



SJ BOOKKEEPING



Considerations & Changes for 2023 Financial Year - Business Information

Important Information for Business Owners

With the New Financial Year having started on 1st July 2022, there are new and updated changes and obligations for employers. Please see below a comprehensive list business owners to consider and discuss with your Bookkeeper.

What's Changing

End of Year Payroll Cut Off

- Whichever day you normally /regularly pay your employees – **continue to pay on that date.**
- Do not try to pay your employees earlier (i.e. 30th June) as this may negatively impact their income tax calculations for the financial year.

If your normal payevent occurs on the 1st July – this is the first payment in the new financial year.

Superannuation Guarantee (SG) Payment

- The next quarterly due date for SG payment is **28th July 2022.**

Ensure you have your SG lodgement authority signed and back to your Bookkeeper in readiness for payment if wanting to take advantage of deductibility prior to SG Fund payment cut-off date.

Superannuation Guarantee (SG) Rate

- Increasing to 10.5% from the first payevent in the new financial year. (increments of 0.5% each year to 12.0%).

ATO Lodgement Dates

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

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

See [ATO Due dates by month](#) to check monthly lodgment and payment dates.

BAS/IAS Monthly Lodgements

Final dates for lodgements and payments:

July Activity Statement
21 August 2022

August Activity Statement
21 September 2022

BAS Quarterly Lodgements

Final dates for lodgements and payments:

4th Quarter 2022 Financial Year:
June Quarter 2022 (incl. PAYGI)
28 July, 2022

1st Quarter 2023 Financial Year:
September Quarter 2022 (incl. PAYGI)
28 October, 2022

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:

4th Quarter 2022 Financial Year:
April to June 2022 – contributions must be **in the fund** by 28 July, 2022

1st Quarter 2023 Financial Year:
July to September 2022 – contributions must be **in the fund** by 28 October, 2022

Late payments of superannuation are **not** tax deductible. If your business has overdue superannuation guarantee payments and you are unsure of how to proceed, please contact us to discuss.

Abolishment of \$450 (\$350 if in Hospitality Industry) and Threshold to SG

- SG is now payable on first \$ earned.
- For under 18 years employees. They must work more than 30 hours in one week.

Superannuation Work Test for under 75

- Will no longer have to meet work test to make or receive contributions.

Fair Work Minimum Wage Increases

- Where Fair Work (FWO) advise new minimum wages, it applies to the first full week of July on total hours.
- FWO advise new minimum wage to increase by 5.2%. The new hourly rate is \$21.38 per hour. \$812.44 per week, based on 38 hours per week.
- Award minimum wages will increase by 4.6%, which is subject to a minimum increase for award classifications of \$40 per week and based on a 38-hour week for a full-time employee.
- Check with your Bookkeeper or HR Department regarding the Award to ensure your business is compliant with any other employment condition changes and to ensure your business is on the correct award.

[Awards – Fair Work Ombudsman](#)

Redundancy Tax Free Lump Sum Threshold

- Increases to \$11,591.00 +\$5,797.00 for each completed year of service.

Employment Termination Payment (ETP) Cap Threshold

- Increases to \$230,000.00 (Life & Death).
- Whole of Income WOI remains \$180,000.00.

Payroll Tax (Vic Only)

- Annual deduction \$700,000.00.
- Monthly deduction \$58,333.00 4.85%.
- Regional Employers 1.2125%.

Mental Health and Wellbeing Surcharge (Vic Only)

- Annual threshold of \$10M.
- Monthly threshold of \$833,333.00.
- 0.5% of Victorian taxable wages over \$10M with an additional 0.5% of taxable wages over \$100M.
- Note: For the transitional period (1 January 2022 to 30 June 2022) the respective annual thresholds are \$5M and \$50M.

Payroll Tax (WA only)

Quarterly payroll tax return lodgement threshold changes:

- Increases from \$100,000 to \$150,000.
- Payroll with annual liability of up to \$150,000 will have option to pay quarterly rather than monthly.

