options to save the business that the business owner has not considered. Whether it is you, the tax agent and/or an insolvency advisor (liquidator), encourage the business owner to get advice about all options to facilitate business survival.
- Let them know of support services available such as [Beyond Blue](#) and [Heads Up](#).

Initiating conversations early may prevent businesses actually having to engage liquidators or go bankrupt.

If the business owner does talk to liquidators before talking to the tax or BAS agent, whilst this may be a surprise, try to give the owner the benefit of the doubt... they may feel too close to you or the tax agent to want to have that conversation! They may find it easier to talk about the possibility of liquidation with someone who is not close to the business or them personally.

If you can offer support to the business owner and work with the insolvency advisor, it is possible

that the business might continue trading and you may be able to continue with an even better relationship in future.

Beyond Blue Coronavirus Mental Health Wellbeing Support Service

Beyond Blue has a dedicated [support service for mental health during the coronavirus](#).

There is an online forum, online chat, email and phone support on 1800 512 348.

There are many resources available but some that are useful for bookkeepers and business owners are:

- [Impacts on my work for managers and business owners](#)
- [Supporting employees](#)
- [Working from home](#)

We bookkeepers and BAS agents continue to work under a great deal of pressure during this time, and it's essential that we acknowledge the stress that we are going through and be kind to ourselves.

Some of us are struggling... we are exhausted, stressed, working more hours, and trying to stay on top of new rules and regulations. We have clients who are unable to open their business while we are working more than ever. We are secretly a bit jealous of the people who get to hang out with the kids and do crafty projects and gardening. Then some of us are feeling guilty for feeling exhausted because so many people are depressed and stressed about work and money and future livelihood, while our own situation (at least for the moment) seems secure. It's very complex! But it's important not to downplay your own stress while we are working under increased pressure.

We are used to being there to help our business owner clients, and we are doing it to an even greater degree now, but many of us are not used to looking after ourselves the same way we look after our clients. Consider taking a long weekend or perhaps a couple of half days here and there to just relax and rest and take time out for yourself.

If you are feeling the burden of looking after your clients and trying to stay focussed and competent please consider talking to the people at Beyond Blue for some support. It's amazing what a difference it can make just to have someone listen compassionately.

[Sign up for the Beyond Blue newsletter](#) to stay supported.

Alternatively check out [Head to Health](#), a Department of Health website that provides links to hundreds of mental health resources for yourself or for helping others.

In the News

- **Business tax cuts from 1 July 2020.** Incorporated small and family businesses with a turnover of less than \$50 million now have a reduced tax rate from 27.5% down to 26%. The small business income tax offset has been increased from 8% to 13% for unincorporated businesses.
- **MyGovID functions expanded.** The list of identity documents that are allowed for setting up a standard myGovID has been increased to include most Australian visas (using a foreign passport). This means these users can now access more online services

with a standard identity proof, rather than the basic identity proof that they previously had. To upgrade user access level the administrator will need to create a new authorisation. The administrator will now be able to view an audit log of user access in Online Services Access Manager.

- **The ATO has extended phone support during tax time 2020 for agents.** Hours are now 8:00am to 8:00pm Monday to Friday and 10:00am to 4:00pm Saturday and Sunday. These hours also apply to help services for myGovID and RAM.
- Small Business Super Clearing House updates. Sort employees between inactive and active and get notifications when a payment to SBSCH has been cleared and sent to the relevant fund.
- **Fair Work Ombudsman priorities for 2021.** The [FWO has announced several areas of focus for the coming year](#) including continuing support for businesses dealing with the COVID-19 pandemic and addressing large corporate underpayments of staff. Allegations of non-compliance with workplace laws particularly in relation to the JobKeeper scheme are also a current priority. The FWO will continue to investigate sham contracting and problematic industries.
- **Cybersecurity government funding for SMEs.** The [Department of Home Affairs](#) will invest \$1.67 billion over the next 10 years to create a more secure online world for individuals, businesses and infrastructure. A timely measure to tackle the massive increase in cyber hacks against individuals and businesses.
- **A bit of fun! [A Little Love Song](#)** (to my bookkeeper and accountant) by Sam Mac. Singing the praises of hardworking bookkeepers and accountants! If you need a bit of love and appreciation and a laugh have a listen.

