

CARDELL

CHARTERED ACCOUNTANTS

newsletter

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JobKeeper payment

The JobKeeper Payment helps employers to cover the costs of their employees' wages, so more Australians can retain their jobs and continue to earn an income during COVID-19.

The JobKeeper payment is open to eligible employers, sole traders and other entities to enable them to pay their eligible employee's salary or wages of at least \$1,500 (before tax) per fortnight. You can enrol for the JobKeeper payment through the ATO's Business Portal or in ATO online services using myGov if you are a sole trader.

To be eligible for the JobKeeper payment, employers and their employees must meet a range of criteria. Please contact our office for more information [□](#)

Boosting Cash Flow for employers

The ATO will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements up to the month or quarter of September 2020.

Legislation has passed to provide temporary cash flow support to small and medium businesses and not-for-profit organisations that:

- employ staff
- have been affected by the economic downturn associated with COVID-19

The cash flow boosts will be delivered as credits in the activity statement system, and will generally be equivalent to the amount withheld from wages paid to employees for each monthly or quarterly period from March to June 2020.

An additional cash flow boost will be applied when activity statements for each monthly or quarterly period from July to September 2020 is lodged. They will be paid out in either two or four instalments depending on your reporting cycle.

You must lodge your activity statement to receive the cash flow boosts [□](#)

Instant Asset write-off increased

The instant asset write-off threshold has increased from \$30,000 to \$150,000 from 12 March 2020 until 30 June 2020.

Eligibility range covers businesses with an aggregated turnover of less than \$500 million (up from \$50 million). Instant asset write-off can be used for both new and second-hand assets. Some exclusions and limits apply.

Under instant asset write-off eligible businesses can:

- immediately write off the cost of each asset that costs less than the threshold
- claim a tax deduction for the business portion of the purchase cost in the year the asset is first used or installed ready for use [□](#)

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Early release of superannuation

Individuals financially affected by COVID-19 can access some of their superannuation early. Individuals will not need to pay tax on amounts released and the money they withdraw will not be taken into account under any income or means tests.

Eligible Australian and New Zealand citizens and permanent residents are able to apply online through myGov to access up to \$10,000 of their superannuation before 1 July 2020 and up to a further \$10,000 from 1 July 2020 until 24 September 2020.

To apply for early release, you must satisfy **one or more** of the following requirements:

- You are unemployed
- You are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance
- On or after 1 January 2020, either
 - you were made redundant
 - your working hours were reduced by 20% or more
 - if you were a sole trader, your business was suspended or there was a reduction in your turnover of 20% or more

The government has also announced that eligible temporary residents will be able to apply to access up to \$10,000 of their super before 1 July 2020. Information regarding eligibility criteria is available on the ATO website.

Accessing your super early will affect your super balance and may affect your future retirement income. Consider whether you need to seek financial advice before starting your application

Working from home

Are you working from home due to restrictions around COVID-19? Special arrangements have been announced to make it easier when claiming a deduction for additional running costs incurred as a result of working from home.

A simplified method has been introduced that allows you to claim a rate of 80 cents per hour for all your running expenses, rather than having to calculate the additional amount you incurred for specific running expenses.

This simplified method will be available to use from 1 March 2020 until 30 June 2020. You may still use one of the existing methods to calculate your running expenses if you would prefer to

Super guarantee amnesty

The super guarantee (SG) amnesty is a one-off opportunity to correct past unpaid SG amounts.

Employers have a six-month window, **until 7 September 2020**, to disclose, lodge and pay unpaid SG amounts for their employees.

Employers can claim deductions and not incur administration charges or penalties during this amnesty.

It's important that you act on this opportunity now to get your obligations up to date. If you choose not to come forward during the amnesty, the costs will be significant.

To remain eligible, you must declare and pay your SG shortfalls and interest charges.

Payments made during the amnesty can be claimed as tax deductions, and payment plans can be arranged

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