

**Tax Planning for 2020**

It is that time of year again to start thinking about a year-to-date review of your business's financial performance.

There is nothing more frustrating than an unexpected tax liability!

To avoid this potential problem, we recommend that you undertake a planning process with us before the end of June.

Planning will alert you to what your potential income tax situation is for the 2019/20 year and what options you have in relation to managing that potential tax liability.

To start the ball rolling and contact us in the next month.

**Superannuation Guarantee Amnesty**

Fantastic opportunity to set thing right.

The super guarantee (SG) amnesty is a one-off chance for employers to correct previously unpaid SG amounts without incurring administration charges or penalties.

Some employers may have made a genuine error with SG payments, and these can compound over successive quarters. The amnesty offers a chance to fix these errors.

To be eligible for the amnesty,

- you must declare and pay your SG shortfalls and interest charges within the amnesty period
- You must not already have an active SG case with the ATO

**Applications for the amnesty close 11.59pm on Monday 7 September 2020.**

Payments made before 11.59pm on 7 September 2020 will be tax deductible.

Payment plans can be arranged if required.

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 could be significant and there will be no allowable tax deduction for these costs.

Contact our office so that we can assist you to prepare & lodge the forms & amnesty application.



**Instant asset write-off limit has INCREASED from 12<sup>th</sup> March 2020!**

Currently small businesses can immediately deduct the business portion of most assets if they cost less than \$30,000 (net of GST) and were purchased between 1 July 2019 and 11<sup>th</sup> March 2020.

As part of the federal government's recent coronavirus stimulus package announcement, from 12<sup>th</sup> March 2020 this threshold has been increased to \$150,000 (net of GST).

That means from now until 30 June 2020, you can immediately deduct the business portion of most assets if they cost less than \$150,000 (net of GST).

This deduction applies per asset that costs less than \$150,000, whether new or second-hand. The deduction is claimed through the business income tax return in the year the asset was purchased. Please **contact us to verify** if the asset you intend to buy will be eligible for the write off.

**Fuel Tax Credit rate increase from 3 February 2020**

The ATO have announced an increase to the Fuel Tax Credit (FTC) rates from 3 February 2020.

Type of fuel	Rate for fuel acquired from 4 Feb – cents
Fuel used on the road (in heavy vehicle greater than 4.5 tonnes)	16.5
Fuel used for all other activities	42.3

## **Accelerated depreciation rules for new asset purchases from 12<sup>th</sup> March 2020!**

Through until **30<sup>th</sup> June 2021**, brand new asset purchases that don't qualify for the immediate write-off (see previous article for limits) can deduct 50% of the asset's cost upon installation, with existing depreciation rates applying to the balance of the asset.

For example, the purchase of a tractor to the value of \$210,000 will result in;

- a 50% deduction of \$105,000, plus;
- a 15% deduction on the remaining asset value for businesses using the small business pool rules (\$105,000 x 15% = \$15,750)
- In total, **\$120,750 depreciation**

This equals an overall deduction of 57.5% of the assets value **in the first-year asset is purchased.**

REMINDER: this measure only applies to **brand new depreciating assets (not second-hand)** first used or installed ready for use between 12<sup>th</sup> March 2020 – 30<sup>th</sup> June 2021.

## **ATO wants to work with you when you have a debt**

Most taxpayers pay amounts they owe on time or shortly after the due date.

For the minority of payments that remain outstanding, the ATO take action to recover the debt.

How the ATO treat you when you have a debt is not a straight-forward process. It takes into consideration your:

- individual circumstances
- past behaviour
- lodgement and payment history.

As a result, two people may have what looks like similar debt circumstances, but the ATO may treat them differently. Not every taxpayer will go through each step of ATO's treatment or approach to debt recovery.

The ATO is taking a focus on early action – as soon as you know you have a debt you are unable to pay in full, please contact the ATO or ask us to contact them on your behalf to discuss payment options.

The ATO would rather work with you to discuss options for payment than just ignore their requests and allow the debt to grow. Ignoring the debt allows the ATO to take further action with far more severe consequences.

## **Do you need clarification on your employee obligations during the Coronavirus Lockdown?**

Fair Work Australia

<https://coronavirus.fairwork.gov.au/#stand-down>

Please visit the Fair Work Australia website for an extended list of FAQ's and detailed information on your obligations to your employees during this difficult time.

## **Have you read our Coronavirus Special Update newsletter?**

For more detailed information on the recent economic stimulus announcements and financial support available for businesses and individuals, please read our Coronavirus Special Update correspondence emailed out on 26<sup>th</sup> March 2020.

### **WHERE TO FIND US**

170 Johnson Street Maffra Victoria 3860  
PO Box 251 Maffra Victoria 3860  
Phone: (03) 5147 1525 | Fax: (03) 5147 3211  
[www.adamsaccounting.com.au](http://www.adamsaccounting.com.au)

# COVID-19 Information for Employers



## **If my employee contracts COVID-19 at work will they have an entitlement to compensation?**

Workers compensation claims relating to COVID-19 will be considered on individual merits.

As with all claims, the injury must be work-related to be compensable. As the virus can be contracted through community contact as well as workplace exposure, there needs to be a clear link between an employee's employment and contracting the virus for a claim to be accepted. This is similar to other conditions such as influenza, measles and gastroenteritis.

