

Client eBrief



THE INSTITUTE
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BOOKKEEPERS



ATO Lodgement Dates

Paid Parental Leave can now be split

Executive Summary

Paid Parental Leave Amendment (Flexibility Measures) Act 2020

As of 1 July 2020, changes to paid parental leave will commence. Eligible persons will be provided with “more flexibility” to use and extend parental leave pay (PLP).

Currently under the *Paid Parental Leave Act*, an eligible person is entitled to 18 weeks of paid parental leave. Eligible persons are paid in instalments by their employer or the Australian Government at the national minimum wage. Eligible persons may only take the PLP in one continuous block of up to 18 weeks, and it must be claimed within 12 months of the birth or adoption of their child.



From 1 July 2020, under the *Paid Parental Leave Amendment (Flexibility Measures) Act 2020*, eligible persons will be entitled to an initial 12 weeks' PLP period. The eligible persons are then entitled to a second “flexible” PLP period of up to 30 business days.

The initial continuous 12 weeks' PLP can be taken within the first 12 months after the birth or adoption of the child. However, the flexible 30 business days can be claimed on any flexible PLP day within the 24-month period after the birth or adoption of a child (i.e. before the child's second birthday), including in a six-week block immediately after the initial 12-week period. The eligible person's total period of 18 weeks' PLP remains the same, and the rate of pay under the national minimum wage will remain unchanged.

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgements

Final dates for lodgements and payments:

July Activity Statement:

21 August 2020

August Activity Statement:

21 September 2020

BAS Quarterly Lodgements

Final dates for lodgements and payments:

4th Quarter 2020 Financial Year:

June Quarter 2020 (incl. PAYGI)

28 July, 2020

1st Quarter 2021 Financial Year:

September Quarter 2020 (incl. PAYGI)

28 October, 2020

When a due date falls on a Saturday, Sunday or Public Holiday*, you can lodge or pay on the next business day.

*A day that is a public holiday for the whole of any state or territory in Australia.

Due date for super guarantee contributions:

1st Quarter 2021 Financial Year:

July to September 2020 – contributions must be **in the fund** by 28 October, 2020

Late payments of superannuation are **not** tax deductible.

Note that the deduction is allowed in the year that the payment is made. Therefore, for the fourth quarter, if the business wants to claim the tax deduction in the same financial year as the SGC is incurred, the payment must be received into the super fund by that 30 June.

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.

SG Amnesty is currently available for late/overdue super up to March 2018. Please note this Amnesty finishes on the 7th September, 2020

If your business has late/overdue superannuation guarantee payments and you are unsure the correct process of how to proceed in regards to this, please contact us to discuss.



What is now required

For now, there's no change to what you as the Employer or your employees need to do. The best time to claim is still before the child's birth or adoption.

From 14 September Services Australia use the child's date of birth to work out if the changes will affect eligible persons. They will then send more information if both of the following apply:

- the changes affect the eligible persons
- Claims are made for Parental Leave Pay before 14 September.

Information sent is regarding how to manage flexible paid parental leave days.

From 14 September, Services Australia ask both of the following if persons are claiming parental leave pay:

- how to get flexible paid parental leave days
- when to get flexible paid parental leave days.

If the child's birth or adoption is before 1 July 2020, this change doesn't have any impact.

Source

<https://www.servicesaustralia.gov.au/individuals/news/parental-leave-pay-changing-from-1-july-2020>



Best Practice JobKeeper Record Keeping

Introduction

Employers need to satisfy record keeping requirements to be entitled to JobKeeper payments. These include:

- evidence to support the decision to enter into the JobKeeper scheme, including evidence the employer is eligible and that the decline in turnover test was satisfied
- notification electing to participate in the scheme
- nomination notices have been received for eligible employees
- evidence that employee eligibility criteria is satisfied
- evidence that eligible employees have been paid in accordance with JobKeeper obligations
- monthly declaration of current and projected GST turnover.

Principles of Governance by an Employer Around JobKeeper (et al)

1. Leverage existing corporate governance where possible
2. Keep good records
3. Make a reasonable assessment of projected GST turnover

The judgment of whether a reasonable assessment has been made depends on the circumstances of your business. The question is whether a reasonable person in the same circumstances and at the same time would have exercised greater care in making the assessment. Large public and multinational groups generally have more sophisticated corporate governance systems and this will be reflected in the standard applied.

The ATO states:

“If you’ve made a claim and made genuine mistakes, we’ll help you resolve them. We want to give you the support you need, without the worry of accruing a debt, repaying money or getting penalised for genuine mistakes.

We know that most Australians are honest and do the right thing. However, there are a handful of people who try to take advantage and exploit the system for their own financial gain.

We will not tolerate anyone engaging in illegal behaviour or developing contrived schemes designed to take advantage of the COVID-19 stimulus packages. Where people deliberately exploit the system, we will take action. We’ve already seen some examples of people doing the wrong thing, and we’ve acted quickly and decisively.”

Documented JobKeeper Compliance Issues

Some behaviours that are attracting ATO attention include:

- payments to people who do not meet the eligibility requirements or are not employees,
- falsifying records or revising activity statements to meet the fall in turnover test,
- applying for JobKeeper where there is no evidence of carrying on a business or there is no assessable income from carrying on a business,
- employers failing to pass on the full \$1500 JobKeeper payment to eligible employees,
- multiple eligible business participant claims,
- employees being incorrectly excluded under the one-in-all-in rule

The ATO will also focus attention on the application of the decline in turnover test. This may include asking questions where actual and projected turnover have significantly diverged.

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

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