

CPA



A.L.L. BUSINESS

Certified Practising Accountant

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Family Tax Benefit Payments

Most families have already received a \$600 per child payment in June. Some families may also be eligible for another \$600 per child. The Tax Office will work out eligibility for the payment when your tax return is lodged. For those who have lodged their returns already, they should expect their payments by the end of September. For those yet to lodge, their payments will be made after their tax return is assessed. If you have any enquiries, please contact us or your nearest Centrelink office.

How long should I keep all records?

Our tax system is based on self assessment. We prepare our accounts and lodge our returns. The ATO accepts our calculations and claims, until they audit us!!

For this reason, all documents used to prepare returns needs to be kept for 5 years. This includes cash register tapes, invoices, bank statements, wage records, deposit and cheque books etc. For items of a capital nature, records must be kept for 5 years after you **dispose** of the asset.

Therefore documents used for this financial year need to be kept until 2009.



Inside this issue:

- Family Tax Benefit |
- How long should I keep records?? |
- BAS - Due Date |
- Contractors - v - Workers! 2
- ASIC- Increase in annual review fee 2
- Bookkeeping Services - Can we help you?? 3
- HECS Changes 3
- Super Co-Contribution 3
- Salary Packaging 4
- Tax Seminars 4
- How good are your business records? 4

Quarter 1 Business Activity Statement 2004

Just a quick reminder, the July to September BAS is due the 28th October 2004.



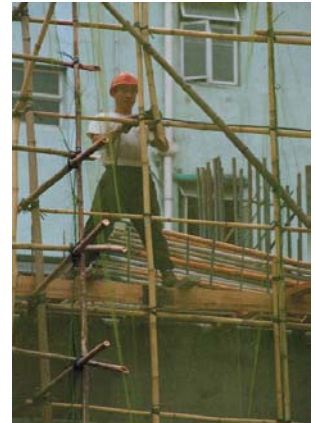
As always, we ask that you drop your information in 3 weeks prior to the due date, so that we can guarantee on time lodgement. Information provided after this date may not be processed by the due date and therefore you may incur late lodgement penalties.

Determine the Status of your workers

If you are an employer, it is important to know the status of your workers for tax purposes, as you have different obligations depending on whether the worker is an employee or a contract worker.

Employees are those workers you employ within your business. You generally withhold tax from payments you make to them.

Contract Workers are those workers who are self employed and have a contract with you to provide services. It is important to note, just because a worker quotes an ABN doesn't mean that they're a contract worker, it depends on the situation you engage the worker. The differences between the two are outlined below:



Control over work

If the worker is an employee, you have the right to direct and control the work of that employee. If the worker is a contract worker, you have the right to specify how the work is to be performed under the contract. If there is no provision within the contract, the contractor is free to exercise their own discretion.

Independence

For an employee, work is performed as per the employers directions; whereas a contractor performs services as specified by the contract.

Payment

Payment for an employee is based on the period of time worked although they can also receive commissions. A contractor on the other hand is paid depending on the performance of the contract services.

Commercial Risk

An employer is legally responsible for work performed by an employee, whereas the contractor is legally responsible for their work and therefore must fix any defective work at their own expense.

Ability to Delegate

An employee performs the work personally, whereas, unless specified, a contractor can subcontract or delegate the work.

Tools and Equipment

The employer, except when agreed otherwise, provides tools and equipment to an employee whereas a contractor normally provides their own tools and equipment.

ASIC—Increase in Annual Review Fee

Since the 1st August 1997, ASIC has kept their annual company review fee at \$200 per year, but unfortunately, as some of you many have already realised, it has increased to \$212 per year. ASIC has advised that the increase in the fee was set to ensure they have sufficient funding to enhance their enforcement work.

When your annual review becomes due we will post all necessary documents to you. Follow our simple instructions and be sure to comply with the due dates stated.

If your address or members details change within the company, you MUST notify us ASAP so that we may lodge the change with ASIC. Failing to do so within the specified time, will lead to late lodgement fees being applied.

Can we help you???

When you run a small business, time can be a valuable thing. Between managing staff, stock and customers, bookkeeping can sometimes be left until the last minute!! If this is the case, it can sometimes be done incorrectly. Sound familiar? We can make it easier, leaving you time to concentrate on what you do best ...running your business!

Not only does this free your time, it also allows us to complete the books to the standard we need them to be for tax and BAS purposes, therefore decreasing the time we spend on your books, which in turn flows through to your pocket!!

If you would like us to help in this department, please don't hesitate to contact us. We offer both manual and electronic assistance and can also give you some tips on how to best bring your work in for completion.



Changes to HECS Compulsory Payments



Higher Education Contribution Scheme (HECS) thresholds have changed for the 2004-2005 year. If you have an accumulated HECS debt, compulsory repayments have to be made if your income is greater than \$35 001 up from \$25 348 in 2003-2004 year.

From 1 January 2005 the lump sum bonus on voluntary repayments will drop from 15% to 10%. If you require more information, please contact our office.

ARE YOU NOW ELIGIBLE???

There have been some changes to the Super Co-Contribution laws, which now mean more people are eligible to save for their retirement. Changes include:

- ◆ An increase in the amount of income you can earn for the year, from \$40 000 per year to \$58 000 per year.
- ◆ An increase in the super co-contribution to \$1.50 for every \$1.00 of personal contributions.
- ◆ An increase in the maximum super co-contribution to \$1500 each year up from \$1000.
- ◆ Change the rate at which the Super Co-contribution entitlement is reduced to 5c for every dollar of annual income over \$28 000.

To find out if you are eligible for a helping hand regarding your retirement, please contact our office.



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Salary Packaging - Could it benefit you??

Salary Packaging is where the employee receives remuneration in the form of a benefit or a superannuation contribution instead of receiving a fully taxable salary.

Well structured remuneration can be an effective strategy for retaining valuable employees without increasing the cost of employment.

From the point of view of the employee, there can be many benefits with this type of arrangement such as superannuation, computers, business related software, subscriptions to business related journals, investment loan interest payments as well as tax benefits.



If you need advice on salary sacrifice, we can put you in contact with a financial planner who can organise the best package to suit your needs.

HOW GOOD ARE YOUR BUSINESS RECORDS ??

Ever wondered how well your records are kept? By using the record keeping evaluation tool on the ATO website, you can find out what records you need to keep and then evaluate just how well you are keeping them. This interactive tool is very useful for those wishing to see how they can improve their records. The best thing is it only takes 15 minutes to complete!

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TAX SEMINARS

Did you know, if you have a group of 10 or more people, you can book a free tax office speaker to explain any matter, at any time and place convenient to you?

If you would like more information you can contact the tax office on : 1300 130 282 or email: speakersandseminars@ato.gov.au

"In the business world, the rear view mirror is always clearer than the windshield."

Warren Buffett
US financier & businessman

Finally, commiserations to all fellow Brisbane Lions supporters. Despite all my cheering and good thoughts, Port were too powerful! 3 in a row was a great effort and we are still the team of the Century!

Disclaimer: This is not advice. Clients should not act solely on the basis of material contained in this publication, as it does not take into account your own personal situation. Items herein are general comments only and so do not constitute or convey comprehensive advice. Changes in legislation occur quickly, therefore we recommend that our formal advice be sought before acting in any of these areas. This publication is issued as a helpful guide to clients and for their private information.