

JUNE 2016

Client eBrief



ATO Lodgement Dates

What are Your Options for Meeting SuperStream

SuperStream is a compulsory system of submitting Superannuation Payment information (standardised data) electronically. The information links the payment made by the employer to the employees account in the relevant superfund/s.

It is the intention that SuperStream will make the whole superannuation system and employer meeting their obligations efficient, faster, more reliable and with less cost.

Every business is different, so there's no 'one size fits all' approach to adopting SuperStream.

Employers have various options; using software that conforms to SuperStream, or using a service provider that can meet SuperStream obligations on your behalf.

Your Options may Include:

- Upgrading your payroll software to an option that includes a clearing house service,
- Using an outsourced payroll function or other service provider,

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 Lodgement – April Activity Statement: 21st May, 2016 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – May Activity Statement: 21st June, 2016 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – June Activity Statement: 21st July, 2016 final date for lodgement and payment.

**3rd Quarter of FY 2016: BAS
Lodgement – March Quarter 2016**

- Using a commercial clearing house,
- Using the free ATO Small Business Superannuation Clearing House (for employers whose business has a turnover of less than \$2 million or less than 20 employees), or
- Your default fund may also have its own electronic channel. This fund can provide you with details about how to comply with the SuperStream using their preferred facilities.

Most employers will find it easiest to use a **superannuation gateway** which acts as a superannuation clearing house from within their payroll software to process SuperStream payments and send the required information.

Important Information for Employers:

- SuperStream is **mandatory** for all employers who make superannuation guarantee payments or any other superannuation contributions for employees.
- Employers must provide the minimum data to the super fund or clearing house **electronically**.
- Ensure payments and data are linked by a unique payment reference number.
- Ensure data and payments are sent on the **same day**.
- Super funds are required to process contributions into the members account within 3 days.
- Superannuation funds are obliged to contact employers within 5 days if data is missing or invalid.
- Employers must respond to any requests from a super fund for missing information or queries relating to employee payments within 10 days.
- Funds will have to refund contributions within 20 working days if they cannot be allocated to an employee.
- It remains your responsibility as the employer to confirm that super contributions have been received, even if you use a clearing house or other service.
- The [Superannuation Guarantee \(Administration\) Act 1992](#) requires you to provide a [Standard Choice Form](#) to your employees. This form will allow you to collect the required SuperStream related information from employees.

Additional Information Required:

Because the data is required to be submitted electronically, there are new fields of information that **must** be provided by you the employer to the superannuation fund or clearing house.

- Unique superannuation identifier (USI) which identifies the fund
- ABN and bank details for Self-Managed Super Funds
- Electronic service address

Self Managed Superfunds:

When you have are paying into a Self Managed Superfunds the following is required

- For all Employees – The SMSF must provide ABN, Bank Details and an Electronic Service Address (ESA), the choice of service is found on the following link: [ATO SMSF Service Providers](#)
- Related employees – eg a director, of paying into a related persons SMSF then SuperStream does NOT require the use of an Electronic

(including PAYGI) 28th April, 2016
final date for lodgement & payment

**4th Quarter of FY 2016: BAS
Lodgement – June Quarter 2016
(including PAYGI)** 28th July, 2016
final date for lodgement & payment

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

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

SuperStream begins 1 July 2016 for all Employers

Due date for super guarantee contributions, for:
3rd Quarter of FY 2016, January to March 2016 - contributions to be made to the fund by 28th April, 2016.
4th Quarter of FY 2016, April to June 2016 - contributions to be made to the fund by 28th July, 2016.
The super guarantee charge is not a tax deduction if not paid by these dates.

Super Guarantee Contributions must be paid (**to fund**) by 30th June to qualify for a tax deduction in the 2015–16 financial year.

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

Service Address. Ensure however the contributions are paid electronically. *ATO example of related parties: Married couple run their own business and pays into their SMSF in the couple's names.*

SuperStream is compulsory for all employers from 1 July 2016



Taxable Payment Annual Report

The Taxable Payments Annual Reporting system commenced on 1st July 2012 for businesses in the **Building and Construction industry**. Businesses in this industry are required to report, to the ATO annually, all payments to suppliers/subcontractors who provide building services.

Who has to Report?

A business that has more than 50% of their activity or 50% of their income for the current or prior year in the building and construction industry, including sole traders and contractors, are known as 'purchaser/s'. If they hire a subcontractor 'supplier' to provide building services the purchaser is required to report the subcontractor payments to the ATO annually.

TPAR applies to business-to-business transactions made in the Building and Construction Industry. It does not apply to private individuals engaging a subcontractor for building services. Note this is an obligation on the 'purchaser/payer' and no new obligation has been created upon the 'recipient/supplier'. They should already be reporting the receipts on their BAS and income tax returns).

The purchaser, or business engaging contractors, is required to provide a report for the entire year's transactions, from 1 July to 30 June. **The report is due annually by 28 August.**

Building Services extends across a wide range of building and construction activities.

What has to be Reported?

The report requires:

- Contractor's name (that appears on the invoice the contractor provided)

- Contractor's ABN
- Contractor's address
- Total amount paid or credited to the contractor over the income year
- Amount of any goods and services tax (GST)

The purchaser **is not** required to supply a notice to each supplier of the amount of income and GST, reported to the ATO.

Bookkeeping Process

The process differs in each software package.

The main principles are that relevant contractors are flagged and the system captures all the required information (listed above).

If a contractor has a Voluntary Withholding Agreement in place, there is no need to report the contractor on the TPAR. Their payments will be captured in the payment summary issued to them at the end of financial year.

The report is prepared on a **cash** basis, even if the company reports their BAS on an accrual basis. Only contractor invoices that have been paid are required to be reported in that financial year.

TPAR extends to Government Grants and Payments

From 1 July 2017 government entities at federal, state, territory and local levels will need to report total payments made to a business for providing services. Government entities at the federal, state and territory levels will also need to report total grants paid to entities with an ABN.

The new law applies to the payer i.e., the Government, but will impact the receiver of such payments. The first report will be due on 28 August, 2018. Certain types of government entities are exempt from reporting, as are certain transactions. For more information refer to ATO website.

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