

Dear Member,

Daily, we are confronted with dilemmas and challenges, some are ethical, and some are moral, but it goes to the heart that a great deal of our work isn't just about the numbers and profits.

A large part of your accounting technician role will revolve around working with people, observing specific laws and regulations, and adhering to a strict code of professional ethics and code of conduct. Not surprisingly, then, you may find yourself being confronted with professional dilemmas that don't always balance out as quickly as a client's account.

Not so long ago, we were all faced with a professional dilemma when JobKeeper and Cashflow Boost was introduced. The ATO was clear on the eligibility criteria.

As professionals, we had to become knowledgeable in the law and learn how to apply it to our eligible only clients. You may have found yourself in a situation where a client was only half a percent off being eligible, or an employee was one week off from being nominated for JobKeeper.

The reality is that making the right call is often not straightforward. Few ethical dilemmas are black or white, and many could involve different perspectives and choices.

I want to congratulate all AAT Members for what I believe has been the most profound ethical period we have come across. All the elements of our code of ethics, from integrity to, behaviour was tested.

In this month's newsletter, we cover the SME Recovery Loan Scheme and redundancy payments post-JobKeeper. I encourage you all to continue asking your clients the difficult and awkward questions and to remain objective when helping them navigate the available options as the road to business recovery is still a far stretch for many.

Have a fantastic month and look forward to seeing many of you at our EOFY Online Sessions on the 17th and 18th June.

In our newsletter this month:

- SME recovery loan scheme
- Redundancy payments
- Fair Work Ombudsman: changes to casual employment
- COSBOA report on the events, responses and impact of COVID-19
- And more!

Take care!

Lielette Calleja
Chief Accounting Technician

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

In March, the Federal Treasurer announced an expansion of the SME Recovery Loan Scheme that has been in place since 2020. Phase one finished on 30 September; phase two started on 1 October 2020 and continues until 30 June 2021.

Applications for phase three of the scheme opened on 1 April and will be available until 31 December 2021.

For businesses that received JobKeeper from January to March 2021 and have not yet recovered to usual operations or turnover, this scheme could provide the support they need to continue. Businesses affected by the floods in March 2021, located in eligible local government areas, can also apply for loans under this scheme.

About the Loan Scheme

The Federal Government will guarantee 80% of the loan (up from 50% in previous phases of the scheme). Loans can be for up to \$5 million, in addition to any loans already approved under phase 1 or phase 2 of the scheme.

The loan term may be for up to 10 years, and borrowers may take a break from repayments of up to 24 months if needed during this period.

The interest rate will be set by lenders but will be capped at around 7.5%. Loans are available through participating commercial lenders. Even if a business is eligible for the scheme, it is up to the lender to approve a loan.

Accounting Technician Next Steps

- Assess eligibility for the loan scheme – the business must have received JobKeeper between 4 January 2021 and 28 March 2021 and must have a turnover of less than \$250 million.
- Assess the cash flow of your clients' businesses.
- Review any existing debt and ability to repay.
- Review existing loan arrangements to see if it is beneficial for the business to refinance loans under the scheme to reduce or delay repayments.
- Discuss with them their goals for business now that JobKeeper has ended.
- Discuss possibilities for the loan: for example, finance existing debt or invest in new technology or equipment to benefit the business.
- Discuss plans with the tax agent.

[Treasury – SME Recovery Loan Scheme](#)

Redundancy Termination Payments

With the end of JobMaker, we may see an increase in redundancy and other termination payments.

If you are involved in processing payroll, you may need to check the circumstances of any terminations after 28 March, especially if the employer is a large employer with 15 or more employees, in case they are trying to avoid paying redundancy payments at termination.

The ATO is alert to the possibility of employers acting illegally to avoid redundancy payments, that may be due to employees if their position is genuinely redundant in the scenario that a business can no longer afford to pay them.

Employees can contact the ATO on 1800 060 062 if they are concerned about termination payments and JobKeeper.

A business can apply to the [Fair Work Commission](#) to reduce the amount of redundancy pay if they are unable to afford the amount due to the employee. Use the form [Application to vary a redundancy pay](#).

Genuine Redundancy or Non-Genuine Redundancy?

A genuine redundancy is when an employee is dismissed because the job they were doing no longer exists.

Genuine redundancy payments are tax-free up to a limit based on years of service, concessionally taxed as an employment termination payment (ETP) above the tax-free limit and then taxed at marginal rates for amounts above certain caps.