Living Away from Home Allowance (LAFHA)

- This changes in March each year.
- Check with your Bookkeeper to ensure the correct amount is being paid.
- [ICB - Living Away From Home Allowance \(LAFHA\)](#)
- [TR 2021/4 | Legal database \(ato.gov.au\)](#)

ATO Cents per Kilometre currently 0.72c - For up to 5,000 Business kms

- Increases to 0.78c for up to 5,000 business kms.

Luxury Car Tax

- Fuel efficient vehicles. \$84,916.00
- All other vehicles \$71,849.00
- LCT rate of 33% – LCT rate of 33% remains unchanged.

GST Car Limit

You can only claim up to the ATO GST Limits these have been increased to:

- 2022/223 \$64,741.00.
- GST \$5,885.00 (maximum claimable).

However, the full value of the car is still an asset to the business.

Fuel Tax Credits

Fuel Tax Credits excise were halved by government and this ceases on 30th September 2022 @11.59pm.

Instant Asset Write Off

ICB recommends seeking Accountants advice in writing on how they wish assets below the threshold to be allocated in the accounting records.

Fringe Benefits Tax

- FBT Rate to 31st March 2023 – 47%
- Type 1 higher gross-up rate 2.0802%
- Type 2 lower gross-up rate 1.8868%

Myths and Truths

Myth 1

My business can claim a deduction for SG payments up until 30th June, providing the payment is made by the 30th June.

Truth 1

If you're an employer planning to claim a deduction for SG payments made by the end of financial year, these payments are due before the **super fund payment cut-off date**. This ensures the payments are received by the employees super funds before 30th June, and your business is not disadvantaged by late payments.

If using the ATO Small Business Superannuation Clearing House (SBSCH), the last day for making payment, is Friday 24th June.

Note: *You will need to be mindful of the business may have paid 13 SG payments during the financial year. This may also impact any employees who have reached the SG threshold of \$27,500.00.*

Myth 2

With recent Fair Work increases to minimum wages, if the payrun falls between the end of June and the first week of July, I can split the payrun for hours worked at old rate, and hours worked at new rate.

Truth 2

The new National Minimum Wage will apply from **the first full pay period on or after 1st July 2022**. This means if you have a weekly pay period that starts on Mondays, the new rates will apply from Monday 4th July 2022.

When **every day** of the employees pay week is a July date, **that** is when the new minimum wage rate will apply (i.e. 01/07/2022 – 07/07/2022).

Myth 3

My business normally pays employees on a Friday (1st July 2022). I can pay my employees earlier so my business gets the benefit of receiving their pays in this financial year.

Truth 3

Employees payment date should remain the same and not paid earlier, as this may negatively affect their income tax calculations and any other Services Australia obligations and superannuation.

Myth 4

My Bookkeeper can finalise the End of Year Payroll at any time.

Truth 4

Bookkeepers and BAS Agents have an obligation to finalise payroll records by the 14th of July. This enables employees to see that their income tax information sent to the ATO is reconciled and tax ready for them to complete their returns. However, there are other times during the year that a Bookkeeper can finalise pays for employees such as termination of employee or cessation of the business which results in termination/redundancy of the employee. These can be finalised at that time.



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.

**SJ BOOKKEEPING**

Regards,
Sheree Davies MICB
0478 086 008
sheree@sjbookkeeping.com.au
www.sjbookkeeping.com.au



Registered BAS Agent #20687007
BAS Registered Company #27065001

DISCLAIMER: The content of this e-mail (including any attachments) as received may not be the same as sent. If you consider that the content is material to the formation or performance of a contract or you are otherwise relying upon its accuracy, you should consider requesting a copy be sent by normal mail. The information in this e-mail is confidential and may be legally privileged. If you are not the intended recipient, please notify the sender immediately and then delete this e-mail entirely - you must not retain, copy, distribute or use this e-mail for any purpose or disclose any of its content to others. Opinions, conclusions and other information in this e-mail that do not relate to the official business of the Institute of Certified Bookkeepers shall be understood as neither given nor endorsed by it.