

June 2017

Baker Solutions Group Happenings

Graham

Graham is continuing his studies for his CPA accreditation.

Alexander is now just over 2 years old and continues to keep Graham and Miao (and the rest of us) on their toes. Grandpa's lego is a big hit.

Amanda

Amanda and Craig (and all of us) are looking forward to a new arrival in October this year. Grandpa will need more lego.

End of Financial Year

Another financial year is nearly upon us!

Once again we have compiled a [checklist](#) of things you will need to do at the end of June and the information we will need to finish processing your 2016-17 year accounts.

MYOB Update

If you have an annual MYOB subscription, you will receive notification of this update automatically. MYOB has announced the end of year tax table update. You will need to load it before processing your first payroll in July. **If you are on AccountRight version 2016.3, you will need to load the update to version 2017.1.1 in order to download the new tables.**

With your annual MYOB subscription, you are eligible to have 1 MYOB file hosted in the cloud – enabling you access from multiple locations. You are also able to give us access to your file – so no need to email backups to us and we are able to easily log in and fix any problems!

If you are still on the older version of MYOB and would like to take advantage of the cloud, let us know and we can help you migrate.

Wages Increase

The Fair Work Commission has released their 2017 annual wage review decision. An increase of 3.3% is effective from the **first full pay period** commencing on or after 1 July 2017. Awards can be found on the FairWork website:

<http://www.fairwork.gov.au/awards/a-z-modern-awards-list/pages/default>.

Your industry association should also be able to provide further information.

SuperStream

The SuperStream standard is part of the government's Super Reform package. It will provide a consistent, reliable electronic method of transacting linked data and payments for superannuation. The goal is to improve the efficiency of the superannuation system, to improve the timeliness of processing of rollovers and contributions, and reduce the number of lost accounts and unclaimed monies. This means providing your super contribution data electronically, in a particular format, and processing payments electronically (no more cheques).

All employers should now be making contributions using SuperStream.

MYOB has a clearing house facility that is super stream compliant. If you are not yet setup with a clearing house that is super stream compliant, please contact us and we can help you set it up.

The ATO has a superannuation **clearing house** for businesses with 19 or fewer employees. More information can be found at www.ato.gov.au.

Clearing houses

A clearing house allows you to make a lump sum contribution for all of your staff, across multiple superannuation funds with one simple, online system.

If you are currently making contributions to a number of superannuation funds for your employees, you may consider using a clearing house, most of which are super stream compliant.

Online Contributions

Hostplus Quicksuper and Australian Super Quicksuper both provide a free clearing house facility. If you are a Statewide employer, you can use Statewide.On.Line.

SMSF's

If you have employees contributing to self-managed super funds, you will need to obtain an Electronic Service Address notification for their fund from each of these employees. This is not an ordinary email address. The ESA allows you to notify the SMSF trustee of contribution details.

Superannuation Contributions Cap

The general concessional contributions cap is \$30,000 for the 2016-17 income year.

For those aged 49 years or over on the last day of the 2015-16 financial year, the concessional contributions cap is \$35,000 for the 2016-17 year.

The 2016 Federal Budget announced a change in these caps from the 1st July 2017. The new limit for the 2017-18 income year is \$25,000. There is no higher limit for those over 49.

If you are going to make extra contributions into your super, we suggest you get in touch with us so we can make sure you are within the new limits. It is a very complex area and many factors need to be considered.

There have also been changes to the non-concessional superannuation limits & changes to who can deduct superannuation contributions in their personal tax returns. If your employer does not offer salary sacrifice superannuation contributions and you wish to put some more money into super, please contact us as you can most likely claim a deduction in your personal tax return from 1st July, 2017.

Superannuation Guarantee

Superannuation guarantee payments remain at 9.5% of ordinary time earnings for the 2017-18 year.

You must make superannuation guarantee payments for employees over 70 years of age.

Construction Industry Reportable Payments

Businesses in the building and construction industry need to report the total payments they make to each contractor for building and construction services each year.

These payments are reported to the ATO on the *Taxable payments annual report*.

Details to be reported include:

- ABN, if known
- name
- address
- gross amount you paid for the financial year (this is the total amount paid inclusive of GST)
- total GST included in the gross amount you paid.

The details you need to report will generally be contained in the invoices you receive from your contractors & can most likely be found in your MYOB, Quickbooks or Cashflow Manager file.