The tax-free amount is not part of the ETP payment; however, amounts paid over the tax-free limit are ETP payments and reported separately in the income statement.

A non-genuine redundancy is taxed differently from a genuine redundancy. Non-genuine redundancies happen in several circumstances, including when an employer places an employee in a position with little choice but to resign. For example, they offer the current job at a lower rate of pay or a choice between a package and a role within the organisation that is different to their qualifications and experience.

Non-genuine redundancies do not qualify for the tax-free threshold; however, they are taxed at concessional rates provided certain caps are not exceeded.

Taxation of Termination Payments

Taxing termination payments can be complex. Whether you are a seasoned payroll administrator or haven't made termination payments before, always check the components of termination payments and how they should be taxed.

Remember – eligible members can contact [IPA Professional Assist](#) for technical guidance if you have complex terminations to calculate. See our March newsletter for details on accessing IPA Professional Assist.

[ATO – Redundancy payments](#)

[ATO – Taxation of termination payments](#)

[ATO – Applying the ETP caps](#)

[FWO – Redundancy](#)

COSBOA Report on a Survey of the Events, Responses and Impact of COVID-19

The Council of Small Business Organisations Australia (COSBOA) represents the interests of a number of small business associations. The council advocates for small business issues ranging from taxation to workplace relations and competition laws and was set up in 1979 to be a voice for small business in recognition that the issues faced by small business are very different from large business.

COSBOA has released an in-depth report on lessons learned from the time of COVID-19 called The Small Business Perspective.

This is an interesting report that seeks responses from small business industry organisations to assess the impact of the coronavirus on small business, providing direct insights into how small businesses managed during COVID-19.

The survey's key reason was to take a serious look at what lessons we have learned and what we could do better in the future if we face similar events. One of the biggest lessons the report discusses is the need for consultation in facing a crisis.

It's an extensive report at 152 pages, but now that the worst is over and we can stand back with a bit of distance to look at the last year's events, this report is well worth a read.

[COSBOA – The Small Business Perspective \(full report\)](#)
[COSBOA – The Small Business Perspective \(summary\)](#)

FWO Changes to Casual Employment

In late March, the Fair Work Act 2009 was amended to change workplace rights and obligations for casual employees.

The changes apply from Saturday, 27 March 2021.

The amendments introduce a Casual Employment Information Statement, a definition of casual employment, and a pathway for casual employees to move to a permanent part-time or full-time position.

From now on, employers must give every new casual employee the information statement when they start the job.

Small business employers with fewer than 15 employees must also provide existing casual workers with the information statement as soon as possible.

New Definition of a Casual Employee

A person is a casual employee if they accept a job offer from an employer, knowing there is no firm advance commitment to ongoing work with an agreed pattern of work.

This aspect of a 'regular pattern of work' has always been one of the factors used in assessing whether an employee is a casual or a permanent worker. This makes the definition of a casual worker much clearer.

Once a worker agrees to a casual position, this will continue until they either become permanent through conversion or are offered permanent employment by the employer or cease employment.

Converting to Permanent Employment for Large Employers (15 or more employees)

A large employer must offer permanent employment if the casual worker has worked for at least 12 months, if there has been a regular pattern of work for the last 6 months and if the regular hours could continue as a permanent employee without significant changes.

Employers need to offer casual conversion to eligible employees in writing before 27 September 2021 or within 21 days of the 12-month anniversary of starting work, whichever is later.

These conversion rules also apply to existing casual workers at 27 March 2021. Employers need to assess whether workers are eligible and it is reasonable to offer a permanent position or not.

Converting to Permanent Employment for Small Employers (fewer than 15 employees)

Employees of small employers have the right to request permanent employment if they meet the requirements (i.e. they have been employed for at least 12 months, there is a pattern of work, and other eligibility factors).

Small employers do not have the same obligation to offer a permanent position; however, if an

employee requests it, the employer must consider it and reply in writing within 21 days.

Accounting Technician Next Steps

- Check with your employer clients that they know about the reforms to casual employment.
- Provide the Casual Employment Information Statement to the employer and/or workers (depending on your engagement with the client and your role concerning payroll). Ensure there is a system for providing this statement along with the Fair Work Information Statement at the start of employment.
- If you are engaged to provide advice about payroll matters, ensure the employer understands the new definition of a casual employee and the new rules about casual conversion.
- Recommend employers put in place a system for reviewing casual workers' eligibility for a permanent position and offering or denying a permanent position.
- Let employers know they need to notify casual employees of the new reforms.
- Recommend employers review their existing employment agreements with casual workers to address the new definition of casual work. Agreements should be updated to state that casual loading is paid instead of permanent entitlements.
- Recommend they get advice from an employment law or HR specialist such as AB Phillips if needed.