Victoria New Law to Target Wage Theft

Tech Talk: Practice Protect Cyber Security

When: Thursday August 27, 2020

Time: 12:30pm to 1:30pm AEST, 12:00pm to 1:00pm SA and NT, 10:30am to 11:30am WA

Where: Online live event (recorded)

Cost: Free for AAT members

Book: [August Tech Talk](#)

Online Discussion Groups

For those who are not part of a regular group, join an online discussion group to discuss current news, industry topics, questions and to share information and to stay supported and connected with colleagues.

When: Thursday August 20, 2020 with Jo Voight

Time: 5:00pm to 6:00pm AEST, 4:30pm to 5:30pm SA and NT, 3:00pm to 4:00pm WA

Where: Online live event (not recorded)

Cost: Free for AAT members

Book: [Online Discussion Group Thursday](#)

When: Wednesday September 2, 2020 with Eric Ohlson

Time: 4:00pm to 5:00pm AEST, 3:30pm to 4:30pm SA and NT, 2:00pm to 3:00pm WA

Where: Online live event (not recorded)

Cost: Free for AAT members

Book: [Online Discussion Group Wednesday](#)

AAT Australia Bookkeepers Support Group

Join the [AAT Australia Facebook](#) group for sharing information and getting help from colleagues. Talking with colleagues can really help us work things out, whether it's a curly bookkeeping

question or whether it's needing a sounding board for help with a difficult situation; you don't have to operate in total isolation.

What is Going on in the Industry?

ATO Tax Professionals Conversations Webcasts

Thursday 17 September 2:00pm AEST

No need to register – select the [webcast page link](#) at the start time to join.

ATO Open Forums

Upcoming ATO Open Forums, which to date have been run face to face, have been postponed indefinitely.

Check the [ATO Open forums](#) webpage for future dates.

The Bookie & The Beano Podcast

Join Intuit QuickBooks resident bookie, Diane Lucas, and favourite beano, Kane Munro, for the latest episode of their podcast, which deals with many aspects of the relationship between accountants and bookkeepers and current topics of interest. Check out the latest episode: [Episode 48: Re-evaluating 2020 and your future](#).

ATO Tax inVoice Podcast

Keep updated about the latest tax and super information. The latest instalment is [Episode 24: J5 Tackling Transnational Tax Crime](#), looking at global tax evasion.

ATO TV

Handy [ATO TV videos](#) on a range of topics that may be useful for you or your clients. Includes short videos on topics such as managing authorisations in RAM, and longer videos on more complex topics such as WET or GST at settlement.

TPB Webinars

Upcoming Tax Practitioners Board free webinars for registered agents.

- Tuesday 25 August 3:00pm AEST – Work-related expenses

Visit the [TPB webinars webpage](#) to register for the webinars.

Visit the [TPB YouTube](#) channel for recordings of all previous webinars. Check out the recent webinar [Be Cyber Aware](#) for guidance on how agents can protect their systems. There is also a [Q&A page on related topics](#) that emerged from the webinar.

Join our Facebook Discussion Group

Feedback from members indicates that community is very important to accounting technicians. In response, the AAT Team has established a Facebook group especially for AAT members to join in an online community and discuss your successes and your not-so-successes, ask questions, give support to your colleagues and enjoy networking with your peers. We will be posting articles, information pieces, event details plus more. Click through here to join in today:

[AAT Facebook Group](#)

Feedback

AAT welcomes your feedback. Please share your thoughts and ideas, let us know what your concerns are as well as the support and CPD that you need, so that we can deliver the best possible outcome for all of our AAT community. [Contact us](#)



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