

**Are you a director of a company?
Director ID required for all company
directors from November 1st**

A Director ID is a unique 15-digit numerical identifier that will be assigned to eligible directors as proof of their identity based on a one-time application. Directors will keep their Director ID forever, regardless of whether they change directorships, change names or move overseas.

The Director ID requirement is a component of the Government's Modernising Business Registers Program (MBR Program) aimed at preventing the use of fraudulent director identities and making it easier to track unlawful activity, including phoenix activity.

The Director ID regime will be administered by Australian Business Registry Services (ABRS), a newly established function of the ATO.

Strict rules will apply to how director IDs can be used. For now, the ABRS advises that Director IDs will not be searchable by the public.



INSIDE THIS ISSUE

- 2** Stapled Superannuation Funds – information for Employers
- Concessional superannuation contributions caps for 2022 year

Who needs to have a Director ID?

Directors (or alternate directors acting in that capacity) **will need to apply for a Director ID** if they are a director of either:

- a company, which will have an Australian company number (ACN);
- an Aboriginal and Torres Strait Islander corporation;
- a corporate trustee, for example, of a self-managed super fund;
- a charity or not-for-profit organisation that is a company or Aboriginal and Torres Strait Islander corporation;
- registered Australian body, which will have an Australian Registered Body Number (**ABRN**). For example, an incorporated association that is registered with the Australian Securities and Investments Commission (**ASIC**) and trades outside the state or territory in which it is incorporated; or
- a foreign company registered with ASIC and carrying on business in Australia (regardless of where that individual lives).

A Director ID is **not** required for those who are:

- a company secretary but not a director;
- acting as an external administrator of a company; or
- running their business as a sole trader or partnership.

YOU HAVE UNTIL THE 30th NOVEMBER 2022 to apply for a Director ID.

To apply for your Director ID, you need to have a myGovID account. It is important to note that this is different to a myGov account.

Information on how to apply for your Director ID is here <https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>

TO MAKE IT EASIER FOR YOU WE WILL BE SENDING OUT MORE DETAILS IN THE NEXT FEW WEEKS REGARDING THE SYSTEM & WHAT YOUR OPTIONS ARE & HOW WE CAN HELP YOU THROUGH THE PROCESS.

New Stapled Superannuation Funds rules introduced – information for employers

'Superannuation stapling' is a new measure that was introduced as part of a package of reforms to the superannuation system announced in the 2020/21 Federal Budget.

Under this measure, an existing superannuation account is linked, or 'stapled', to an individual employee so that it follows them as they change jobs. This avoids the creation of a new superannuation account each time a person changes their employment.

These new rules require employers to use the 'stapled super fund' details (instead of the employer's default fund) for new employees who do not choose a fund.

These changes only apply to new employees who commence work on or after 1 November 2021.

Employers must generally provide new employees with a superannuation Standard Choice Form within 28 days of commencing work.

From 1 November 2021, if a new employee does not choose a fund, then the employer will need to check if the employee has an existing stapled fund by logging into ATO online services and accessing the 'stapled super fund request service'.

The ATO has advised that once all the required information is provided and the request is made, the result of the stapled super fund request should be available on-screen within minutes.

Where the employee has a stapled fund, the employer will be required to contribute to the employee's stapled fund. If an employer makes contributions into their default fund for a new employee rather than checking with the ATO to see if the employee has a stapled super fund, then they may be subject to the choice shortfall penalty.

Employees will also be notified by the ATO of the stapled super fund request made in relation to them and will be advised of the details provided by the ATO to the employer.

The ATO will be monitoring the 'stapled super fund request service' to ensure that employers are using it appropriately and making genuine requests for stapled super fund details.

Employers who use the service incorrectly (e.g. to request information for employees who started work before 1 November 2021) may have their access to the service removed.

Instant tax write-off for full cost of eligible assets!

Eligible businesses with an aggregated **turnover under \$5 billion** can continue to immediately deduct the business portion of all **new assets purchased** (not second-hand) up until 30th June 2022.

For **small and medium sized businesses** with an aggregated turnover under \$50 million, full expensing also applies to eligible **second-hand assets**.

The deduction is claimed through the income tax return in the year the asset was purchased.

Note: there is a bill before Parliament that intends to extend the eligibility for the above to the 30/6/2023.

Check the ABN of your contractors!

Have you checked if the contractors you deal with in running your business are GST registered? Is the ABN they quote correct and current?

It is important to confirm these details through the Australian Business Register website.

Some contractors may be charging GST when they are in fact not registered, or even trade under an inactive ABN.

It is YOUR responsibility to check these details so that you do not incorrectly report contractor payments, withhold PAYG, and claim excess GST credits.

<https://abr.business.gov.au/>

Concessional superannuation (tax deductible) contributions cap

For the 2021/22 year, the concessional contributions cap is \$27,500. Non concessional contributions cap has been increased to \$110,000 for the 2021/22 year.

If you are over 67 years of age you need to meet a work test to be able to make personal concessional contributions. This work test states that you must have worked for 40 hours in any thirty-day period during the year.

If you have a salary sacrifice agreement with your employer, make sure that you will not go over your appropriate cap in the 2021/22 year otherwise excess contributions will be included in your assessable income and taxed at your marginal tax rate.

Always seek advice before making superannuation contributions.