[FWO – Casual Employment Information Statement](#)

[FWO – Changes to casual employment – industrial relations reform](#)

ATO Dealing with Disasters

The ATO information on dealing with disasters has been updated to include information relevant to the floods experienced by many in NSW earlier this year.

The ATO webpage covers assistance payments, lodgement deferrals, early access to refunds, damaged or destroyed property, reconstructing tax records and more.

There are links to information specific to COVID-19, bushfires, floods and drought.

There is also helpful information about [protecting yourself during recovery](#), acknowledging that vulnerable people recovering from a disaster can be taken advantage of.

[ATO – Dealing with disasters](#)

Superannuation Contribution Caps to Increase from 1 July 2021

The concessional contribution cap will increase from \$25,000 per annum to \$27,500 per annum from 1 July 2021.

The non-concessional contribution cap will increase from \$100,000 per annum to \$110,000 per annum.

The non-concessional cap threshold will also increase from \$1.6 million to \$1.7 million.

The bring-forward rule will also increase from \$300,000 to \$330,000.

Individuals may need to consult with their tax agents about superannuation advice; if you are

involved in processing payroll and super for employees, you may need to be aware of the new caps and threshold when processing superannuation.

ATO Small Business Independent Review Service

Eligible small businesses with a turnover of less than \$10 million can now access the independent review service where there is a dispute or disagreement about an ATO audit result.

Disputes about income tax, GST, excise, LCT, WET and FTC can be addressed using this service. The service does not handle disputes about superannuation, FBT, fraud or interest.

This service provides an objective option to resolve a dispute about an audit result, in addition to the existing ATO in-house facilitation services. The independent reviewer is an officer from another part of the ATO who was not involved in the initial audit.

If a business is eligible, the ATO will notify the business of the opportunity to request an independent review before their final audit assessment is issued. In the independent review, a technical officer reviews the facts and technical merits of the audit result.

[ATO – Independent review for small businesses](#)

In the News

The ATO clarifies tax deductibility of repaid JobKeeper.

The voluntary repayment of JobKeeper by businesses that have performed better than expected will be deductible in limited circumstances. Provided the business declared JobKeeper received as assessable income, then it is possible that the repayment would be deductible. Visit the [ATO JobKeeper voluntary repayments](#) webpage for full details if you have a client wishing to repay JobKeeper. Payments cannot be made through ordinary ATO payment channels.

Living Away From Home Allowance (LAFHA) new amounts from 1 April.

The ATO has published the taxation determination, listing reasonable amounts for food and drink expenses incurred by employees receiving LAFHA fringe benefit. See [ATO TD 2021/3](#) for amounts from 1 April 2021.

Annualised salary alert.

Some employers assume that the annualised salary provisions do not apply to employees who are high-income earners. However, an award may still apply, and employers must comply, regardless of how much above the award they are paying employees. Award coverage depends on the duties and industry, not the earnings. Employment agreements are important to get right. Read the [Employment Innovations article](#) for details.

Single Touch Payroll phase 2 fact sheet.

The ATO has released an [Expanding Single Touch Payroll factsheet](#) for employers outlining the coming changes to Single Touch Payroll reporting. There is still nothing you need to do yet! Pass this factsheet along to any employers who are asking for more information.

Xero acquires an e-invoicing business.

Xero has bought an e-invoicing business and is now on the ATO approved list of service providers, the first of the major accounting software applications to offer an integrated e-invoicing solution. Visit [Xero e-invoicing](#) to learn more.

ATO Resumes Debt Recovery Action.

With the JobKeeper program officially over, the ATO has confirmed that it will resume pursuing and enforcing debt recovery action. The change in approach comes after the ATO began sending letters to taxpayers in February to warn them of potential sterner action if they failed to make good on their obligations and had refused to get in touch with the ATO.

AAT Australia Member Events

April Tech Talk: How to Overcome the Challenges of a Growing Practice with GovReports

Ever-changing government rules and regulations along with technology developments, automation, keeping clients' communication and workflow up to date; these are some of the challenges faced by today's accounting technicians. How do you manage workflow processes with constant client and compliance pressure while achieving practice growth? In this webinar, we will look at using GovReports Office Practice Manager to optimise your workflow, delegate tasks, organise your priorities and communicate essential regulation changes to your practice and clients.