Where an employee's work places them at greater risk of contracting COVID-19, it might be more likely that the injury is work-related. Examples include where employment involves:

- travel to an area with a known viral outbreak
- activities that include interaction with people who have contracted the virus.

If a claim is lodged, employers should provide details of the worker's exposure to the virus and the link to employment. This will help Agents make timely liability decisions.

## **What if my employee sustains an injury working from home?**

Any injury sustained whilst undertaking work duties away from usual work premises, such as working from home, is also considered as occurring in the course of employment and is covered by your policy. This includes injuries sustained during an authorised recess or break, but does not include after hours or when the person is not performing work duties.

Employers and workers should work together to set boundaries and expectations about hours of work and timing of breaks. This helps determine whether any injury or illness sustained while working remotely is work-related.

When employees are working from home their routines and patterns of work can be quite different to when in the office. Employers need to ensure that appropriate supports are in place to prevent workers sustaining injuries, where they have been asked to work remotely or from home.

## **Do employer's RTW obligations still exist given the current COVID-19 pandemic?**

Yes, an employer's RTW obligations (those within sections 103-109 of the Workplace Injury Rehabilitation and Compensation Act 2013 (WIRC Act) remain in place. However, these obligations are "to the extent reasonable" and each individual claim would need to be reviewed to determine what is required in that particular situation.

## **Does WorkSafe expect employers to offer home-based duties to an injured worker?**

As the RTW obligations are "to the extent reasonable", each case would need to be reviewed to determine what is reasonable in that specific circumstance. However, employers need to ensure they are not discriminating against an injured worker and are offering them the same options as any of their other staff members. If an injured worker requests to work from home due to concerns relating to COVID-19 when other staff members are not, the employer must consult with the worker and take their views into account (as is required in section 105 of the WIRC Act). This request may be reasonable and able to be accommodated in some cases and not in others.

### **Does an employer need to identify suitable duties if they are unsure if the business will keep operating?**

An employer would need to ensure they continue to complete RTW planning until such time as the business ceases to operate. This would include consulting with the injured worker and providing them with clear, current and accurate details of their RTW arrangements. In some cases, WorkSafe may request additional evidence from the employer to confirm the cessation of the business.

### **How can an employer supervise and monitor an injured worker if they are working from home?**

In the same way an employer is supervising their other staff working from home. This could include increasing consultation with the worker or arranging regular meetings to monitor their progress.

### **Does an employer need to continue to plan a worker's RTW if the injured worker is now required to self-isolate?**

Yes, an employer must continue to complete RTW planning, to the extent that it is reasonable to do so. An employer must continue to consult with the worker and assess and propose (where possible) options of suitable employment to be completed from the worker's home. If however, the worker is unwell due to contracting COVID-19 they must consult with their employer in relation to utilising their existing sick leave (unless they have an accepted WorkCover for COVID-19).

### **Will RTW inspectors continue to enforce obligations?**

Yes, WorkSafe's RTW inspectors will continue to engage with employers and use all available compliance tools to ensure employers continue to comply with their RTW obligations.

### **What support can I provide to my employees working from home?**

Support may include providing instruction on working remotely, such as setting up ergonomic home workstations to prevent neck, back and other common injuries.

An example of instructions to workers is attached.

Normal modes of communication and team dynamics may also be different and for some this can increase uncertainty and anxiety. Employees should be supported in this regard. Clarifying goals and roles of team members is important to keep the team focused. Continue to schedule regular meeting time with your team to come together virtually. Set aside time on the agenda for personal updates to preserve a sense of camaraderie. Encourage each other to call as needed rather than wait for scheduled meetings.

Employers should direct employees to any Employee Assistance Program they may have.

### **Contacts and links**

- The Department of Health and Human Services has established a hotline where any member of the public can call to seek information on COVID-19 on **1800 675 398**.
- **Victoria's 'Nurse on Call' 1300 60 60 24**

## ***Staying safe when working from home or other secure location***

### ***Information for workers***

#### Physical workstation:

- A suitable & comfortable space to work (office/desk/table)
- An area free of hazards including electrical cabling/not overloaded power outlets
- A chair that provides appropriate support, consider a lumbar support
- A table at the appropriate height

#### Breaks:

- Make sure you take dedicated and clear breaks from work. Continuing routines around start, finish and break times is important.
- Stretch during the period you are working. As a guide, change position every 30 minutes. Everyone is different so listen to your body and move frequently.
- Advise and report any OHS issues, hazards or incidents to your manager or supervisor.

#### Hygiene:

- Regularly clean your hands with soap and water (minimum 20 seconds) or alcohol-based hand rub. If your hands are visibly dirty wash them with soap and water.
- Always wash your hands with soap and water before eating or visiting the toilet.
- Cover your nose and mouth when coughing and sneezing dispose of tissues immediately.
- Avoid close contact with anyone with cold or flu-like symptoms.
- Ensure work surfaces and restroom facilities are regularly cleaned.

#### Keeping connected:

- Connecting with friends and colleagues via phone, Skype, or FaceTime is important to prevent feelings of isolation.
- Not all communication needs to be email. Making time for personal interaction is more important than ever.

#### Setting expectations:

- Try your best to set expectations with other family members around work requirements to reduce interruptions when working from home.