



## Practice Update June 2020

### **2020 INCOME STATEMENTS (previously PAYG payment summaries)**

To all of our salary and wage clients, we can obtain your 2020 Income statement (previously called a PAYG payment summary or Group Certificate) from the ATO Tax Agent Portal at the ATO. You DO NOT have to set up a mygov account; we can access this information on your behalf.

We will not be able to lodge your 2020 tax return until your employer has finalised your income statement and it shows as “tax ready”. In most cases your employer has until 31 July (large employers 14 July) to complete and finalise your 2020 Income Statement.

The ATO will start processing returns on 5 July 2020 and will start issuing refunds from 16 July 2020.

If you feel like you would like to complete your return without contact this year, we are more than happy to have an appointment over the phone or you might like to email your information to us.

If you are coming into the office for an appointment we respectfully request that you do not come if you are unwell. We have COVID-19 safe policies in place and hand sanitizer will be available for use at reception.

### **JobKeeper declaration due 14 June**

Businesses that have enrolled in the JobKeeper Scheme and identified their eligible employees are reminded that they will need to make a monthly declaration to the ATO to ensure they continue to receive JobKeeper payments.

The monthly declaration must be made by the 14th day of each month to claim JobKeeper payments for the previous month.

As part of the declaration, businesses will need to:

- ensure they have paid their eligible employees at least \$1,500 (before tax) in each JobKeeper fortnight they are claiming for;
- re-confirm their eligible employees, including notifying if an eligible employee has changed or left employment; and
- provide the current and projected GST turnover of the business – note, this is not a retest of the eligibility of the business.

For example, to claim JobKeeper payments for the May 2020 JobKeeper fortnights, businesses must report their GST turnover for the month of May 2020 as well as their projected GST turnover for the month of June 2020 by 14 June 2020.

The monthly declaration can be lodged through the ATO business portal or through STP-

enabled software. Alternatively, tax agents can assist clients by lodging the monthly declaration on behalf of registered clients.

*Editor: Please contact our office if you require assistance with making the JobKeeper declaration.*

### **ATO reminder for employers – Finalise STP data for 2020**

The ATO has issued a reminder to employers who report through Single Touch Payroll ('STP') – which should be all employers, unless an exemption or deferral applies – that they will need to finalise payroll information for the 2020 income year by making a declaration.

The due date for making finalisation declarations is:

14 July 2020 for employers with 20 or more employees; and  
31 July 2020 for employers with 19 or fewer employees.

Employers that finalise through STP are not required to provide payment summaries to employees and lodge a payment summary annual report to the ATO. Instead, employees will be able to access their payroll information (for preparation of their 2020 tax return) through a registered tax agent or via ATO online services.

*Editor: Please contact our office if you require more information on finalising STP data.*

### **Guidance on JobKeeper reporting via STP**

The ATO has issued guidance to help employers reporting eligible employees and JobKeeper top-up payments through Single Touch Payroll ('STP').

For each eligible employee, employers must notify the ATO:  
when an eligible employee started being paid JobKeeper payments;  
top-up payments to employees earning less than \$1500 per fortnight; and  
when an employee is no longer eligible and JobKeeper payments need to be stopped.  
The ATO says this process will be managed through the 'STP Pay Event' by entering the relevant JobKeeper description (as outlined below) in the 'Other Allowances' field.

#### **To report the JobKeeper start fortnight for an eligible employee:**

Use the description 'JOBKEEPER-START-FNXX' where 'XX' represents the JobKeeper fortnight from which the first payment is made.  
Report the amount as 'zero', or as \$0.01 if the software does not support reporting 'zero'.

#### **To report a top-up payment for an eligible employee ordinarily earning less than \$1,500 per fortnight:**

Use the description 'JOBKEEPER-TOPUP' for the top-up amount.

#### **To report the first full JobKeeper fortnight an employee became ineligible:**

Use the description 'JOBKEEPER-FINISH-FNXX' where 'XX' represents the JobKeeper fortnight in which the last payment is made.

For example, an employee resigns, and their last payment was on 13 May 2020. As this falls in JobKeeper fortnight 04 (being 11/05/2020 – 24/05/2020), the description 'JOBKEEPER-FINISH-FN04' should be used to notify the ATO that the employee is not eligible for JobKeeper from FN05.

## Making corrections to (previously reported) JobKeeper start and finish information

The ATO's guidance identifies several situations where errors made in reporting the JobKeeper start or finish information may need correction and sets out options for doing so.

In particular, guidance is provided for making corrections where:

- the wrong employee was reported as starting or finishing;
- a later start or finish fortnight is incorrectly reported;
- an earlier start or finish fortnight is incorrectly reported; or
- a future-dated start or finish fortnight is reported.

