

BUSH FIRE SEASON

It seems every year in response to our natural disasters we write an article on disaster recovery and unfortunately this year is no exception.

“Our land abounds in nature’s gifts, Of beauty rich and rare;” and we also have a wonderful population who jump in to volunteer or give what they can to help the devastated community. So many people put in a huge effort to help communities start again.

The following information has been taken from a recent newsletter from TAPS (The Association of Payroll Specialists). This highlights relevant information from an employer standpoint. What can businesses do if any of their employees are, or the business itself is, affected by bush fires?

FAIRWORK OMBUDSMAN

The Fair Work Ombudsman has a fact sheet to assist businesses understand their employees’ entitlements during natural disaster. It also provides information about employees who need time off work as they are volunteers for an emergency service organisation such as the SES or Bush Fire Brigade.

<http://www.fairwork.gov.au/resources/fact-sheets/workplace-rights/Pages/employment-entitlements-during-natural-disasters-or-emergencies.aspx>

ATO – EMERGENCY ASSISTANCE

The ATO has provided the following information in relation to payments an employer might make to an employee affected by disasters, e.g. one-off & other non-periodic emergency relief payments - is not taxable. An employer is not required to withhold tax from a payment that is not taxable. An employer who gives emergency assistance to an employee can claim a tax deduction as a business expense

<http://www.ato.gov.au/individuals/content.aspx?doc=/content/00179960.htm&page=5&H5>

Note that this Emergency Assistance is not taxable to the employee (and is not considered to be salary and wages) because it is an Exempt Fringe Benefit.

ATO – NATIONAL BUSHFIRES JANUARY 2013

The ATO has detailed specific events & their response to them <http://www.ato.gov.au/individuals/content.aspx?doc=/content/00342630.htm&pc=001/002/050/004/001&mnu=0&mfp=&st=&cy=>

If your business or residential address is in one of the affected postcodes, the ATO will generally automatically defer your December BAS lodgement and payment to 29 April 2013.

If you use an assistance payment to purchase items for your business, the normal conditions for deductibility apply - the fact that money from a relief fund is used to purchase an item does not affect the deductibility of the item.

ATO Key Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions. Contact us to establish when your information is required for lodgement. You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgement

December Activity Statement:
21st Jan13 final date for lodgement and payment

BAS/IAS Monthly Lodgement

January Activity Statement:
21st Feb13 final date for lodgement and payment

2nd Quarter of FY2013:
BAS lodgement – December Quarter (including PAYGI)
28th Feb 13 final date for lodgement and payment.

Superannuation - 2nd Quarter of FY2013:
SGC December Quarter 28th January 2013 final date for lodgement and payment.
Refer to the ATO for details regarding the Superannuation guarantee Charge applicable. If you do not pay the SGC by this date the SGC is not tax deductible.

Where a due date falls on a day that is not a business day (that is, the due date is a Saturday, Sunday or public holiday), lodgement or payment may be made on the first business day after the due date without incurring a penalty or general interest charge (GIC).

Employing Overseas Workers

All workers in Australia, including foreign workers, are entitled to basic rights including minimum pay, superannuation & the National Employment Standards.

You should check if prospective employees have a valid visa and are entitled to work in Australia before you employ them.

What you need to do:

- 1) Establish validity and type of visa. Keep a copy of the visa and all documents associated with the visa in the employee's file.
- 2) You will need a copy of the visa, related proof of identity documents and a Tax File Number form, as well as bank details & superannuation fund.
- 3) Provide information to the employee: You should provide information from Fair Work about worker entitlements & the National Employment Standards. They are entitled to the Fair Work Information Statement, maximum weekly hours of work, flexible work arrangements, leave, public holidays, notice of termination and redundancy pay.
- 4) Also let them know of their tax obligations and the employer's superannuation obligation.
- 5) On completion/termination, advise the employee about superannuation and tax. You should advise the employee, in writing, that they need to complete a tax return at the end of the Australian financial year, and they are eligible to take their superannuation payments out of the country when they leave.
- 6) You will need to issue a Payment Summary to the worker each year and on completion/termination.

Most common types of Valid Work Visas:

189	Skilled independent Visa	Permanent
190	Skilled Nominated Visa	Permanent
489	Skilled Regional Sponsored Visa	Up to 4 years
457	Temporary Business Visa	Up to 4 years
186	Employer Nomination Scheme	Permanent
187	Regional Sponsored Scheme	Permanent
417	Working Holiday Visa	Specified countries; Up to 1 year 18-30yrs old
462	Work & Holiday Visa	Specified countries; Up to 1 year 18-30yrs old
572	Student Visa	Duration of study; 40hrs work per fortnight
416	Temporary Work & Specialist Entry Visa	Period of Invitation (or up to 6mths for Seasonal Worker Program)

Different visas have different conditions governing work hours and other factors

See following links:

<http://www.immi.gov.au/immigration>

<http://www.immi.gov.au/employers/>

to check the visa details and entitlements see: <http://www.immi.gov.au/e visa/vevo.htm>

Failure to lodge forms with ATO:

The ATO has increased the penalty for failing to lodge ATO forms e.g. BAS

The Cost has increased to \$170 for each 28 days late.

This amount continues to increase to a maximum of 5(each 28 days) x \$170 = \$850.00

Larger entities pay multiples of the \$170 for each period

Disclaimer: All or any advice contained in this newsletter is of a general nature only, & 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

SJ BOOKKEEPING PTY LTD

Tel: 0478 086 008

Email: sheree@sjbookkeeping.com.au