Thursday 29 April



Free for AAT Members



12:30pm - 1:30pm AEST



Online



GovReports



Total CPD Hours: 1

[BOOK NOW](#)

Online Discussion Groups

Those who are not already part of a regular face-to-face group can join an online discussion group to chat about current news and industry topics.

These informal discussion groups also provide a forum for bookkeepers to put questions to fellows in the industry, share information and stay supported and connected with colleagues.



Wednesday 5 May



Free for AAT Members



4:00pm - 5:00pm AEST



Online



Eric Ohlson



Total CPD Hours: 1

[BOOK NOW](#)



Thursday 20 May



Free for AAT Members



5:00pm - 6:00pm AEST



Online



Jo Voight



Total CPD Hours: 1

[BOOK NOW](#)

In Case you Missed it: March Tech Talk: Making the Most of Microsoft OneDrive for Secure File Sharing

We talk about the great features of Microsoft's OneDrive and the benefits that accounting technicians can gain from its effective use: syncing of files between devices, options for sharing of folders and files with others, version history, optimising your computer's storage, and more. Join Lynette Coulston from iTandCoffee for this practical Tech Talk.

[WATCH NOW](#)

March Roadshow Recording

If you missed attending the March roadshow live, you can still purchase the recording and log CPD hours for the event.

[WATCH NOW](#)

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?

IPA Group Podcast – The Role of Accountants in Australia's Economic Recovery

IPA CEO Andrew Conway, Reckon Group CEO Sam Allert and Prospa co-founder Beau Bertoli share their perspectives on the end of JobKeeper and how accountants will continue to be relied upon heavily over the next year.

Listen [here](#).

Accountants Daily Insider Podcast – How the ATO's approach has changed over the years

Former ATO assistant commissioner Colin Walker joins Jotham Lian in this episode of Accountants Daily Insider to provide a closer look at the inner workings of the Australian Tax Office and to explore the future of the profession.

Listen [here](#).

Free Mental Health Training for Business Advisors

The Counting on U program — FREE to members of the Institute of Public Accountants — is now open for registration after a successful pilot phase in February.

Developed by Deakin University in collaboration with Beyond Blue, Mental Health First Aid Australia, WorkSafe Victoria and the IPA, the program aims to provide structured training to help accountants identify, manage and prevent various mental health conditions with their SME clients. The program which was awarded a grant from DISER, aims to train 5,000 accountants in mental health first aid during the 2021 calendar year.

More details [here](#).

Lunch & Learn with Accounting Apps

Heather Smith presents free online interactive sessions to help accounting and bookkeeping professionals stay up to date with the vast number of accounting apps available.

More details [here](#).

ATO Tax Professionals Conversations Webcasts

- Thursday 22 April, 2:00pm AEST
- Thursday 17 June, 2:00pm AEST

No need to register – select the [webcast page link](#) at the start time to join. [Recordings and transcripts](#) of previous conversations are available.

ATO Open Forums

Upcoming ATO Open Forums are now being offered online.

Check the [ATO Open forums](#) webpage for sessions focussing on:

- Digital services and system updates.
- Newly registered tax professionals.
- BAS agent updates from the Tax Practitioners Board.
- The ATO focus for 2021.

ATO Tax inVoice Podcast

Keep updated about the latest tax and super information.

New instalments:

[Episode 30 – Super for Women](#)

[Episode 31 – JobMaker Plan Part 1: JobMaker Hiring Credit](#)

[Episode 32 – JobMaker Plan Part 2: Economic support measures](#)

ATO TV

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

TPB Webinars

Upcoming Tax Practitioners Board free webinars for registered agents.

- Thursday 22 April 11:00am (AEST) - Preventing Data Breaches.

- Thursday 22 April 2:00pm (AEST) - Cracking the Code.

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

Visit the [TPB YouTube](#) channel for recordings of all previous webinars.

ATO Upcoming Scheduled Maintenance

- **Saturday 1 May** 6:00am AEST to **Sunday 2 May** 11:00pm AEST
- **Saturday 8 May** 10:00pm AEST to **Sunday 9 May** 10:00am AEST
- **Saturday 12 June** 10:00pm AEST to **Sunday 13 June** 10:00am AEST
- **Friday 18 June** 11:30pm AEST to **Monday 21 June** 7:00am AEST

[ATO – Upcoming scheduled maintenance](#)

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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