The ATO is urging employers to exercise extreme caution to ensure the accuracy of originally reported information as multiple corrections cannot be made through the STP Pay Event, 'Other Allowances' field.

*Editor: Please contact our office if you require more information or assistance on reporting JobKeeper payments through STP.*

Please contact our office if you have any queries about STP (whether as an employer or employee).

### JOKE OF THE MONTH:

## A Perfect Marriage?

A man and woman had been married for more than 60 years. They had shared everything. They had talked about everything. They had kept no secrets from each other, except that the little old woman had a shoe box in the top of her closet that she had cautioned her husband never to open or ask her about.

For all of these years, he had never thought about the box, but one day, the little old woman got very sick and the doctor said she would not recover.

In trying to sort out their affairs, the little old man took down the shoe box and took it to his wife's bedside.

She agreed that it was time that he should know what was in the box. When he opened it, he found two crocheted dolls and a stack of money totaling \$95,000.

He asked her about the contents. "When we were to be married," she said, "my grandmother told me the secret of a happy marriage was to never argue. She told me that if I ever got angry with you, I should just keep quiet and crochet a doll."

The little old man was so moved; he had to fight back tears. Only two precious dolls were in the box. She had only been angry with him two times in all those years of living and loving. He almost burst with happiness.

"Honey," he said, "that explains the dolls, but what about all of this money? Where did it come from?"

"Oh," she said. "That's the money I made from selling the dolls."

## COVID-19 and tax depreciation reports – are physical inspections necessary?

Property investors and businesses will often engage a specialist quantity surveyor to prepare a tax report on capital works and depreciation deductions available to them under the tax law in respect of their income-producing properties – for example, a rental property, office building or factory.

A thorough physical inspection of the property by a quantity surveyor plays a vital role in this process in order to, amongst other things:

- identify all possible deductions available under the tax law;
- provide accurate valuations of qualifying plant and building works;
- provide supporting documentation of a taxpayer's claims for depreciation and capital works deductions, which is prudent in the event of an ATO audit.

We have become aware that some quantity surveyors are promoting tax depreciation reports that do not include a physical inspection of the property due to COVID-19 precautions.

Usually the reports are provided, with an offer to do an inspection at a later time when it is possible to do so.

However, in some cases, no offer of a site inspection is made at all.

Where a physical inspection of premises is not performed, this increases the risk of deductions being missed or errors being made. This could result in costly adjustments if a taxpayer has to subsequently amend their tax return or is audited.

*Editor: Please contact our office if you require more information about using quantity surveyor tax depreciation reports.*

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.

### HomeBuilder

HomeBuilder provides eligible owner-occupiers (including first home buyers) with a grant of \$25,000 to build a new home or substantially renovate an existing home. HomeBuilder will assist the residential construction market by encouraging the commencement of new home builds and renovations. **For more information please follow link below:**

<https://treasury.gov.au/coronavirus/homebuilder>

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## RECIPE OF THE MONTH: Slow cooker lasagne



### Ingredients

- 2 tsp rapeseed oil
- 2 onions, finely chopped
- 4 celery sticks (about 175g), finely diced
  - 4 carrots(320g), finely diced
  - 2 garlic cloves, chopped
- 400g lean (5% fat) mince beef
- 400g can chopped tomatoes
  - 2 tbsp tomato purée
  - 2 tsp vegetable bouillon
  - 1 tbsp balsamic vinegar
  - 1 tbsp fresh thyme leaves
- 6 wholewheat lasagne sheets (105g)

### For the sauce

- 400ml whole milk
- 50g wholemeal flour
  - 1 bay leaf
- generous grating of nutmeg
- 15g finely grated parmesan

### Method

1. Heat the slow cooker if necessary. Heat the oil in a large non-stick pan and fry the onions, celery, carrots and garlic for 5-10 mins, stirring frequently until softened and starting to colour. Tip in the meat and break it down with a wooden spoon, stirring until it browns. Pour in the tomatoes with a quarter of a can of water, the tomato purée, bouillon, balsamic vinegar, thyme and plenty of black pepper, return to the boil and cook

for 5 mins more.

2. Spoon half the mince in the slow cooker and top with half the lasagne, breaking it where necessary so it covers as much of the meat layer as possible. Top with the rest of the meat, and then another layer of the lasagne. Cover and cook on Low while you make the sauce.
3. Tip the milk and flour into a pan with the bay leaf and nutmeg and cook on the hob, whisking continuously until thickened. Carry on cooking for a few mins to cook the flour. Remove the bay leaf and stir in the cheese. Pour onto the pasta and spread out with a spatula, then cover and cook for 3 hours until the meat is cooked and the pasta is tender. Allow to settle for 10 mins before serving with salad.

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