We can lodge the report with the ATO and will be in touch if you are in the building & construction industry, 2016-17 reports are due to be lodged by 31 August 2017.

Self Managed Superannuation Funds

Baker Solutions Group can now service your Self Managed Superannuation Fund (SMSF) needs. If you are wondering if a SMSF is right for you, we can help you explore your options or if you would like to set one up – we can organise that for you too!

Once your fund is setup (or if you have an existing fund) we can take care of your annual accounting and tax needs as well as providing assistance with options for your SMSF.

As with the rest of our services, you will know what your costs are upfront with our Fixed Price Agreement for your SMSF.

Contact the team at Baker Solutions Group to find out more.

Financial Planning

We are continuing to partner with a local, non-bank affiliated Financial Planner, Brougham & Vaux (B & V). Through this partnership, the team at Baker Solutions Group will work with you and B & V for all your Financial Planning needs.

This includes options for Self Managed Superannuation Funds as well as any other general Financial Planning needs such as:

- Super & SMSF – Investment options, advice and management
- Personal Risk Insurance – Income Protection & Life Insurance

Contact Amanda or Graham at Baker Solutions Group to find out more.

Baker Solutions Group Portal

We now have a secure document portal which you can access through www.bakersolutionsgroup.com.au. The portal allows us to upload documents for you to view and "sign" electronically and reduces the need for emailing documents.

Once documents have been placed in the portal, they are always available for you to download copies if needed for banks etc.

There is no cost for you to use the portal and we have a "how to use it guide" to get you started.

You can also upload documents and files for us via the portal – this includes backups for MYOB, Quickbooks etc.

Please contact Amanda or Des if you would like us to set you up on the portal.

Small Business Enterprise

Tax cuts for small business (under \$10m) from 1 July 2016

- Company tax rate reduced to 27.5% – you need to make a profit to benefit from this change.

Immediate Write off for Plant & Equipment

- For any item purchased up to \$20,000 (exclusive of GST)

Pay Slips

Australian Government regulations require payslips to be issued to all employees within one day of payment of their wages.

Pay slips must include:

- the employer's name (e.g. XYZ Pty Ltd trading as XYZ Pie Shop)
- the employer's Australian Business Number (if applicable)
- the employee's name
- the date of payment
- the pay period (the period that the payment is for eg. 1/07/17 to 7/7/17)
- the [gross pay](#) and [net pay](#)
- loadings, allowances, bonuses, incentive-based payments, penalty rates or other paid entitlements that can be singled out
- if the employee is paid an hourly rate:
 - the ordinary hourly rate
 - the number of hours worked at that rate
 - the amount of pay at that rate

- if the employee is paid an annual rate (salary), the rate as at the last day in the pay period
- any deductions from the employee's pay, including:
 - the amount and details of each deduction
 - the name and number of the fund / account the deduction was paid into
- any superannuation contributions paid for the employee's benefit, including:
 - the amount of contributions made during the pay period (or the amount of contributions that need to be made)
 - the name and number of the superannuation fund the contributions were made to.

More information and a fact sheet can be obtained from the Workplace Ombudsman website: <http://www.fairwork.gov.au/employment/employers/record-keeping/pages/pay-slips.aspx>

Note: Fair Work inspectors can give employers a fine for not giving employees proper pay slips or keeping the right records.

Family Tax Benefits and Child Care Rebate

Family tax benefits and Child Care Rebate must be claimed through the Department of Human Services.

www.humanservices.gov.au

Personal Income Tax Thresholds

2017 - 2018 tax thresholds income range	Tax rate (%)
0 - 18,200	0
18,201 - 37,000	19
37,001 - 87,000 *	32.5
87,001 - 180,000	37
180,001 +	45

Payment of Refunds

Income tax refunds will no longer be paid by cheque. You must provide financial institution details of the bank account you want any refund to be paid into.

Cut-off Dates for Superannuation Contributions under Superannuation Guarantee

(Eligible employees are normally those who are paid at least \$450 per month)

Quarter	Cut-off date for contributions
1 July to 30 September	28 October
1 October to 31 December	28 January
1 January to 31 March	28 April
1 April to 30 June	28 July

Quarterly BAS Lodgement Dates (Electronic Lodgements)

Quarter	Lodgement and Payment due
1 July to 30 September	25 November
1 October to 31 December	28 February
1 January to 31 March	25 May
1 April to 30 June	25 August

Notes:

- **Monthly** Instalment Activity Statements (IAS) and Business Activity Statements (BAS) are due for lodgement by 21st of the following month.
- If you have a monthly IAS for PAYG withholding and a **quarterly BAS for GST** reporting, the PAYG withholding for September, December, March and June is included on the QUARTERLY BAS and is due at the same time as the Quarterly BAS.

