

## **Pre 30 June – Urgent Taxation Issues**

Our last article posted on our website detailed a checklist and tips that can be enacted before 30 June 2013 in order to manage and minimise your taxation liabilities.

This article will cover the issues that need to be addressed from an administrative perspective. Business owners need to ensure that these administrative issues are addressed in a timely and efficient manner so that you can then continue with other important areas of the business; for example cash flow, new business markets, revenue growth and business retention.

### **1. Discussions with your accountant and financial advisor and implement any end of year tax planning**

Ensure you have taken the time to review your financial performance for the current financial and implemented the strategies suggested by your professional advisors prior to 30 June. Most strategies are date sensitive and therefore must be enacted prior to year end. Enacting post 30 June is often too late and therefore not effective.

### **2. Superannuation**

Consider concessional contributions to a complying superannuation fund up to a maximum of \$25,000. To ensure a tax deduction is claimed, the contributions need to be received and recorded by the trustee of the superannuation fund before Friday 28 June 2013 (as 30 June this year is a Sunday).

### **3. Payment Summaries**

Payment summaries need to be issued to all employees by 12 July 2013, therefore ensure the employee information (e.g. addresses are accurate). Remember to include on the payment summary all remuneration payments including, allowances, overtime, holiday pay, reportable superannuation and fringe benefits.

### **4. Annual Payment Summary**

The Annual Payment Summary and individual employee summaries must be lodged with the Australian Taxation Office (ATO) by 14 August 2013. Certain employers may have an extension until the due date of the business' income tax return but this needs to be clarified with your accountant.

### **5. Contractor Reporting System**

This is the first financial year in which you are required to lodge this report. The lodgement date for the report is 21 July however in this first year, the ATO have extended the date to 28 July provided you lodge activity statements quarterly.

This is quite an onerous reporting system and requires you to report to the ATO details of contractors you have paid during the financial year ended 30 June 2013 that relate to building and construction services.

Details required to be reported include – ABN, name, address, gross amount paid, total of GST included in the gross amount.

### **6. Contractors versus Employees**

Now is the time to implement any agreements between your business and your contractor / employee to be sure they are classified as intended. There can be significant costs should a contractor be subsequently classified as an employee as compared to contractor.

### **7. Superannuation Guarantee Increase**

**As from 1 July 2013**, you need to increase the compulsory superannuation payments you make on behalf of all your eligible employees from 9% to 9.25%. This is the first of several increases over the next seven years.

As well, the existing age limit for employee superannuation guarantee eligibility will be removed. This means you will need to start making super guarantee payments for eligible employees who are 70 years old or over.

Ensure your payroll and accounting systems are able to cater for the gradual increases in the super guarantee and removal of the upper age limit.

Should you wish to discuss the above issues in further detail, please do not hesitate to contact HW One on 07 3360 9600 or email [connect@hwone.com.au](mailto:connect@hwone.com.au)