Private Health Insurance Rebate and Medicare Levy Surcharge

Entitlement by income threshold for 2017–18

Status	Income thresholds			
	Base tier	Tier 1	Tier 2	Tier 3
Single	\$90,000 or less	\$90,001 – \$105,000	\$105,001 – 140,000	\$140,001 or more
Family	\$180,000 or less	\$180,001 – 210,000	\$210,001 – 280,000	\$280,001 or more
Age	Rebate for premiums paid, 1 April 2016 – 31 March 2017			
Under 65 yrs	26.791%	17.861%	8.930%	0%
65–69 yrs	31.256%	22.326%	13.395%	0%
70 yrs or over	35.722%	26.791%	17.861%	0%
70 yrs or over	35.722%	26.791%	17.861%	0%

The family income threshold is increased by \$1,500 for each Medicare levy surcharge dependent child after the first child.

End of Financial Year Checklist

30th June will soon be upon us! To help everyone survive this busy time of year we have compiled a checklist for you to follow:

- ☐ PAYG Payment Summaries (Group Certificates) must be completed and sent to employees by 14 July 2017. This year, we will again be preparing computerised Payment Summaries and ATO information using MYOB.
- ☐ **Information that we need from you:**
 - Your annual wages records (eg. MYOB file or final manual pay records) for preparation of PAYG Payment Summaries. For each employee you have we need to know the following:
 - Employee's Full Name, address and tax file number
 - Gross Wages **paid** from 1/7/16 to 30/6/17 and tax deducted from wages.
 - **NOTE: Even if the first pay period in July includes some days worked at the end of June, these are included in the NEXT financial year. The PAYG PAYMENT SUMMARIES are based ONLY on wages actually PAID to the end of June.**
- ☐ Finalise your wages records as soon as possible after the last wages payment in June and send us the information (you can send another file after you reconcile the bank accounts to the end of June).
Please send the backup to us before rolling forward your payroll system.
- ☐ ReturntoWorkSA (Workcover) reconciliations must be lodged and paid by 31 July. We will be completing these for you again this year using ReturntoWorkSA's online reconciliation. If you have received the ReturntoWorkSA reconciliation documents directly, please forward them to us, **together with the covering letter** from ReturntoWorkSA.
- ☐ Compulsory Employee Superannuation Contributions remain at 9.5% from 1st July. Superannuation contributions must be made each quarter.
- ☐ Superannuation owing for the last quarter of the 2016-17 year must be paid by **28 July** in order to meet Superannuation Guarantee requirements.
- ☐ If you wish to claim the superannuation paid as a deduction in your 2017 income tax return, it must actually be paid by 30 June.
- ☐ 30th June means it is **stocktake** time!
- ☐ List all your debtors and creditors as at 30th June.
- ☐ We also need 30th June statements for any relevant loan or investment accounts.
- ☐ Tax invoices for any NEW plant and equipment purchased from 1 July 2016 to 30 June 2017 (if you haven't sent them previously)
- ☐ Please send us your reconciled accounts information to 30th June as soon as possible after the end of June and **BEFORE you roll forward any accounting years.**

Individual returns

For your individual tax returns, we will also need:
FOR TAX YEAR July 2016 to June 2017

- ☐ Your personal PAYG Payment summaries
- ☐ Details of any Australian superannuation regular income payments
- ☐ Tax statements of managed investment fund investments
- ☐ Interest income from banks and building societies (for all accounts that you held during the tax year, even if they are now closed)
- ☐ Dividend statements for any dividends received (or re-invested) during the year
- ☐ Purchase and sale information for any shares or properties bought or sold
- ☐ Donations
- ☐ Work related expenses
- ☐ **Health insurance and rebate entitlement notice**
- ☐ Rental property income and expenses for each property and details of purchase or sale for any properties purchased or sold during the year
- ☐ Income protection premiums paid
- ☐ **Your bank details: BSB, account number and name the account is held in for payment of any refund**

Note: You can no longer claim medical expenses in your personal tax returns or any rebate for children's school expenses.

If you are unsure how to get this information from your records, or if you have any queries, please call our office on 08 8358 2160 so that we can assist you.

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